COUNTY OF TULARE
BOARD OF RETIREMENT

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MINUTES OF THE BOARD OF RETIREMENT
REGULAR RETIREMENT BOARD MEETING
Wednesday, November 18, 2020 at 8:30 a.m.
TCERA Board Room, 136 N. Akers Street, Visalia, CA 93291

I. CALL TO ORDER

The meeting was called to order at 8:30 a.m. by Roland Hill, Chair.

II. ROLL CALL

Voting Trustees Present:	Cass Cook, Roland Hill, Wayne Ross, Gary Reed, Jim Young, Dave Kehler, Pete Vander Poel, Nathan Polk (departed 9:20 a.m.), Laura Hernandez (arrived 8:43 a.m.)
Alternate Trustees Present:	Dave Vasquez, George Finney
Alternate Trustees Participating Remotely:	Paul Sampietro (departed 10:25 a.m.)
Staff Members Present:	Leanne Malison, Retirement Administrator
Staff Members Participating Remotely:	Mary Warner, Assistant Retirement Administrator
Board Counsel Participating Remotely:	Marit Erickson, Deputy County Counsel Jennifer Shiffert, Deputy County Counsel
Consultants Present:	Scott Whalen, Verus

1. Pledge of Allegiance and Moment of Silence

III. PUBLIC COMMENT

1. At this time, members of the public may comment on any item not appearing on the agenda. Under state law, matters presented under this item cannot be discussed or acted upon by the Board at this time. For items appearing on the agenda, the public is invited to make comments at the time the item comes up for Board consideration. Any person addressing the Board will be limited to a maximum of five (5) minutes so that all interested parties have an opportunity to speak. Please state your name for the record.

None

IV. X-AGENDA ITEMS

None

V. DISABILITIES – Time Certain: 8:30 a.m.

1. Closed session to be held regarding disability matters listed on this agenda.

   Closed session was held from 8:34 a.m. to 8:57 a.m. to discuss the disability matters listed on the agenda.

2. In the matter of the disability application of Mark Hays, consider and take action regarding the application for a disability retirement.

   Motion to deny a Service Connected Disability Retirement. Based on the medical evidence submitted, the applicant has met the burden of proof on the question of permanent disability but has not met the burden of proof on the question of job causation.

   Motion: Young
   Second: Hernandez
   Motion approved unanimously.

3. Accept as filed: Disability Status Report Overview.

VI. CONSENT CALENDAR

1. Approve Minutes of the following Meetings:
   a. Retirement Board Minutes of October 28, 2020.
   b. Retirement Board Minutes of November 4, 2020
2. Approve payments to:
   a. Cheiron – invoice for actuarial services for the quarter ended September 30, 2020 in the amount of $83,124.25.
   b. BNY Mellon – invoice for custodial fees for the quarter ended September 30, 2020 in the amount of $75,966.59.
   c. Verus – invoice for investment consulting services for the month of October, 2020 in the amount of $20,000.00.
3. Approve reports:
   a. Retirement applications, option selections and deceased pensioners for the month of October, 2020.

Motion to approve the Consent Calendar as presented.

Motion: Reed
Second: Ross
Motion approved unanimously.

VII. COMMITTEE REPORTS

1. Update by Dave Kehler regarding the Investment Committee meeting of November 4, 2020. Discussion and possible action regarding the following items:

   a. Asset Allocation Status.

      Mr. Kehler reported that the Committee reviewed the report. Mr. Whalen had noted for the trustees that there is currently a slight growth bias in the equity portion of the portfolio. That will be resolved through rebalancing. He also addressed questions regarding the pacing schedule for funding the real estate debt and value added real estate portions of the portfolio. It is expected to take two to three years to fully fund these allocations.

b. 2020 Investment Committee Goals and Objectives Timeline and 2020 Education Calendar.

Mr. Kehler reported that Ms. Malison informed the Committee that the items for 2020 are all complete. There is a placeholder for a possible investment manager roundtable in 2021. The timing of the asset/liability study due in 2021 is to be determined.

c. Annual Manager Fee and AB2833 Reports

Mr. Kehler reported that Ms. Malison had informed the Committee that the Manager Fee Report is generated at the request of the Retirement Board and is coordinated with the reconciliation of fees conducted by Staff at fiscal year end. The AB2833 fee reports are required by law and presented for the Committee's review. The trustees noted the difference in fees between active and passive managers. Ms. Malison then reminded the Committee that an active/passive discussion panel will be making a presentation to the Board after the first of the year.

d. Investment Managers

1) Verus Flash Report – All Managers
Mr. Kehler reported that the Committee reviewed the September report. More detailed information will be covered in Mr. Whalen's presentation later in this meeting.

2) Managers of Interest

a) Franklin Templeton – no action.
b) Vista Equity Partners (Pathway) – Mr. Kehler reported that Vista Equity Partners is one of Pathway's investments. Its founder has admitted to personal tax fraud unrelated to the firm. A full report will be provided at the next Investment Committee meeting.

VIII. INVESTMENTS

1. Presentation from Verus regarding TCERA's September 30, 2020 Investment Performance Report. Discussion and possible action.

Mr. Whalen presented the information in the September 30, 2020 Investment Performance Report including a discussion of TCERA's risk tolerance for the investment portfolio. The Board requested that Mr. Whalen prepare a more detailed analysis of upside/downside capture, segregating the equity and fixed income portfolios, and provide it to the Investment Committee for review.

The Chair authorized 1.5 hours of continuing education.

2. Discussion and possible action regarding TCERA's strategic investment allocation and investment managers, including performance, contracts, and fees.

No action.

IX. EDUCATION ITEMS

1. Discussion and possible action regarding Summary Education Reports as filed:
   a. Gary Reed – DWS Global Client Group, October 12, 2020, 1 hour.
   b. Jim Young – BlackRock Private Credit, October 20, 2020, 1 hour
   c. Jim Young – BlackRock Global Credit Forum, September 30, 2020, 3.5 hours.

d. Leanne Malison – DWS RREEF America REIT II Virtual Meeting, October 29, 2020, 1.5 hours.
e. Leanne Malison – Invesco Leadership Exchange, Seeking Clarity Amid Chaos (Part 3), October 29, 2020, 2 hours.

Motion to approve the Summary Education Reports as presented.

Motion: Vander Poel
Second: Reed
Motion passed unanimously.

2. Discussion and possible action regarding available educational events.

No action.

X. UPCOMING MEETINGS

1. November 19, 2020 Administrative Committee meeting at 3:00 p.m.
2. December 9, 2020 Retirement Board meeting at 8:30 a.m. – Ms. Malison reminded the trustees that the results of the June 30, 2020 audit will be presented at this meeting.
3. December 9, 2020 Investment Committee meeting at 10:30 a.m.
4. December 17, 2020 Administrative Committee meeting at 3:00 p.m.

XI. TRUSTEE/STAFF COMMENTS

1. Under state law, matters presented under this item cannot be discussed or acted upon by the Board at this time.

Mr. Ross asked about the documents necessary for 2021 per diem stipends. Ms. Malison informed him that Ms. Warner would be in contact with him regarding any pending documents.

Mr. Reed asked for an update regarding the results of the Harrison Security nightly patrols of TCERA premises. Ms. Malison indicated that there has been only one recent incident. Overall the patrols are effective. She also reported that she is aware that there have been some issues with other properties in the complex and trespassing activity may increase as the weather turns colder. Mr. Reed encouraged TCERA to take precautions to ensure the safety of TCERA employees.

Mr. Young asked about the availability of educational events in 2021. Ms. Malison indicated that although there is no confirmation regarding in person CALAPRS and SACRS events it is likely that events will be virtual for the foreseeable future.

Ms. Hernandez asked what effect County layoffs and resulting refunds of contributions would have on the Plan. Ms. Malison noted that unanticipated refunds of contributions from member layoffs would result in an actuarial gain. She also reminded the trustees that TCERA staff ensure that terminated members are provided information on all their options including retirement, deferred retirement, and leaving contributions on deposit to ensure that they are making informed decisions regarding their TCERA accounts.

XII. ADJOURN

The meetings was adjourned at 10:34 a.m.

Roland Hill, Chair