



**COUNTY OF TULARE  
BOARD OF RETIREMENT**

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**MINUTES OF THE BOARD OF RETIREMENT  
REGULAR RETIREMENT BOARD MEETING  
Wednesday, September 22, 2021, 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 8:32 a.m. by Pete Vander Poel, Acting Chair.

**II. ROLL CALL**

Voting Trustees Present: Cass Cook, Ty Inman, Laura Hernandez, Gary Reed, Jim Young, Nathan Polk, Dave Kehler, Pete Vander Poel  
Voting Trustees Absent: Wayne Ross  
Alternate Trustees Present: George Finney, Paul Sampietro  
Alternate Trustees Absent: David Vasquez  
Staff Members Present: Leanne Malison, Retirement Administrator, Mary Warner, Assistant Retirement Administrator, Susie Brown, Secretary I  
Board Counsel Participating Remotely: Jennifer Shiffert, Deputy County Counsel (arrived 8:45 a.m.), Aaron Zaheen, Deputy County Counsel  
Consultants Present: Mike Kamell, Verus  
Consultants Participating Remotely: Scott Whalen, Verus

**III. PLEDGE OF ALLEGIANCE**

**IV. PUBLIC COMMENT**

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

**V. X-AGENDA ITEMS**

None

## VI. DISABILITIES

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

Closed session was held from 8:34 a.m. to 9:02 a.m.

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

Ms. Perez connected to the meeting remotely for a short time, however, did not speak.

Motion to grant 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 and the question of job causation.

Motion: Kehler

Second: Polk

Motion passed unanimously.

3. In the matter of the disability application of Rose Lujano, consider and take action regarding the application for a disability retirement.

Ms. Lujano addressed the Board during public comment.

The Board referred this matter back to Staff to obtain additional information. The matter will be placed on a future agenda for consideration.

4. Accept as filed the Disability Status Report Overview.

Accept as filed.

## VII. CONSENT CALENDAR

1. Approve Minutes of the following meetings:
  - a. Retirement Board Minutes of September 8, 2021.
2. Approve payments to:
  - a. County Counsel – invoice for legal services to the Board of Retirement in the amount of \$8,067.10 for the period ended August 31, 2021.

Motion to approve the Consent Calendar as presented.

Motion: Young

Second: Polk

Motion passed unanimously.

## VIII. INVESTMENT COMMITTEE REPORT

1. Update by Gary Reed regarding the Investment Committee meeting of September 8, 2021.  
Discussion and possible action regarding the following items:
  - a. Asset Allocation Status

Mr. Reed noted that this month's report reflects the new target percentages from the recently adopted strategic asset allocation.

No action.

b. 2021 Investment Committee Goals and Objectives Timeline and 2021 Education Calendar

Mr. Reed noted two items added to the Goals and Objectives Timeline – the implementation of the new strategic asset allocation and the review of the large cap growth equity managers.

No action.

c. Revised TCERA Investment Policy

Mr. Reed reported to the Board that the changes presented are necessary due to the implementation of the new strategic asset allocation. In addition, language referencing commodities and hedge funds have been removed since these asset classes are not currently of interest to the Board. If the Board should decide to invest in those asset classes again at some future date, the policy will need to be revised accordingly.

Motion to accept the revised TCERA investment policy be approved as presented.

Motion: Reed

Second: Cook

Motion passed unanimously.

d. TCERA Strategic Asset Allocation Implementation Plan

Mr. Reed reported that this information was discussed at the committee meeting and requested Mr. Kamell review the presentation materials regarding the implementation plan for TCERA's Strategic Asset Allocation. The following topics were discussed for direction:

1. Best method for allocating capital in **real assets**

- Core Real Estate – recommend retention of existing open-ended fund (RREEF America II). Allocation will be reduced to target over time as capital calls are received for other real asset allocations.

- Real Estate Debt – recommend retention of existing open-ended fund (Invesco).

- Infrastructure – recommend open-ended fund. Committee directed Verus to prepare information on potential managers for review by the Committee.

- Value-Add Real Estate – recommend retention of existing open-ended fund (American Realty) with consideration given to adding closed end funds over time to achieve target.

- Opportunistic Real Estate – option of open end and closed-end funds.

2. Best method for allocating capital in **private equity** – Options are fund of funds (current approach), fund of one, or direct funds.

3. Consulting Services Considerations – If the Board elects to invest using the direct funds approach, a private markets consultant should be considered for assistance with these investments. Mr. Kamell noted the potential conflict of interest in this matter.

4. Investment Strategy for funds pending manager selection/capital calls (“dry powder”).

- Risk-matching option – liquid instruments that offer similar underlying risks as the desired long-term target asset allocation.

- Conservative – liquid instruments that focus on preservation of principal.

5. Benchmarking – dependent on dry powder investment strategy.

Mr. Reed reminded the Board that because of the number of new investments/managers that will be required for the implementation, discussion regarding delegation of authority to the Investment Committee for some decisions might be warranted and require more Committee meetings.

Motion to refer the topic of capital allocation methods to the Investment Committee for further consideration and recommendation, including the possibility of delegating some additional authority to the Investment Committee in order to more quickly make implementation decisions.

Motion: Reed  
Second: Hernandez  
Motion approved unanimously.

Motion to direct Verus to identify a REIT index fund manager to be used in conjunction with TCERA's existing SMID index fund to hold funds pending manager selection and capital calls for new investments.

Motion: Kehler  
Second: Hernandez  
Motion passed unanimously.

- e. Investment Managers
  - 1) Verus Flash Report – All Managers
  - 2) Managers of Interest
    - a) Franklin Templeton – Manager Review

Mr. Reed noted the July report shows positive performance with an expectation that the August report will reflect a more volatile month of investment activity.

No action.

The Acting Chair approved 1 hour for education.

#### **IX. EDUCATION ITEMS**

- 1. Available educational events.

Ms. Malison reviewed the available education events.

No action.

Mr. Polk left meeting 10:11 a.m. to 10:15 a.m.

#### **X. COMMUNICATIONS**

- 1. Discussion and possible action regarding SACRS Legislative Update – September 2021

Ms. Malison reported on AB 361 which allows exceptions to the Brown Act under certain emergency scenarios if approved by the Board. The Board considered the option provided in the bill. No Action taken.

Mr. Kehler asked about the status of AB 826. Ms. Malison reported that the bill has been amended to apply to Ventura County only. While this is an improvement over the previous version, Staff is of the opinion that adoption of the bill would set an unfortunately precedent. The previously approved letter of opposition was submitted to the author of the bill and the governor's office. Staff has not retracted the letter.

#### **XI. UPCOMING MEETINGS**

- 1. Administrative Committee Meeting September 22, 2021, 10:30 a.m.
- 2. Board of Retirement Meeting October 13, 2021, 8:30 a.m.
- 3. Investment Committee Meeting October 13, 2021, 10:30 a.m.
- 4. Board of Retirement Meeting October 27, 2021, 8:30 a.m.
- 5. Administrative Committee Meeting October 27, 2021, 10:30 a.m.

## **XII. TRUSTEE/STAFF COMMENTS**

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

Mr. Kehler reported that there is a positive balance in the market stabilization of \$108 million, a significant increase over previous periods.

Ms. Hernandez asked about the status of the trustee election for the General Members seat. Ms. Malison reported that she did not have the official certification but the unofficial results are that Mr. Inman was the only qualified candidate. She expects the election to be canceled and Mr. Inman certified as the General Members trustee for the three-year term beginning January 1, 2022.

Ms. Hernandez reported that during her interaction with County employees she has received comments regarding the need for more information for members regarding changes in employee contribution rates. Ms. Malison informed the Board that an article on this topic is included in the TCERA newsletter every year. In addition, information is available on TCERA's website. Mr. Vander Poel suggested Staff communicate with the editor of the County's Grapevine newsletter to see if a short reminder could be included each year regarding where to get information on the rate changes as they occur.

## **XIII. ADJOURNMENT**

The meeting was adjourned at 10:26 a.m.



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Pete Vander Poel, Acting Chair