



COUNTY OF TULARE BOARD OF RETIREMENT

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MINUTES OF THE BOARD OF RETIREMENT REGULAR RETIREMENT BOARD MEETING Wednesday, September 23, 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 Chairman Roland Hill.

II. ROLL CALL

Voting Trustees Present:	Cass Cook, Roland Hill, Laura Hernandez, Wayne Ross, Gary Reed Jim Young, Nathan Polk, Dave Kehler, Pete Vander Poel (arrived 8:32)
Alternates Present:	George Finney
Alternates Participating Remotely:	Paul Sampietro
Alternates Absent:	David Vasquez
Staff Present:	Leanne Malison, Retirement Administrator
Staff Participating Remotely:	Mary Warner, Assistant Retirement Administrator
County Counsel Participating Remotely:	Marit Erickson, Jennifer Shiffert
Consultants Present:	Scott Whalen, Verus, Graham Schmidt, Cheiron
Consultants Participating Remotely:	Mike Kamell, Verus, Steven Hastings, Cheiron, Anastasia Dopko, Cheiron
County Representatives Present:	Jason Britt, County Administrative Officer, Paul Guerrero, Principal Administrative Analyst Dennis Townsend, Tulare County Supervisor

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. CONSENT CALENDAR

1. Approve Minutes of the following Meetings:
 - a. Retirement Board Minutes of September 9, 2020.
2. Approve payments to:
 - a. Brown Armstrong – invoice for work in progress on the audit, in the amount of \$9,348.59.

Motion to approve Consent Calendar as presented.

Motion: Vander Poel
Second: Young
Motion passed unanimously.

VI. NEW BUSINESS

1. Update from TCERA's Pension Task Force ad hoc Committee. Discussion and possible action.

Ms. Malison reported that TCERA's Pension Task Force ad hoc Committee met with representatives from Tulare County's Pension Task Force ad hoc Committee on September 9, 2020. The Committee reviewed pension topics including actuarial assumptions and the resulting effects of any changes to those assumptions. Members of the Committees added their comments, including discussion regarding the impact of special pays granted by the County.

2. Presentation of TCERA's Three-Year Experience Study by TCERA's actuary, Graham Schmidt, Cheiron, Inc. Discussion and possible action regarding the results of the study and TCERA's actuarial assumptions.

Mr. Schmidt presented the preliminary results of the three-year experience study, including recommendations regarding changes to be included for the preparation of the June 30, 2020 actuarial valuation. The trustees discussed the ramifications of changes, particularly the investment rate assumption. The Chair invited representatives from the County to address the Board and provide information regarding the impact of increased contributions on the County budget.

Motion to approve changes to the actuarial assumptions to be used in the June 30, 2020 actuarial valuation as follows:

Investment Assumption Rate:	7.0% compounded rate with 3-year cost effect phase-in
Inflation:	2.75%
Wage Growth:	3.0%
Tier 1 COLA:	2.6%
Demographic Assumptions:	As presented in Cheiron's report

Motion: Vander Poel
Second: Cook
Ayes: Cook, Hill, Reed, Young, Vander Poel
Noes: Hernandez, Ross, Polk, Kehler
Motion passed 5/4.

The Chairman authorized 2.5 hours of education credit for trustees and staff.

VII. COMMITTEE REPORTS

1. Update by Dave Kehler regarding the Investment Committee meeting of September 9, 2020. Discussion and possible action regarding the following items:
 - a. Review of information presented by Parametric regarding TCERA's cash overlay program including recommendations from the Committee regarding the program.

Mr. Kehler reviewed the Committee's discussion regarding the educational presentation from Parametric and the cash overlay program. He reported that the Committee recommends terminating the program.

Mr. Kehler also informed the Board that he had authorized 1 hours of continuing education for Committee members and Staff participating in the meeting.

Motion to terminate TCERA's cash overlay program.

Motion: Kehler
Second: Hernandez
Ayes: Cook, Hernandez, Ross, Reed, Young, Polk, Kehler, Vander Poel
Noes: Hill
Motion passed 8/1.

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- b. Asset Allocation Status.

Mr. Kehler reported that the Committee reviewed the report.

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- c. 2020 Investment Committee Goals and Objectives Timeline and 2020 Education Calendar.

Mr. Kehler reported that the Committee reviewed the timeline and calendar.

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- d. Investment Managers.

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- 1) Verus Flash Report – All Managers.

No action.

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- 2) Managers of Interest.

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- a) Franklin Templeton – Manager Review. – No action

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- b) KBI – Update regarding fee proposal. – Mr. Whalen reported that he was in contact with KBI regarding a proposal for a new fee schedule.

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- e. Investment Consultant Review

Mr. Kehler reviewed the Committee's discussion regarding authorizing a Request for Proposal for Investment Consulting Services. Verus has been TCERA's Investment Consultant for nearly 10 years. The Committee considered the Board's fiduciary duty to periodically investigate investment consulting services available to the plan to ensure that the Board is making informed decisions regarding such services.

Motion to direct Staff to prepare a Request for Proposal for Investment Consulting Service to be brought back to the Board at a future meeting for review and approval.

Motion: Kehler
Second: Vander Poel
Motion approved unanimously.

VIII. INVESTMENTS

1. Discussion and possible action regarding KBI Investment Management Fee Schedule.

Mr. Whalen reviewed the performance based fee proposal from KBI. He indicated that the new schedule is favorable and Verus recommends approving the change.

Motion to approve the performance based fee for KBI as presented.

Motion: Young
Second: Hernandez
Motion approved unanimously.

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. Dave Kehler – AB1234 Required Ethics Education, September 4, 2020 – 2 hours.
 - b. Leanne Malison – Verus Topic of Interest Webinar – AEIOU, September 3, 2020 – 1 hour.
 - c. Mary Warner – SACRS – Planning for the Pandemic, August 20, 2020 – 1.5 hours.
 - d. Mary Warner – SACRS – The ERA After the Corona Virus, August 19, 2020 – 1.5 hours.

Motion to approve the Summary Education Reports as filed.

Motion: Ross
Second: Young
Motion approved unanimously.

2. Discussion and possible action regarding available educational events.

Ms. Malison informed the Board that the November SACRS conference will be a virtual event. She will forward the registration information to the trustees.

X. UPCOMING MEETINGS

1. October 14, 2020 Retirement Board meeting at 8:30 a.m.
2. October 14, 2020 Investment Committee meeting at 10:30 a.m.
3. October 22, 2020 Administrative Committee meeting at 3:00 p.m.
4. October 28, 2020 Retirement Board meeting at 8:30 a.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.

Ms. Hernandez asked about on-line educational opportunities for members. Ms. Malison informed the Board that preparation for on-line seminars is already underway.

XII. COMMUNICATIONS

1. For Your Information:
 - a. SACRS Election Results

XIII. ADJOURN

The meeting was adjourned at 11:25 a.m.



Roland Hill, Chair