

VENTURA COUNTY EMPLOYEES' RETIREMENT ASSOCIATION

BOARD OF RETIREMENT

BUSINESS MEETING

JULY 16, 2012

MINUTES

DIRECTORS William W. Wilson, Chair, Public Member
PRESENT: Tracy Towner, Vice Chair, Safety Employee Member
Steven Hintz, Treasurer-Tax Collector
Peter C. Foy, Public Member
Joseph Henderson, Public Member
Arthur E. Goulet, Retiree Member
Will Hoag, Alternate Retiree Member

DIRECTORS Albert G. Harris, Public Member
ABSENT: Robert Hansen, General Employee Member
Tom Johnston, General Employee Member
Chris Johnston, Alternate Employee Member

STAFF Donald C. Kendig, Retirement Administrator
PRESENT: Henry Solis, Chief Financial Officer
Lori Nemiroff, Assistant County Counsel
Chantell Garcia, Program Assistant

PLACE: Ventura County Employees' Retirement Association
Second Floor Boardroom
1190 South Victoria Avenue
Ventura, CA 93003

TIME: 9:00 a.m.

ITEM:

I. INTRODUCTION OF MEETING

Chairman Wilson called the Business Meeting of July 16, 2012, to order at 9:00 a.m.

II. APPROVAL OF AGENDA

MOTION: Mr. Henderson moved, seconded by Mr. Foy, to approve the agenda.

Motion passed unanimously. Mr. Harris, Mr. Hansen, Mr. T. Johnston and Mr. C. Johnston absent. Mr. Towner absent for this item.

III. APPROVAL OF MINUTES

A. Business Meeting of June 18, 2012.

MOTION: Mr. Henderson moved, seconded by Mr. Foy, to approve the minutes of June 18, 2012 as presented.

Motion passed unanimously. Mr. Harris, Mr. Hansen, Mr. T. Johnston and Mr. C. Johnston absent. Mr. Towner absent for this item.

B. Disability Meeting of July 2, 2012.

Mr. Goulet requested the addition of Ruth Tabarez as present for Staff.

MOTION: Mr. Goulet moved, seconded by Mr. Henderson, to approve the minutes of July 2, 2012 as corrected.

Motion passed unanimously. Mr. Harris, Mr. Hansen, Mr. T. Johnston and Mr. C. Johnston absent. Mr. Towner absent for this item.

IV. CONSENT AGENDA

THE FOLLOWING ITEMS ARE ANTICIPATED TO BE ROUTINE AND NON CONTROVERSIAL. CONSENT ITEMS WILL BE APPROVED WITH ONE MOTION IF NO MEMBER OF THE BOARD WISHES TO COMMENT OR ASK QUESTIONS. IF COMMENT OR DISCUSSION IS DESIRED, THE ITEM WILL BE REMOVED FROM THE CONSENT AGENDA AND TRANSFERRED TO THAT SECTION OF THE AGENDA DEEMED APPROPRIATE BY THE CHAIR.

- A. Regular and Deferred Retirements and Survivors Continuances for the Month of June 2012.
- B. Report of Checks Disbursed in June 2012.
- C. Asset Allocation as of June 2012.

IV. CONSENT AGENDA (continued)

- D. Statement of Plan Net Assets, Statement of Changes in Plan Net Assets, Investments & Cash Equivalents, and Schedule of Investment Management Fees for the Months Ended April 30, 2012 and May 31, 2012.
- E. Budget Summary for the Month Ended June 30, 2012, Fiscal-Year 2011-12 (Estimated).
- F. BlackRock Asset Management Report for the U.S. Equity Market Fund, Extended Equity Market Fund, ACWI EX-US Fund, U.S. Debt Index Fund for the Month Ended June 30, 2012.

MOTION: Mr. Henderson moved, seconded by Mr. Foy, to approve the Consent Agenda.

Motion passed unanimously. Mr. Harris, Mr. Hansen, Mr. T. Johnston and Mr. C. Johnston absent. Mr. Towner absent for this item.

END OF CONSENT AGENDA

V. INVESTMENT INFORMATION

- A. Hexavest Investment Presentation, Nadia Cesaratto.

Nadia Cesaratto was present on behalf of Hexavest to review the firm's organization, investment results for VCERA's accounts, investment process, and outlook.

NO ACTION TAKEN.

Mr. Towner entered the meeting at 9:26 a.m.

- B. Walter Scott Investment Presentation, Margaret Foley, MBA, BA, CFA, Relationship Manager.

Margaret Foley was present on behalf of Walter Scott to review the firm's organization, investment results for VCERA's accounts, investment process, and outlook.

NO ACTION TAKEN.

V. INVESTMENT INFORMATION (continued)

- C. Hewitt ennisknupp, Russ Charvonja, ChFC, CFP, Esq., Kevin Vandolder, CFA, and Chae Hong.
1. Monthly Investment Manager Report: Monthly Investment Update, Monthly Manager Updates, and Manager Watch List, June 2012.
 - a. Sprucegrove
 - b. Hexavest
 - c. Walter Scott
 - d. GMO
 - e. Acadian
 - f. Western
 - g. Reams
 - h. Loomis Sayles
 - i. K2 (terminated)

MOTION: Judge Hintz moved, seconded by Mr. Goulet, to receive and file the June 2012 Monthly Investment Update, Monthly Manager Updates, and Manager Watch List.

Motion passed unanimously. Mr. Harris, Mr. Hansen, Mr. T. Johnston and Mr. C. Johnston absent.

2. Highlights and Research, July 2012.
 - a. Investment Managers Transition Update
 - b. Hexavest Ownership Update
 - c. RREEF Update
 - d. Medium Term Views
 - e. Public Funds Can Compete
 - f. Investment Policy Statement

The Board directed the Retirement Administrator to notify them when PIMCO is fully funded.

MOTION: Mr. Henderson moved, seconded by Judge Hintz, to receive and file items a. through e. of the July 2012 Highlights and Research report.

Motion passed unanimously. Mr. Harris, Mr. Hansen, Mr. T. Johnston and Mr. C. Johnston absent.

V. INVESTMENT INFORMATION (continued)

C. Hewitt ennisknupp (continued)

2. Highlights and Research, July 2012. (continued)

No action was taken on item f. of the July 2012 Highlights and Research report.

The Board directed the Retirement Administrator to ensure that the Annual Proxy Voting and Reporting requirements of the Investment Policy are being carried out.

3. Inflation Risk and Real Return Opportunities

NO ACTION TAKEN.

VI. NEW BUSINESS

A. Segal Contract Renewal: Actuarial Services.

MOTION: Mr. Goulet moved, seconded by Judge Hintz, to authorize the Retirement Administrator to execute a contract renewal with Segal provided that the effective date is on or after the date that the renewal is signed by both parties, and that the renewal date is after Segal provides insurance levels at or above \$1,000,000 single limit, \$2,000,000 aggregate for Comprehensive General and Automobile Liability insurance, and \$5,000,000 for Workers' Compensation insurance.

Motion passed. Mr. Foy voting no. Mr. Harris, Mr. Hansen, Mr. T. Johnston and Mr. C. Johnston absent.

Mr. Towner left the meeting at 11:30 a.m.

B. Renewal of Professional Service Contract with CMP & Associates, Inc.

MOTION: Mr. Foy moved, seconded by Judge Hintz, to approve the renewal of the CMP & Associates, Inc. contract, with an effective date of July 1, 2012, as well as ratify the Retirement Administrator's agreement to pay CMP & Associates, Inc. at the increased rate from July 1, 2012 to the date the contract is approved.

Motion passed. Mr. Goulet voting no. Mr. Harris, Mr. Hansen, Mr. T. Johnston and Mr. C. Johnston absent. Mr. Towner absent for this item.

VI. NEW BUSINESS (continued)

- C. AB 2664 and 2668.

MOTION: Mr. Foy moved, seconded by Judge Hintz, to receive and file AB 2664 and AB 2668.

Staff advised the Board that AB 2668 did not apply to them.

Motion passed unanimously. Mr. Harris, Mr. Hansen, Mr. T. Johnston and Mr. C. Johnston absent. Mr. Towner absent for this item.

- D. Request to Attend Opal's Investment Trends Summit – Trustees A. Goulet, T. Johnston, T. Towner and W. Wilson.

MOTION: Mr. Henderson moved, seconded by Mr. Goulet, to approve the attendance of Trustees, Art Goulet, Tom Johnston, Tracy Towner, William Wilson and Steven Hintz to the Opal Investment Trends Summit on September 12-14, 2012.

Motion passed unanimously. Mr. Harris, Mr. Hansen, Mr. T. Johnston and Mr. C. Johnston absent. Mr. Towner absent for this item.

- E. Quarterly Retirement Administrator Report.

MOTION: Mr. Henderson moved, seconded by Judge Hintz, to receive and file the Quarterly Retirement Administrator's report.

Mr. Goulet advised the Retirement Administrator to be careful of the trip limits and that his attendance at the CALAPRS Administrators' Roundtable did not comply with the VCERA Travel Policy.

Motion passed unanimously. Mr. Harris, Mr. Hansen, Mr. T. Johnston and Mr. C. Johnston absent. Mr. Towner absent for this item.

- F. 2012-13 Business Plan.

MOTION: Mr. Henderson moved, seconded by Mr. Foy, to receive and file the 2012-13 Business Plan.

Motion passed unanimously. Mr. Harris, Mr. Hansen, Mr. T. Johnston and Mr. C. Johnston absent. Mr. Towner absent for this item.

VII. OLD BUSINESS

A. Pension Administration System Project Update.

MOTION: Mr. Goulet moved, seconded by Mr. Foy, to receive and file the Pension Administration System (PAS) project update, approve the detailed implementation plan, approve the proposed quarterly reporting format, and establish a 10% contingency for the PAS project.

Motion passed unanimously. Mr. Harris, Mr. Hansen, Mr. T. Johnston and Mr. C. Johnston absent. Mr. Towner absent for this item.

VIII. PUBLIC COMMENT

Russ Charvonja, of Hewitt ennisknupp, reported that CalPERS just reported a 1.0% performance figure for the June 30, 2012 fiscal year.

IX. BOARD MEMBER COMMENT

NONE.

X. ADJOURNMENT

The Meeting adjourned at 12:23 p.m.

Respectfully submitted,



DONALD C. KENDIG, CPA, Retirement Administrator

Approved,



WILLIAM W. WILSON, Chairman