VENTURA COUNTY EMPLOYEES' RETIREMENT ASSOCIATION

BOARD OF RETIREMENT

BUSINESS MEETING

SEPTEMBER 17, 2012

MINUTES

DIRECTORS PRESENT: William W. Wilson, Chair, Public Member
Tracy Towner, Vice Chair, Safety Employee Member
Steven Hintz, Treasurer-Tax Collector
Albert G. Harris, Public Member
Robert Hansen, General Employee Member
Tom Johnston, General Employee Member
Arthur E. Goulet, Retiree Member
Chris Johnston, Alternate Employee Member
Will Hoag, Alternate Retiree Member

DIRECTORS ABSENT: Peter C. Foy, Public Member
Joseph Henderson, Public Member

STAFF PRESENT: Donald C. Kendig, Retirement Administrator
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 September 17, 2012, to order
at 9:02 a.m.
II. **APPROVAL OF AGENDA**

**MOTION:** Mr. Towner moved, seconded by Mr. T. Johnston, to approve the agenda.

Motion passed unanimously. Mr. Henderson and Mr. Foy absent.

III. **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 Months of July and August 2012.


C. Asset Allocation as of July and August 2012.


E. Budget Summary – Year to Date as of June 2012, Fiscal-Year 2011-12.

F. Budget Summary – Year to Date as of July 2012, Fiscal-Year 2012-13.


Staff proposed the following correction to page 3 of the Consent Agenda, changing the date of membership for Lori A. Karns, from 07/07/2012 to 11/15/1987.

**MOTION:** Mr. Harris moved, seconded by Mr. T. Johnston, to approve the Consent Agenda as corrected.

Motion passed unanimously. Mr. Henderson and Mr. Foy absent.
END OF CONSENT AGENDA

IV. INVESTMENT INFORMATION

A. Loomis Sayles Investment Presentation, Stephanie Lord, CFA, CIC.

Stephanie Lord was present on behalf of Loomis Sayles to review the firm’s organization, investment results for VCERA’s accounts, investment process, and outlook.

NO ACTION TAKEN.

B. PIMCO Investment Presentation, David Blair, CFA.

David Blair, Olivia Albrecht and Todd Staley were present on behalf of PIMCO to review the firm’s organization, investment status for VCERA’s accounts, investment process, and outlook.

NO ACTION TAKEN.

C. Hewitt Ennisknupp, Russ Charvonia, ChFC, CFP, Esq., Kevin Vandolder, CFA and Kevin Chen.


MOTION: Judge Hintz moved, seconded by Mr. Harris, to receive and file the Second Quarter 2012 Performance Report.

Motion passed unanimously. Mr. Henderson and Mr. Foy absent.


   a. Sprucegrove
   b. Hexavest
   c. Walter Scott
   d. GMO
   e. Western
   f. Reams
   g. Loomis Sayles
IV. INVESTMENT INFORMATION (continued)

C. Hewitt Ennisknupp (continued)


   a. Sprucegrove
   b. Hexavest
   c. Walter Scott
   d. GMO
   e. Western
   f. Reams
   g. Loomis Sayles

Mr. Hansen left the meeting at 10:19 a.m.

The Board reminded Hewitt Ennisknupp that a column showing fiscal year to date performance needed to be included in the tables for the monthly and quarterly reports.

MOTION: Mr. Harris moved, seconded by Mr. Towner, to receive and file the July 2012 and August 2012 Monthly Investment Manager reports.

Motion passed unanimously. Mr. Henderson and Mr. Foy absent. Mr. Hansen absent for this item.


   a. Update on Fixed Income Market Environment
   b. Investment Managers Transition Update
   c. HEK Client Conference 11/6/12
   d. EuroZone Crisis – The Draghi Plan
   e. Medium Term Views
   f. Capital Market Assumptions


V. OLD BUSINESS


V. **OLD BUSINESS** (continued)

**MOTION:** Mr. Goulet moved, seconded by Mr. Harris, to receive and file the September 2012 Highlights and Research report, Rob Arnott Interview paper, Hexavest Onsite Due Diligence report, and Sprucegrove Onsite Due Diligence report.

Motion passed unanimously. Mr. Henderson and Mr. Foy absent. Mr. Hansen absent for this item.

VI. **NEW BUSINESS**


1. Fiduciary Liability Insurance Presentation.

2. Confirmation of Coverage.

Rennetta Poncy, Alliant Insurance Services, provided a presentation on VCERA’s Fiduciary Liability Insurance.

Chuck Pode, Deputy Executive Officer/Risk Manager, County of Ventura was also present.

**MOTION:** Judge Hintz moved, seconded by Mr. T. Johnston, to authorize the Risk Manager and Retirement Administrator to adjust future fiduciary coverage provisions, upon mutual agreement.

Motion passed unanimously. Mr. Henderson and Mr. Foy absent. Mr. Hansen absent for this item.

Mr. T. Johnston left the meeting at 11:15 a.m.


Mr. Goulet corrected the staff report indicating it was the CRCEA, and not the REAVC, that would be sharing the cost of his trip.

Staff reported that the request to attend the one day SACRS workshop did not require Board action.

NO ACTION TAKEN
VI. NEW BUSINESS (continued)

C. Retirement Administrator Salary.

**MOTION:** Judge Hintz moved, seconded by Mr. C. Johnston, to authorize a 3.0% salary merit increase for the Retirement Administrator.

Motion passed. Mr. Towner voting no. Mr. Henderson and Mr. Foy absent. Mr. Hansen and Mr. T. Johnston absent for this item.

VII. PUBLIC COMMENT

Mr. Kendig announced that he had forgotten to report at the last meeting that substantial progress has been made eliminating the back log of buyback and retirement estimate requests and that statistics will be presented in the next quarterly Retirement Administrator report along with a request for direction to write the Ventura County Deputy Sheriff's Association (VCDSA) a letter with the news.

Mr. Kendig reported that Brazil accepted the custodial documents and that it will be open within the next 72 hours and that the trade will take approximately five additional days to execute.

Mr. Kendig announced that next month the meeting packets will be 100% paperless, with PDF packets having master page numbering and that there will be an attempt to project the meeting packet material on the wall.

VIII. BOARD MEMBER COMMENT

Mr. Wilson announced that he will be missing the October 4, 2012 Investment Retreat.
IX. **ADJOURNMENT**

The Meeting adjourned at 11:33 a.m.

Respectfully submitted,

\[Signature\]

DONALD C. KENDIG, CPA, Retirement Administrator

Approved,

\[Signature\]

WILLIAM W. WILSON, Chairman