

VENTURA COUNTY EMPLOYEES' RETIREMENT ASSOCIATION

BOARD OF RETIREMENT

BUSINESS MEETING

JANUARY 24, 2005

MINUTES

DIRECTORS

PRESENT:

William W. Wilson, Chairman, Public Member
Tracy Towner, Vice Chairman, Safety Employee Member
Lawrence L. Matheney, Treasurer, Ex-officio Member
Albert G. Harris, Public Member
Judy Mikels, Public Member
Robert Hansen, General Employee Member
Jim Wall, General Employee Member
Wayne Larroque, Retiree Member
Chris Johnston, Alternate Employee Member
Vern Markley, Alternate Retiree Member

STAFF

PRESENT:

Van Perris, Administrator
Tim Thonis, Chief Financial Officer
Lori Nemiroff, Assistant County Counsel

PLACE:

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

TIME:

9:00 a.m.

ACTION ON AGENDA:

When Deemed to be Appropriate, the Board of Retirement May Take Action on Any and All Items Listed Under Any Category of This Agenda, Including "Correspondence" and "Informational"

ITEM:

I. INTRODUCTION OF MEETING

Chairman Wilson called the Business Meeting of January 24, 2005 to order at 9:00 a.m.

Chairman Wilson presented a plaque to Mr. Crossan in recognition of this service as a member of the Board of Retirement.

II. APPROVAL OF AGENDA

Mr. Harris moved, seconded by Ms. Mikels, to approve the agenda.

Motion passed.

III. APPROVAL OF MINUTES

A. Disability Meeting of January 3, 2005.

Mr. Harris moved, seconded by Mr. Towner, to approve the Minutes for the Disability Meeting of January 3, 2005.

Motion passed. Ms. Mikels and Mr. Hansen abstained.

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. Delta Asset Management Investment Report for the Month Ended December 31, 2005.
- B. Wasatch Advisors Investment Report for the Month Ended December 31, 2004.
- C. LSV Asset Management Investment Report for the Month Ended December 31, 2004.
- D. Barclays Global Investors Report for the U.S. Equity Index Fund, Extended Equity Market Fund and U.S. Debt Index Fund for the Month Ended December 31, 2004.
- E. Capital Guardian Trust Company Investment Report for the Month Ended December 31, 2004.
- F. Sprucegrove Investment Management Investment Report for the Month Ended December 31, 2004.

IV. CONSENT AGENDA (Continued)

- G. Western Asset Management Investment Report for the Month Ended December 31, 2004.
- H. Reams Asset Management Investment Report for the Month Ended December 31, 2004.
- I. Regular and Deferred Retirements and Survivors Continuances for the Month of December 2004.
- J. Statement of Plan Net Assets, Statement of Changes In Plan Net Assets, Summary of Investments and Cash Equivalents, Statement of Reserves and Schedule of Investment Management Fees for the Month Ended December 31, 2004.
- K. Report of Checks Disbursed in December 2004.
- L. Budget Summary for the Month Ended December 31, 2004.

Ms. Mikels moved, seconded by Mr. Harris, to approve the Consent Agenda Items A through L.

Motion passed.

V. INVESTMENT INFORMATION

- A. EnnisKnupp & Associates, Kevin Vandolder, CFA, Christopher Riley, Senior Analyst.

- 1. Global Equity Investment Manager Candidate Review.

Mr. Vandolder and Mr. Riley reviewed the Ennis Knupp Investment Manager Rating System (IMRS) used to screen the various candidates for a global equity mandate. The four candidates proposed for consideration were Capital Guardian Trust Company, Grantham, Mayo & Van Otterloo, UBS Global Asset Management and Wellington Management Company. The Board was provided an overview of each candidate.

Ms. Mikels moved, seconded by Mr. Matheney, to invite Grantham, Mayo & Van Otterloo and Wellington Management Company to make a presentation to the Board on their Global Equity product.

Motion passed.

V. INVESTMENT INFORMATION (Continued)

- A. EnnisKnupp & Associates, Kevin Vandolder, CFA, Christopher Riley, Senior Analyst.

2. Memorandum-Real Return Assumption Follow-up.

Mr. Vandolder discussed the real return hurdle outlined in the Investment Policy Statement that states the fund's objective is to produce a long-term real return 4% above the rate of inflation. Discussion was held regarding the rate of inflation for investment purposes as opposed to the rate of inflation used for actuarial purposes and whether the Investment Policy Statement needed to clarify that point.

Mr. Towner moved, seconded by Ms. Mikels, to amend the Investment Policy Statement to clarify that the rate of inflation was to be based on the Consumer Price Index.

Motion passed.

3. Memorandum-Sprucegrove Investment Management Update.

Mr. Vandolder advised the Board that John Watson would be retiring at the end of 2008. Ennis Knupp was satisfied that Sprucegrove was taking the appropriate steps in recognition of Mr. Watson's retirement and that there would be a smooth transition.

Mr. Larroque moved, seconded by Ms. Mikels, to receive and file this report.

Motion passed.

4. Preliminary Investment Summary for the Month of December 2004.

Mr. Vandolder and Mr. Riley reviewed the preliminary performance report.

Mr. Wall moved, seconded by Mr. Harris, to receive and file this report.

Motion passed.

VI. NEW BUSINESS

- A. Annual Actuarial Valuation as of June 30, 2004; Paul Angelo, Vice President, The Segal Company.

Mr. Angelo reviewed the results of the Actuarial Valuation performed as of June 30, 2004.

Mr. Wall moved, seconded by Mr. Larroque, to adopt the Annual Actuarial Valuation as of June 30, 2004, prepared by The Segal Company.

Motion passed.

- B. Report on the Financial Audit Conducted as of June 30, 2004, Andrew Paulden, CPA, Partner, Brown, Armstrong, Paulden, McCown, Starbuck & Keeter, Certified Public Accountants.

Andrew Paulden was present to discuss the audit for the year ended June 30, 2004. Mr. Paulden outlined the audit process and indicated that an unqualified opinion had been issued.

Mr. Matheney moved, seconded by Ms. Mikels, to accept the audit performed by Brown, Armstrong, Paulden, McCown, Starbuck & Keeter, Certified Public Accountants.

Motion passed.

- C. Ventura County Employees' Retirement Association Comprehensive Annual Financial Report For the Year Ended June 30, 2004.

Ms. Mikels moved, seconded by Mr. Harris, to receive and file this report.

Motion passed.

- D. Request to Attend Institutional Investor Institute Public Funds Roundtable, April 28-29, 2005.

Ms. Mikels moved, seconded by Mr. Harris, to approve this request.

Motion passed.

VII. INFORMATIONAL

- A. Publications (Available in Retirement Office)
 - 1. Institutional Investor
 - 2. Pensions and Investments
- B. Response to SACRS System Survey on Defined Benefit Reform.
- C. CALAPRS Trustees' Roundtable Meeting Announcement.
- D. CALAPRS 2005 General Assembly Agenda.

No action taken on Informational Items.

VIII. PUBLIC COMMENT

None.

IX. BOARD MEMBER COMMENT

Ms. Mikels requested that a future Board agenda include an item to address the current statewide discussion to replace defined benefit plans with defined contribution plans. Mr. Towner indicated SACRS would be holding a session in Sacramento in February to discuss the current proposals to replace defined benefit plans with defined contribution plans. Mr. Hansen commented on the fine work being done by The Segal Company. Mr. Wilson requested an update on the new County payroll system and how it was impacting the Retirement Department.

X. ADJOURNMENT

There being no further business before the Board, Chairman Wilson adjourned the meeting at 11:20 a.m.

Respectfully submitted,

VAN PERRIS
Retirement Administrator

Approved:

WILLIAM W. WILSON
Chairman

