

# **VENTURA COUNTY EMPLOYEES' RETIREMENT ASSOCIATION**

## **BOARD OF RETIREMENT**

### **DISABILITY MEETING**

**March 2, 2015**

#### **AGENDA**

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

**TIME:** 9:00 a.m.

#### **ITEM:**

- |             |                                                                                                                                                                                                                                                                               |                             |
|-------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------|
| <b>I.</b>   | <b><u>CALL TO ORDER</u></b>                                                                                                                                                                                                                                                   | Master<br>Page No.<br>1 – 2 |
| <b>II.</b>  | <b><u>APPROVAL OF AGENDA</u></b>                                                                                                                                                                                                                                              |                             |
| <b>III.</b> | <b><u>APPROVAL OF MINUTES</u></b>                                                                                                                                                                                                                                             |                             |
|             | A. Business Meeting of February 23, 2015.                                                                                                                                                                                                                                     | 3 – 13                      |
| <b>IV.</b>  | <b><u>RECEIVE AND FILE PENDING DISABILITY APPLICATION<br/>STATUS REPORT</u></b>                                                                                                                                                                                               | 14 – 46                     |
| <b>V.</b>   | <b><u>CLOSED SESSION</u></b>                                                                                                                                                                                                                                                  |                             |
|             | A. CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION<br>(Gov. Code section 54956.9) PURSUANT TO GOVERNMENT<br>CODE SECTION 54956.9, SUBDIVISION (d)(1): NAME OF CASE:<br>Wheat v. Board of Retirement; Ventura County Superior Court Case<br>No. 56-2013-00440045-CU-WM-VTA |                             |

**VI. OLD BUSINESS**

- A. Review and Approval of Corrected Fee Schedule and Amendment to Section 2.6 of the Previously Approved Contract for Custodial Services with State Street Bank and Trust.

**RECOMMENDED ACTION: Approve**

- |                                  |         |
|----------------------------------|---------|
| 1. Staff Letter                  | 47      |
| 2. Amended Fee Schedule          | 48 – 50 |
| 3. Amended Section 2.6 (Redline) | 51 – 53 |

**VII. NEW BUSINESS**

- A. Review and Approval of Amended Conflict of Interest Code

**RECOMMENDED ACTION: Approve**

- |                                                     |         |
|-----------------------------------------------------|---------|
| 1. Staff Letter                                     | 54      |
| 2. 2014 Amended Conflict of Interest Code           | 55 – 59 |
| 3. 2014 Amended Conflict of Interest Code (Redline) | 60 – 63 |

- B. Request from Retirement Administrator Webb to Attend the CALAPRS General Assembly in Monterey, CA, March 7 – 10, 2015.

**RECOMMENDED ACTION: Approve**

- C. Distribution of Recommended Ballot; SACRS Election – 2015 Spring Conference.

**RECOMMENDED ACTION: Approve**

**VIII. INFORMATIONAL**

- |                                       |         |
|---------------------------------------|---------|
| A. SACRS Memo dated February 24, 2015 | 68 – 69 |
|---------------------------------------|---------|

**IX. PUBLIC COMMENT**

**X. STAFF COMMENT**

**XI. BOARD MEMBER COMMENT**

**XII. ADJOURNMENT**

# **VENTURA COUNTY EMPLOYEES' RETIREMENT ASSOCIATION**

## **BOARD OF RETIREMENT**

### **BUSINESS MEETING**

**February 23, 2015**

#### **MINUTES**

**DIRECTORS** Tracy Towner, Chair, Alternate Safety Employee Member  
**PRESENT:** William W. Wilson, Vice Chair, Public Member  
Steven Hintz, Treasurer-Tax Collector  
Joseph Henderson, Public Member  
Peter C. Foy, Public Member  
Mike Sedell, Public Member  
Deanna McCormick, General Employee Member  
Craig Winter, General Employee Member  
Chris Johnston, Safety Employee Member  
Arthur E. Goulet, Retiree Member  
Will Hoag, Alternate Retiree Member

**DIRECTORS** None.  
**ABSENT:**

**STAFF** Linda Webb, Retirement Administrator  
**PRESENT:** Henry Solis, Chief Financial Officer  
Lori Nemiroff, Assistant County Counsel  
Stephanie Caiazza, Program Assistant  
Julie Stallings, Chief Operations Officer  
Chantell Garcia, Retirement Benefits Specialist

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

**TIME:** 9:00 a.m.

**ITEM:**

#### **I. CALL TO ORDER**

Chair Tracy Towner called the Business Meeting of February 23, 2015, to order at 9:03 a.m.

**II. APPROVAL OF AGENDA**

MOTION: Approve.

Moved by Henderson, seconded by Johnston.

Vote: Motion carried

Yes: Goulet, Johnston, Foy, Sedell, Winter, Hintz, Henderson, McCormick,  
Wilson

No: -

**III. APPROVAL OF MINUTES**

A. Disability Meeting of February 2, 2015.

MOTION: Approve.

Moved by Henderson, seconded by McCormick.

Vote: Motion carried

Yes: Goulet, Johnston, Foy, Sedell, Winter, Hintz, Henderson,  
McCormick,  
Wilson

No: -

**IV. CONSENT AGENDA**

A. Approve Regular and Deferred Retirements and Survivors Continuances for the Month of January 2015.

B. Receive and File Report of Checks Disbursed in January 2015.

C. Receive and File Statement of Fiduciary Net Position, Statement of Changes in Fiduciary Net Position, Investments and Cash Equivalents, and Schedule of Investment Management Fees for the Period Ending December 31, 2014.

D. Receive and File Budget Summary for FY 2014-15 Month Ending January 31, 2015.

MOTION: Approve the Consent Agenda.

Moved by Wilson, seconded by Henderson.

Vote: Motion carried

Yes: Goulet, Johnston, Foy, Sedell, Winter, Hintz, Henderson,  
McCormick, Wilson

No: -

**V. ACTUARIAL INFORMATION**

**A. Review and Approval of the Updated Annual Actuarial Report as of June 30, 2014.**

**1. Staff letter**

**2. June 30, 2014 Updated Actuarial Valuation Report**

Ms. Webb informed the Board of an additional correction to the June 30, 2014 Actuarial Valuation that was not mentioned in the staff letter. In the last sentence of the second paragraph on page 14 of the report (Master Page 56), the phrase "members with less than 30 years" should be replaced by the word "employers". Ms. Webb stated that this correction is in agreement with previous collective bargaining agreements, had been communicated by email to stakeholders, and was acknowledged by Segal Consulting to be simply a clerical error.

The following motion was made:

**MOTION:** Approve the June 30, 2014 Actuarial Valuation report with the indicated revisions, including the additional correction to page 14.

Moved by Hintz, seconded by Johnston.

Vote: Motion carried

Yes: Goulet, Johnston, Foy, Sedell, Winter, Hintz, Henderson,  
McCormick, Wilson

No: -

**3. VCERA Actuarial Funding Policy**

Ms. Webb informed the Board of a suggested change by Segal Consulting that was redlined in the materials. The change would insert a sentence in #9 to reflect the tier-specific rates and related updated to the actuarial valuation.

Ms. Webb informed the Board about concerns Trustee Goulet had raised about the funding policy needing further updates, as the last revision had been done prior to PEPRAs.

Trustee Goulet suggested continuing the item so that ultimately all updates could be made together.

After discussion by the Board and staff, the following motion was made:

MOTION: Continue this item to a future meeting, to be considered in conjunction with the further review to include PEPRAs provisions as well as approval of the upcoming 3-year experience study.

Moved by Goulet, seconded by Hintz.

Vote: Motion carried

Yes: Goulet, Johnston, Foy, Sedell, Winter, Hintz, Henderson,  
McCormick, Wilson

No: -

**VI. INVESTMENT MANAGER PRESENTATIONS**

- A. Receive Annual Investment Presentation, Prudential, James Glenn, Principal, PRISA Portfolio Manager and Mark Oczkus, Principal, Marketing and Client Relations (30 Minutes)

James Glenn and Mark Oczkus were present on behalf of Prudential to provide an organizational and investment performance update.

- B. Receive Annual Investment Presentation, UBS, Stephen J. Olstein, Executive Director (30 Minutes)

Public Comment was received from the Michael Pineschi from UniteHere, as well as Jose Aguilar and Olga Castillo, employees of the Doubletree Hotel in Los Angeles. Mr. Pineschi provided information of a developing labor dispute at the Doubletree, which is owned by UBS Realty and managed by Trumble Property Group and Income Fund. Mr. Aguilar and Ms. Castillo related their personal experiences in regard to the dispute. The group requested VCERA to urge UBS to address their concerns.

Stephen J. Olstein was present on behalf of UBS Realty to provide an organizational and investment performance update. Before beginning his

formal presentation, Mr. Olstein said that the fund in which VCERA is invested is not an owner of that Doubletree Hotel. He continued that in instances where a UBS fund owns a hotel, another entity is engaged to manage the property. He indicated that had he known the speakers were planning to attend and speak, he could have been prepared to respond.

**VII. INVESTMENT INFORMATION**

**A. NEPC – Allan Martin, Partner.**

1. Discussion and Action Regarding NEPC Asset Allocation Recommendation

MOTION: Approve Asset Allocation recommendation from NEPC.

Moved by Johnston, seconded by McCormick.

Vote: Motion carried

Yes: Goulet, Johnston, Foy, Sedell, Winter, Hintz, Henderson,  
McCormick, Wilson

No: -

2. Presentation of Investment Performance Report Quarter Ending December 31, 2014.

MOTION: Receive and file.

Moved by Wilson, seconded by Goulet.

Vote: Motion carried

Yes: Goulet, Johnston, Foy, Sedell, Winter, Hintz, Henderson,  
McCormick, Wilson

No: -

3. Preliminary Performance Report Month Ending January 31, 2015.

MOTION: Receive and file.

Moved by Wilson, seconded by McCormick.

Vote: Motion carried

Yes: Goulet, Johnston, Foy, Sedell, Winter, Hintz, Henderson,  
McCormick, Wilson

No: -

**VIII. Ventura County Employees' Retirement Information System (VCERIS) Pension Administration Project**

- A. Staff letter
- B. Revised Vitech Change Order #6

Brian Colker of Linea Solutions, Inc. reviewed the proposed revisions to Vitech Change Order #6, which was not fully executed by Vitech after it was approved by the Board at the January 5, 2015 Disability Meeting.

After discussion, the following motion was made:

MOTION: Reject Revised Vitech Change Order #6.

Moved by Goulet. Motion failed for lack of a second.

After further discussion, the following motion was made:

MOTION: Approve Revised Vitech Change Order #6.

Moved by Sedell, seconded by Winter.

Vote: Motion carried

Yes: Johnston, Foy, Sedell, Winter, Hintz, Henderson, Wilson

No: Goulet

Abstain: McCormick

- C. VCERIS Project Quarterly Status Report.

MOTION: Receive and file.

Moved by Wilson, seconded by Henderson.

Vote: Motion carried

Yes: Goulet, Johnston, Foy, Sedell, Winter, Hintz, Henderson,  
McCormick, Wilson

No: -

**IX. NEW BUSINESS**

- A. Review of 2014 Board Member Education Compliance
  - 1. Staff letter
  - 2. 2014 Board Member Education Compliance Report



MOTION: Receive and file.

Moved by Hintz, seconded by McCormick.

Vote: Motion carried

Yes: Goulet, Johnston, Foy, Sedell, Winter, Hintz, Henderson,  
McCormick, Wilson

No: -

**B. Review of Board Travel and Education Policy**

**1. Staff letter**

**2. Draft Board Travel and Education Policy**

Ms. Webb reviewed the proposed revisions to the draft Board Travel and Educational Policy.

Ms. Webb recommended an additional update to page 4 of the policy (Master Page 398), replacing #12 with the Board's newly engaged firm, Nossaman, LLC.

After discussion by the Board, the following motion was made:

MOTION: Approve Revised Board Travel and Education Policy, Including Correction to #12.

Moved by Sedell, seconded by McCormick.

Vote: Motion carried

Yes: Goulet, Johnston, Foy, Sedell, Winter, Hintz, Henderson,  
McCormick, Wilson

No: -

Mr. Goulet informed the Board that he was nominated for secretary of the SACRS Board of Directors.

**C. Proposed Budget Adjustments for Board Approved Requests**

Mr. Solis identified an error in the cover letter in the materials, indicating that the letter's reference to the increase for Information Technology (Non-CAP) should read \$351,400 and the decrease for contingency should read \$379,600. Mr. Solis indicated the remaining materials were correct.

The following motion was made:

MOTION: Approve staff's proposed budget adjustments with referenced corrections.

Moved by Goulet, seconded by Johnston.

Vote: Motion carried

Yes: Goulet, Johnston, Foy, Sedell, Winter, Hintz, Henderson,  
McCormick, Wilson

No: -

D. Mid-Year Budget Update for FY 2014-15

After an update from Mr. Solis, the following motion was made:

MOTION: Approve.

Moved by Goulet, seconded by Henderson.

Vote: Motion carried

Yes: Goulet, Johnston, Foy, Sedell, Winter, Hintz, Henderson,  
McCormick, Wilson

No: -

E. VCERA Cost-of-Living Adjustments (COLA) as of April 1, 2015.

The following motion was made:

MOTION: Approve.

Moved by Wilson, seconded by Johnston.

Vote: Motion carried

Yes: Goulet, Johnston, Foy, Sedell, Winter, Hintz, Henderson,  
McCormick, Wilson

No: -

F. Oral Update from the Personnel Review Committee on VCERA's Chief Investment Officer Recruitment

Mr. Hoag informed the Board that there are currently seven candidates for the position, narrowed down from thirty. Interviews were rescheduled from February 20, 2015 to March 2, 2015.

- G. Recommendation to Approve Trustee Winter's Attendance at the Wharton Investment Program on Portfolio Concepts and Management, April 27 – 30, 2015, Philadelphia, PA.

MOTION: Approve.

Moved by Johnston, seconded by Hintz.

Vote: Motion carried

Yes: Goulet, Johnston, Foy, Sedell, Winter, Hintz, Henderson,  
McCormick, Wilson

No: -

- H. Recommendation to Approve Trustee McCormick's Attendance at the 26<sup>th</sup> Annual Southern California Public Retirement Seminar; February 24, 2015; Lakewood, CA.

MOTION: Approve.

Moved by Henderson, seconded by Johnston.

Vote: Motion carried

Yes: Goulet, Johnston, Foy, Sedell, Winter, Hintz, Henderson,  
McCormick, Wilson

No: -

- I. CALAPRS Trustees' Roundtable Report, Submitted by Trustee Goulet and Trustee McCormick

MOTION: Receive and file.

Moved by Sedell, seconded by Wilson.

Vote: Motion carried

Yes: Goulet, Johnston, Foy, Sedell, Winter, Hintz, Henderson,  
McCormick, Wilson

No: -

**X. INFORMATIONAL**

- A. SACRS Memo dated February 9, 2015.

- B. Opal's 12<sup>th</sup> Annual Emerging Managers Summit and 2<sup>nd</sup> Annual Opal Exchange; June 8 – 9, 2015 and June 9 – 11, 2015; Chicago, IL.

- C. UBS Realty Investors Client Conference; March 21 – 25, 2015; Pasadena, CA.
- D. Deutsche Asset & Wealth Management's Real Assets Conference; March 17 – 19, 2015; Dana Point, CA.

**XI. INFORMATIONAL**

- A. SACRS Memo- Reminder for Upcoming 2015-16 Board of Directors Elections
- B. Save the Date – 2015 Alternatives Investor Day- PIMCO, Thursday, April 30, 2015; Balboa Bay Resort, Newport Beach, CA.
- C. Opal's 9th Annual Investment Consultant Forum; March 10, 2015; New York City, NY.
- D. Opal's Annual Real Estate Investors Summit; March 30 – 31, 2015; Miami, FL

**XII. PUBLIC COMMENT**

None.

**XIII. STAFF COMMENT**

None.

**XIV. BOARD MEMBER COMMENT**

Trustee McCormick voiced her support for the public speakers from the Hotel Workers Union and emphasized the importance of investing responsibly with regard to employee protection and environmental concerns.

Trustee Goulet agreed and remarked that it is unusual for a property owner to be involved in the labor relations of its lessee.

Chair Towner announced that Trustee Goulet was nominated as Secretary for the SACRS Board of Directors, and that the voting slate would be distributed to the Board at an upcoming Board meeting.

**XV. ADJOURNMENT**

The meeting was adjourned at 12:08 p.m.

Respectfully submitted,

A handwritten signature in cursive script, appearing to read "Linda Webb", is written above a horizontal line.

---

LINDA WEBB, Retirement Administrator

Approved,

---

TRACY TOWNER, Chairman

# VENTURA COUNTY EMPLOYEES' RETIREMENT ASSOCIATION

1190 South Victoria Avenue, Suite 200  
Ventura, CA 93003-6572  
(805) 339-4250 • Fax: (805) 339-4269  
<http://www.ventura.org/vcera>

---

Board of Retirement  
Ventura County Employees' Retirement Association  
1190 South Victoria Avenue, Suite 200  
Ventura, CA 93003

**SUBJECT: PROPOSED CORRECTED FEE SCHEDULE AND AMENDMENT TO SECTION 2.6 OF THE PREVIOUSLY APPROVED CONTRACT FOR CUSTODIAL SERVICES WITH STATE STREET BANK AND TRUST**

Dear Board Members:

Board Counsel and staff have identified two necessary modifications to the following documents related to the previously-approved contract for custodial services with State Street Bank and Trust:

Fee Agreement: the fee schedule for State Street was not included in the electronic Board packet at the January 26<sup>th</sup> meeting (though hard copies were provided). Since that meeting, we have identified a needed correction, changing the word "fund" to "filing" under "Class Action Administration" at the top of page 2. Because a single filing can involve multiple funds, this change is recommended.

Section 2.6 of Contract for Custodial Services: this modification is recommended by Board Counsel to eliminate language granting a security interest to State Street for provisional credit. Board Counsel advises that the original language violates the exclusive benefit rule, so the modification is needed.

NOTE: (Date references to 2014 on the signature page, incumbency certificate and notice of appointment of investment managers have been updated to "2015"; these non-substantive changes are not included in the provided redline.)

State Street has agreed to these amendments.

**RECOMMENDED ACTION: APPROVE RECOMMENDED CHANGES TO FEE AGREEMENT AND SECTION 2.6, AND AUTHORIZE CHAIR TO SIGN AMENDED DOCUMENTS.**

Sincerely,



Linda Webb  
Retirement Administrator



# STATE STREET.

## Ventura County Employees' Retirement Association

State Street Custody Fee Schedule - Effective January 1, 2014

<b>FLAT ANNUAL CUSTODY FEE</b>		<b>\$ 325,000</b>
<b>SECURITIES LENDING SPLIT</b>	<b>VCERA/SS</b>	<b>70/30</b>
<b>STIF FEE - bps</b>		<b>12</b>

### SERVICES INCLUDED IN FLAT CUSTODY FEE

#### Total Assets Under Administration

Domestic Assets	Included
International Assets	Included
Loan Servicing Assets	Included

#### Portfolio Accounting & Reporting

Separately Managed Domestic Equity or Fixed Income	Included
Separately Managed International Equity or Fixed Income	Included
Mutual / Commingled Funds	Included
Bank Loan Fund	Included
Cash Accounts	Included
Overlay - FX/Swap/Options	Included
Private Equity/Real Estate	Included
Line items - Mutual Fund/Commingled Fund/Alternatives	Included

#### Transaction Processing Fees Per Trade (see Footnote below)

DTC Transactions	Included
Fed Book Entry Transactions	Included
Physical Transactions	Included
Stock Distribution - DWAC	Included
Physical (WTRN, Alternative Asset)	Included
Futures/Options	Included
OTC Derivatives Services	Included
Bank Loan Servicing	Included

#### International Transaction Processing

Group A	Group B	Group C			Included
Australia	Brazil	Argentina	Hungary	Poland	
Austria	Greece	Bahrain	Iceland	Qatar	
Belgium	India	Bangladesh	Israel	Romania	
Canada	Indonesia	Benin	Ivory Coast	Russia	
Canada - Fiducie Desjardins	Ireland	Bermuda	Jamaica	Saudi Arabia	
Cedel/Clearstream	Malaysia	Bosnia & Herzegov.	Jordan	Senegal	
Denmark	Mexico	Botswana	Kazakhstan	Serbia	
Euroclear	Portugal	Bulgaria	Kenya	Slovak Republic	
Finland	Puerto Rico	Burkina Faso	Kuwait	Slovenia	
France	South Korea	Cayman Island	Latvia	Sri Lanka	
Germany	Thailand	Chile	Lebanon	Swaziland	
Hong Kong		China	Lithuania	Taiwan	
Italy		Colombia	Mali	Togo	
Japan-Mizuho		Costa Rica	Malta	Trinidad & Tobago	
Japan-Sumitomo		Croatia	Mauritius	Tunisia	
Netherlands		Cyprus	Morocco	Turkey	
New Zealand		Czech Republic	Namibia	Uganda	
Norway		Dubai	Niger	Ukraine	
Singapore		Ecuador	Nigeria	United Arab Emirates	
South Africa		Egypt	Oman	Uruguay	
Spain		Estonia	Pakistan	Venezuela	
Sweden		Georgia	Palestine	Vietnam	
Switzerland		Ghana	Panama	Zambia	
United Kingdom		Guinea-Bissau	Peru	Zimbabwe	
			Philippines		

---

**ADDITIONAL SERVICES**

---

**Not included in Flat Annual Custody Fee****Class Action Administration**

For class action claims processed and administered through State Street, an administrative fee of \$125 per filing will be applied.

---

**FOOTNOTES AND OTHER CHARGES:**

---

**Transaction Processing Fees**

Transaction Processing Fees are per trade processing fees charged for processing settlement of transactions by State Street on behalf of its clients in connection with the provision of custody services hereunder. These Transaction Processing Fees, unless otherwise waived, apply whether the client or its third party investment managers entered into such transactions with or through State Street or one of its affiliates or a third party dealer or broker. The processing fees are in addition to, and are not to be construed as payments in lieu of, any compensation (as described below) that may be earned by State Street or any of its affiliates or by a third party dealer or broker in connection with such transaction.

**Short Term Investment Fund**

State Street to be the exclusive short term investment fund (STIF) manager for all residual cash balances held across all customer portfolios. An administrative/management fee of **12** basis points will be netted directly from the yield of the fund.

**Settlement of Foreign Exchange (See foreign exchange footnote below)**

Through State Street Global Markets the custody transaction processing fee is waived.  
Through a Third Party there is a **\$50** per transaction fee.

**Foreign Exchange**

State Street Global Markets, as a separate division of State Street, offers principal or "dealer" trading services, as well as agency execution services (which include its proprietary electronic trading platforms) in a variety of asset classes, including most of those described in this schedule. The client or its third party fiduciary investment managers may select State Street Global Markets to effect principal or agency transactions; however, any such services irrespective of whether trade orders are transmitted through State Street's custody or trustee operations, are conducted under contractual or other arrangements that are distinct from its services and obligations under the trust/custody agreement. When State Street or State Street Global Markets act as counterparty (e.g., foreign exchange, over the counter derivatives, repurchase transactions) to the client, such transactions are principal transactions and State Street or State Street Global Markets enter into them as a dealer and not in a fiduciary, agency, or similar capacity (regardless of any other relationships between State Street and the client under the trust/custody agreement). In connection with such trading or agency execution services, State Street Global Markets may receive compensation from the client in a variety of forms, including a commission, click fee, revenue share, spread, mark-up, mark-down, interest, fee or similar amount.

**Out - of - Pocket Expenses**

Out of pocket expenses including, but not limited to, wires, stamp duties, re-registration fees, air freight, market imposed costs, derivative valuation expenses and other expenses not reasonably foreseen as part of the trust and custody relationship will be billed to the customer.

**Additional Fees**

New file transmission requests, custom reports, Independent valuation of derivatives may carry an additional fee to be quoted prior to implementation.

**Overdrafts**

An overdraft charge of Fed Funds plus **200** basis points will apply to all U.S. overdrafts.

**Securities Lending**

State Street to be the exclusive lending agent with access to all customer assets for securities lending activities. A securities lending collateral management fee will be netted from the yield prior to the securities lending fee split allocation.



*Fee schedule assumes no material changes to volume, structure or asset composition assumptions used to construct this fee schedule. Any such changes could result in the need for amended fee terms.*

**State Street Bank and Trust Company**

Signature: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
Date: \_\_\_\_\_

**Ventura County Employees' Retirement Association**

Signature: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
Date: \_\_\_\_\_

Investment Manager, as applicable, notifies the Custodian by Proper Instruction that such transaction has been canceled.

- (d) With respect to the settlement of a sale of securities, a provisional credit of an amount equal to the net sale price for the transaction (the “Sale Settlement Amount”) shall be made to the account of VCERA as if the Settlement Amount had been received as of the close of business on the date that monies would ordinarily be available in good funds in the applicable market. Such provisional credit will be conditioned upon the Custodian having received Proper Instructions with respect to, or reasonable notice of, the transaction, as applicable; and the Custodian or its agents having possession of the asset(s) (which shall exclude assets subject to any third party lending arrangement which may be entered into by VCERA) associated with the transaction in good deliverable form and not being aware of any facts which would lead them to believe that the transaction will not settle in the time period ordinarily applicable to such transactions in the applicable market.

- (e) ~~Simultaneously with the making of such provisional credit, the Board agrees that the Custodian shall have, and hereby grants to the Custodian, a security interest in any property at any time held for the account of the Fund, solely to the extent of the credited amount, and the Board hereby pledges, assigns and grants to the Custodian a continuing security interest and a lien on any and all such property under the Custodian’s possession, in accordance with the terms~~

Formatted: Not Highlight

~~of Section 5 of this Contract. In the event that the Fund fails to promptly repay any provisional credit, the Custodian shall have all of the rights and remedies of a secured party under the California Commercial Code. The Custodian shall reimburse itself for any such credited amounts from assets of the applicable investment manager before looking to other assets of the Fund, and from available cash in the Fund prior to liquidating any securities held.~~

(f) — The Custodian shall have the right to reverse any Sale Settlement Amount given in connection with the Contractual Settlement Services at any time when the Custodian believes, in its reasonable judgment, that such transaction will not settle in accordance with its terms or amounts due pursuant thereto will not be collectable or where the Custodian has not been provided Proper Instructions with respect thereto, as applicable, and amounts credited will be deemed an overdraft. VCERA may be charged at Custodian's applicable overdraft rate set forth in the fee schedule for time credited. Upon such reversal, the amount due to the Custodian shall become immediately payable by VCERA to the Custodian and may be debited from any cash account held for benefit of VCERA.

(g) In the event that the Custodian is unable to debit an account of VCERA, and VCERA fails to pay any amount due to the Custodian at the time such amount becomes payable in accordance with this Contract and upon giving notice to the applicable investment manager, (i) the Custodian may charge VCERA for

costs and expenses associated with providing the provisional credit, including without limitation the cost of funds associated therewith, (ii) the amount of any accrued dividends, interest and other distributions with respect to assets associated with such transaction may be set off against the credited amount, (iii) the provisional credit and any such costs and expenses shall be considered an advance of cash for purposes of the Contract and (iv) the Custodian shall be entitled to collect from the Fund's accounts sufficient cash for reimbursement. If VCERA's cash account has insufficient cash to cover reimbursement liabilities, the Custodian shall dispose of the assets in VCERA's account in good faith and only to the extent necessary to obtain reimbursement. [The Custodian shall reimburse itself for any such credited amounts from assets of the applicable investment manager before looking to other assets of the Fund, and from available cash in the Fund prior to liquidating any securities held.](#)

2.7 Payment of VCERA Moneys. Upon receipt of Proper Instructions and written agreement as to security procedures for payment orders, which may be standing instructions, or as may be otherwise authorized within this Contract, the Custodian shall pay out, distribute, transfer or direct its agents or its subcustodians to pay out, distribute or transfer moneys of VCERA in the following cases:

- (a) Upon the purchase of securities for VCERA, unless directed by Proper Instructions; (i) in accordance with the customary or established practices and procedures in the jurisdiction or market where the transactions occur,

# VENTURA COUNTY EMPLOYEES' RETIREMENT ASSOCIATION

1190 South Victoria Avenue, Suite 200  
Ventura, CA 93003-6572  
(805) 339-4250 • Fax: (805) 339-4269  
<http://www.ventura.org/vcera>

---

March 2, 2015

Board of Retirement  
Ventura County Employees' Retirement Association  
1190 South Victoria Avenue, Suite 200  
Ventura, CA 93003

**SUBJECT: 2014 CONFLICT OF INTEREST CODE**

Dear Board Members:

Government Code Section 87300 et. seq. requires that each agency review and submit a Conflict of Interest Code to the Code Reviewing Body by October 1 each even-numbered year. It has been brought to my attention since assuming office that VCERA's submission is overdue.

Board Counsel and staff have been working to amend the previous Conflict of Interest Code for your review. The changes are designed to help clarify and to improve compliance with Govt. Code 87314. Provided is proposed amended document as well as the Biennial Notice that accompanies it.

A redlined version will be provided at the March 2, 2015 Disability Meeting, and Counsel and staff will be happy to answer any questions you may have at that time.

**RECOMMENDED ACTION: APPROVE PROPOSED CHANGES TO VCERA'S 2014 CONFLICT OF INTEREST CODE.**

Sincerely,



Linda Webb  
Retirement Administrator

2014 AMENDED CONFLICT OF INTEREST CODE  
for the  
VENTURA COUNTY EMPLOYEES' RETIREMENT ASSOCIATION

The Political Reform Act, Government Code Section 81000 et seq., requires local government agencies to adopt and promulgate Conflict of Interest Codes. The Fair Political Practices Commission has adopted a regulation (Cal. Code of Regs., tit. 2, sec. 18730) which contains the terms of a standard Conflict of Interest Code ("standard code"), which may be amended by the Fair Political Practices Commission to conform to amendments in the Political Reform Act after public notice and hearings.

The terms of California Code of Regulations, title 2, section 18730, and any amendments to it duly adopted by the Fair Political Practices Commission, are hereby incorporated by reference and, along with the attached Appendix A, Appendix B, and Appendix C in which trustees, employees and consultants are designated and disclosure categories are set forth, constitute the Ventura County Employees' Retirement Association (VCERA) Conflict of Interest Code (Code).

Pursuant to Section 4 of the standard code, designated employees shall file statements of economic interest with the VCERA Retirement Administrator. These statements shall be retained within the Agency. Any VCERA trustees, employees or consultants already required to file a disclosure statement (Form 700) pursuant to Government Code Section 87200, et seq. are identified in Appendix C and no additional disclosure is required by this Code. Officials designated in Appendix C shall file their original disclosure statements with the VCERA Retirement Administrator, who shall make and retain a copy, and forward the original to the Fair Political Practices

Commission or to the appropriate agency pursuant to 2 Cal. Code of Regs. Section 18753(d) at the discretion of the Fair Political Practices Commission

A handwritten signature in cursive script, appearing to read "Linda Webb", written in black ink.

---

Linda Webb  
Retirement Administrator  
Ventura County Employees'  
Retirement Association

**COUNTY OF VENTURA**  
**2014 CONFLICT OF INTEREST CODE**

VENTURA COUNTY EMPLOYEES' RETIREMENT ASSOCIATION

EXHIBIT A

DESIGNATED POSITIONS

NONE\*

\* Conflict of Interest Code amended March 2, 2015, to delete positions identified in Appendix C as being required to file Form 700 disclosures as Agency Positions that Manage Public Investments for Purposes of Section 87200 of the Government Code.



**COUNTY OF VENTURA**  
**2014 CONFLICT OF INTEREST CODE**

VENTURA COUNTY EMPLOYEES' RETIREMENT ASSOCIATION

EXHIBIT B

DISCLOSURE CATEGORIES

Subject to the definitions set forth in the Political Reform Act and applicable regulations:

**Category 1: Investments** in any business, entity, or real estate venture of the type in which the Retirement Board is legally authorized to invest, or in any type of entity that provides services or supplies of the type used by VCERA (currently Schedules A-1 &/or A-2 of Form 700).

**Category 2: Interests in Real Property** that could be affected by any decision made or participated in by the designated individual (currently Schedules B &/or C of Form 700). If the designated individual is a trustee or VCERA employee, disclosure is only required on real property located in the County of Ventura.

**Category 3: Income** from any source of the type in which the Retirement Board is legally authorized to invest, or from any person or entity that provides services or supplies of the type used by VCERA (currently Schedules C, D, E, &/or F of Form 700).

**Category 4: Any Position Held** as a director, officer, partner, trustee, or any position of management in any business entity that offers or holds investments of the type in which the Retirement Board is legally authorized to invest, or in any type of entity that provides services or supplies of the type used by VCERA (currently Schedule C of Form 700).

## **APPENDIX C**

### **AGENCY POSITIONS THAT MANAGE PUBLIC INVESTMENTS FOR PURPOSES OF SECTION 87200 OF THE GOVERNMENT CODE.**

Director (Board Members)	11
Retirement Administrator	1
Chief Financial Officer (CFO)	1
Investment Consultant	1
Chief Investment Officer (CIO)	1
Board Counsel	1

# VENTURA COUNTY EMPLOYEES' RETIREMENT ASSOCIATION

## 2013 AMENDED CONFLICT OF INTEREST CODE

The Political Reform Act, Government Code Section 81000 et seq., requires local government agencies to adopt and promulgate Conflict of Interest Codes. The Fair Political Practices Commission has adopted a regulation (Cal. Code of Regs., tit. 2, sec. 18730) which contains the terms of a standard Conflict of Interest Code ("standard code"), which may be amended by the Fair Political Practices Commission to conform to amendments in the Political Reform Act after public notice and hearings.

The terms of California Code of Regulations, title 2, section 18730, and any amendments to it duly adopted by the Fair Political Practices Commission, are hereby incorporated by reference and, along with the attached ~~Exhibit~~ Appendix A, ~~in which officials and employees are designated,~~ and ~~Exhibit~~ Appendix B, and Appendix C in which trustees, employees and consultants are designated and ~~in which~~ disclosure categories are set forth, constitute the Ventura County Employees' Retirement Association (VCERA) Conflict of Interest Code ~~of this Agency.~~

Pursuant to section 4 of the standard code, designated employees who do not file statements pursuant to Government Code section 87200 shall file Statements of Economic Interest with ~~the Agency~~ the VCERA Retirement Administrator. These statements shall be retained ~~within the Agency~~ by VCERA.

The Board shall review this code at least every three (3) years to ensure that it remains relevant and appropriate.

---

~~William W. Wilson~~ Tracy Towner  
Chair  
Ventura County Employees'  
Retirement Association

## VENTURA COUNTY EMPLOYEES' RETIREMENT ASSOCIATION

### 201~~34~~ AMENDED CONFLICT OF INTEREST CODE

#### ~~EXHIBIT~~ APPENDIX A

#### DESIGNATED POSITIONS

<u># OF POSITIONS</u>	<u>POSITION TITLE</u>	<u>DISCLOSURE CATEGORY</u>
11	Director (Board Member)	1*
1	Retirement Administrator	1*
1	Chief Financial Officer	1*
1	Investment Consultant	1*

\* It has been determined that Board Members, the Retirement Administrator, the Chief Financial Officer and the Investment Consultant are positions that “manage public investments” and are required to file statements of economic interest pursuant to Government Code section 87200 et seq. No additional filing requirements for these positions are established by this code. See APPENDIX C.

**VENTURA COUNTY EMPLOYEES' RETIREMENT ASSOCIATION**

**201~~34~~ AMENDED CONFLICT OF INTEREST CODE**

**~~EXHIBIT~~ APPENDIX B**

**DISCLOSURE CATEGORIES**

Subject to the definitions set forth in the Political Reform Act and applicable regulations:

**Category 1**

Full Disclosure:

All investments, business positions and sources of income, including gifts, loans and travel payments.

# VENTURA COUNTY EMPLOYEES' RETIREMENT ASSOCIATION

## 201~~34~~ AMENDED CONFLICT OF INTEREST CODE

### APPENDIX C

#### AGENCY POSITIONS THAT MANAGE PUBLIC INVESTMENTS FOR PURPOSES OF SECTION 87200 OF THE GOVERNMENT CODE.

Director (Board Members)	11
Retirement Administrator	1
Chief Financial Officer (CFO)	1
Investment Consultant	1
Chief Investment Officer (CIO)	1
Board Counsel	1

# VENTURA COUNTY EMPLOYEES' RETIREMENT ASSOCIATION

1190 South Victoria Avenue, Suite 200  
Ventura, CA 93003-6572  
(805) 339-4250 • Fax: (805) 339-4269  
<http://www.ventura.org/vcera>

---

March 2, 2015

Board of Retirement  
Ventura County Employees' Retirement Association  
1190 South Victoria Avenue, Suite 200  
Ventura, CA 93003

**SUBJECT: REQUEST FOR AUTHORIZATION TO ATTEND CALAPRS GENERAL  
ASSEMBLY IN MONTEREY, MARCH 7-10**

Dear Board Members:

Allow me to respectfully request authorization to attend the CALAPRS General Assembly in Monterey, March 7<sup>th</sup> – 10<sup>th</sup>.

The cost to attend should not exceed \$1,000 including event registration, hotel, mileage and other travel related expenses.

VCERA staff will be pleased to respond to any questions you may have on this matter at the February 23, 2015 business meeting.

Sincerely,



Linda Webb  
Retirement Administrator

Attachment

**SATURDAY - MARCH 7, 2015**

4:00 PM - 6:00 PM Early-Bird Registration

**SUNDAY - MARCH 8, 2015**

9:00 AM - 1:30 PM Optional Golf at  
Del Monte Golf Course

10:00 AM - 5:00 PM Registration

2:00 PM - 2:15 PM Opening Remarks

2:15 PM - 3:15 PM Economic Forecast with a Focus on  
"Long Term Market Assumptions"  
Moderator: Stanley McDivitt,  
*Administrator, CFRS*  
Speaker: Mihir P. Worah, *CIO, Real  
Return and Asset Allocation, PIMCO*

3:15 PM - 3:30 PM Networking Break

3:30 PM - 4:30 PM Is Your Investment Compliance  
Program Sufficient? *Elements of  
a Good Investment Compliance  
Program*  
Moderator: Stanley McDivitt,  
*Administrator, CFRS*  
Speakers: David Kushner, *CIO,  
LACERA* and Wylie A. Tollette, *Chief  
Operating Investment Officer,  
CalPERS*

7:00 PM - 9:30 PM Strolling Dinner at the  
Monterey Bay Aquarium  
*Guests welcome and transportation provided.*

**MONDAY - MARCH 9, 2015**

7:00 AM - 4:00 PM Registration

7:30 AM - 8:25 AM Breakfast

8:30 AM - 8:45 AM Opening Remarks

8:45 - 9:45 AM Global Growth and U.S. Monetary  
Policy Outlook  
Moderator: Dave Kehler,  
*Administrator, TCERA*  
Speaker: John Bellows, PhD,  
*Portfolio Manager and Research  
Analyst, Western Asset Management  
Company*

9:45 AM - 10:00 AM Networking Break

10:00 AM - 11:00 AM How I Learned to Live with Low  
Returns or Earning 7% in a 2%  
World  
Moderator: Brian White, *CEO,  
SDCERA*  
Speaker: Allan Martin, *Partner,  
NEPC*

11:00 AM - 12:00 PM Here Come the RP 2014 Mortality  
Tables! What About Using the  
Generational Mortality Approach  
and the Direct Rate Smoothing  
Concept?

Moderator: Donna Lum, *Deputy  
Executive Officer, Customer  
Services and Support, CalPERS*

Speakers: Paul Angelo, *Senior Vice  
President and Actuary, Segal  
Consulting* and Alan Milligan, *Chief  
Actuary, CalPERS*

12:15 PM - 1:15 PM Lunch

1:30 PM - 2:45 PM Update and Impact from Recent  
Bankruptcy Decisions and Vested  
Rights Issues

Moderator: Jeff Wickman,  
*Administrator, MCERA*

Speaker: Harvey Leiderman,  
*Partner, Reed Smith*

2:45 PM - 3:00 PM Networking Break

3:00 PM - 4:00 PM Master Limited Partnerships  
(MLP'S): Do They Have a Place in  
Our Portfolios?

Moderator: Scott Whalen, *Executive  
Vice President and Senior  
Consultant, Wurts & Associates*

Speakers: Ian Toner, *Managing  
Director, Strategic Research, Wurts  
& Associates* and Abel Mojica, *Head  
of Corporate Development, Tortoise  
Capital Advisors*

5:00 PM - 6:00 PM Hosted Reception at the  
Monterey Marriott

**TUESDAY - MARCH 10, 2015**

7:30 AM - 8:25 AM Breakfast

8:30 AM - 9:30 AM The Retirement Revolution: Part II

Moderator: Jeff Wickman,  
*Administrator, MCERA*

Speaker: Helen Dennis, *a  
recognized leader on issues of  
aging, employment and retirement*

9:30 AM - 9:45 AM Networking Break

9:45 AM - 11:00 AM Cyber Threats and Data  
Breach Response

Moderator: Stanley McDivitt,  
*Administrator, CFRS*

Speaker: James Pu, *CIO, LACERA*

11:00 AM Closing Remarks



## SACRS MEMORANDUM

To: SACRS Trustees & SACRS Administrators/CEO's  
From: Ray McCray, SACRS Immediate Past President, Nominating Committee Chair  
SACRS Nominating Committee  
Re: SACRS Board of Director Elections – Recommended Ballot - 2015-2016 BOD Elections

SACRS BOD 2015-2016 Election process began January 2015. Please review the following timeline and distribute the recommended ballot to your Board of Trustees, per the bylaws:

DEADLINE	DESCRIPTION
February 2, 2015	Nominating Committee receives nominations from SACRS membership
Prior to March 1, 2015 (*February 27, 2015 is the last business day prior to March 1, 2015)	Nominating Committee submits its recommended ballot to each 1937 Act Board
March 25, 2015	Nominating Committee receives nominations from any 1937 Act Board
April 1, 2015	Nominating Committee (NC) submits final ballot to each 1937 Act Board – ballot consists of NC's recommended ballot plus anybody else who is nominated but not recommended by the NC
May 15, 2015	Conduct elections during the SACRS Business Meeting (at end of the May 2015 conference)
May 15, 2015	Board of Directors take office for 1 year

Per SACRS Bylaws, Article VI ~ Section 2 – Election, Qualification and Term of Office

“The officers of SACRS shall be regular members of SACRS. The officers shall be elected by majority vote of the quorum of delegates and alternate delegates present at the first meeting in each calendar year and shall hold office for one (1) year and until a successor is elected.”

Per SACRS Bylaws, Article VI ~Section 4 - Officer Elections

“...The Board of any regular member County Retirement System may submit write-in candidates to be included in the Nominating Committee's final ballot provided the Nominating Committee receives those write-in candidates prior to March 25th. The Nominating Committee will report a final ballot to each regular member County Retirement System prior to April 1.

*Continued*

The Administrator of each regular member County Retirement System shall be responsible for communicating the Nominating Committee's recommended ballot and final ballot to each trustee and placing the election of SACRS Officers on his or her Board agenda. The Administrator shall acknowledge the completion of these responsibilities with the Nominating Committee..."

Below is the recommended ballot/slate, as in the past, a voting delegate may entertain a motion to vote by individual officer positions or by complete ballot/slate. Please be sure to authorize your voting delegate to vote either way.

The elections will be held at the SACRS Spring Conference May 12-15, 2015, at the Anaheim Marriott, Anaheim, California. Elections will be held during the Annual Business meeting on Friday, May 15, 2015.

Please distribute the recommended ballot/slate to all standing/eligible board members for approval and authorization for your voting delegate. As stated above, Administrators are required to send acknowledgement of completion to our office at [sulema@sacrs.org](mailto:sulema@sacrs.org)

SACRS Nominating Committee Recommended Nominees/Candidates for SACRS BOD 2015-2016 Elections:

<b>President</b>	Yves Chery, Los Angeles CERA
<b>Vice President</b>	Gabe Rodrigues, Contra Costa CERA
<b>Treasurer</b>	Dan McAllister, San Diego CERA
<b>Secretary</b>	Art Goulet, Ventura CERA

Per SACRS Bylaws, SACRS also received submissions from the following members for consideration:

<b>President</b>	John Kelly, Sacramento CERS
<b>Secretary</b>	Zandra Cholmondeley, Santa Barbara CERS

If you have any questions or require assistance, please contact me directly at (209) 468-2163 or [raym1@sbcglobal.net](mailto:raym1@sbcglobal.net). Thank you for your prompt attention to this timely matter.

Sincerely,

*Raymond McCray*

Raymond McCray, San Joaquin County  
SACRS Nominating Committee Chair

CC: SACRS Board of Directors  
SACRS Nominating Committee Members  
Sulema H. Peterson, SACRS Administrator

February 24, 2015

To: SACRS Administrators and Trustees  
From: Yves Chery, SACRS President  
Re: SACRS Internal Trustee Database

---

The SACRS staff team is working hard to develop an internal Trustee Database so that SACRS can more effectively communicate about SACRS activities with one of our core membership constituencies. Strengthening membership engagement is critical for the continued growth and sustainability of SACRS as an organization that helps trustees improve their effectiveness as fiduciaries. Increased involvement in SACRS activities can help trustees grow, and more effective trustees make SACRS stronger.

Additionally, looking at the past several years of SACRS Conferences, we noticed that about 45% to 50% of the possible 220 trustees attend our conferences. We would like to encourage a higher participation of trustees. By building a more direct connection with trustee members, we can better encourage increased attendance at the conference and participation on committee assignments. This voluntary vehicle will be a supplement to the distribution systems each members retirement fund has in place for communicating with their individual trustees.

The database would be used and accessed exclusively by SACRS administrative staff. This information will NOT be shared with marketers or individuals contacting SACRS for e-mail addresses of trustees. Nor is the intent to create an internal e-mail network that would be used among trustees. Trustee information currently being distributed to SACRS Retirement System Administrators would also be sent directly to all trustees who participate in the database. Examples of the information to be distributed include:

- Conference Information
- Legislative Updates
- Symposium Information
- Memoranda from SACRS Board of Directors, and the SACRS staff
- Other SACRS activities

If you would like to participate, please contact SACRS Administrator, Ms. Sulema H. Peterson at [sulema@sacrs.com](mailto:sulema@sacrs.com) and let her know of your interest to be registered into the SACRS' Direct Communications Database (DCD).

SACRS would need the following information:

- Name
  - System
  - Email Address
  - Type of Trustee (Appointed, Elected- General, Safety or Retiree, Ex-Officio)
-

Once registered, you will automatically begin receiving updates from SACRS. This is a voluntary participation process. Should you later wish to have your e-mail address removed, please contact Ms. Peterson at [sulema@sacrs.com](mailto:sulema@sacrs.com). Thank you for your participation.

Sincerely,

*Yves Chery*

Yves Chery, SACRS President

CC: SACRS BOD  
Jim Lites, SACRS Consultant