

VENTURA COUNTY EMPLOYEES' RETIREMENT ASSOCIATION

BOARD OF RETIREMENT

BUSINESS MEETING

April 20, 2015

MINUTES

DIRECTORS Tracy Towner, Chair, Alternate Safety Employee Member
PRESENT: William W. Wilson, Vice Chair, Public Member
Steven Hintz, Treasurer-Tax Collector
Peter C. Foy, Public Member
Mike Sedell, Public Member
Joseph Henderson, 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
Vickie Williams, Retirement Benefits Manager
Shalini Nunna, Retirement Benefits Manager
Chantell Garcia, Retirement Benefits Specialist
Chris Webb, 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 Towner called the Business Meeting of April 20, 2015, to order at 9:00 a.m.

II. APPROVAL OF AGENDA

MOTION: Approve.

Moved by Wilson, seconded by Johnston.

Vote: Motion carried

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

No: -

III. APPROVAL OF MINUTES

A. Disability Meeting of April 6, 2015.

MOTION: Approve.

Moved by Goulet, seconded by McCormick.

Vote: Motion carried

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

No: -

IV. CONSENT AGENDA

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

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

C. Receive and File Statement of Fiduciary Net Position, Statement of Changes in Fiduciary Net Position, Schedule of Investment Management Fees, and Investments and Cash Equivalents for the Period Ending February 28, 2015

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

MOTION: Approve the Consent Agenda.

Moved by McCormick, seconded by Hintz.

Vote: Motion carried

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

V. ACTUARIAL INFORMATION

- A. Actuarial Experience Study and Review of Economic Assumptions
Paul Angelo, FSA and John Monroe, ASA of Segal Consulting

1. Analysis of Actuarial Experience During the Period of July 1, 2011 through June 30, 2014
2. Review of Economic Actuarial Assumptions for the June 30, 2015 Actuarial Valuation

Trustee Foy requested that the Board postpone the vote on this item until the May 18, 2015 Business Meeting.

Following his request, Trustee Foy left the meeting at 9:48 a.m.

After the presentation by Segal Consulting, the Board received public comment from Michael Powers, County Executive Officer, and Paul Derse, County Chief Financial Officer. A letter from Mr. Powers and Mr. Derse was distributed to the Board and was added to the meeting agenda materials as "Attachment A".

After discussion by the Board, Segal Consultants, and Ventura County representatives, the following motion was made:

MOTION: Postpone the vote on this item, pending further discussion, until the Business Meeting of May 18, 2015.

Moved by Goulet, seconded by Henderson.

Vote: Motion carried

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

No: -

Absent: Foy

Trustee Hoag left the meeting at 11:44 a.m.

VI. **REVIEW AND RECOMMENDATIONS REGARDING INTEREST CREDITING POLICY**

A. Staff Letter

B. Draft Interest Crediting Policy
RECOMMENDED ACTION: Approve.

Trustee Goulet proposed an additional change to the Draft Interest Crediting Policy, Under "Step 5", Trustee Goulet recommended changing "an amount sufficient to bring the balance to zero" to "up to the amount sufficient to bring the balance to zero to make up for any cumulative earnings shortfall".

MOTION: Approve the draft Interest Crediting Policy with the proposed changes.

Moved by Goulet, seconded by Wilson.

Vote: Motion carried

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

No: Johnston

Absent: Foy

Trustee Sedell and Chair Towner left the meeting at 11:55 a.m. Trustee Wilson served as Chair for the remainder of the meeting.

VII. **INVESTMENT MANAGER PRESENTATIONS**

A. Receive Annual Investment Presentation, Sprucegrove Investment Management, Craig Maerrigan, President, Brad Haughey, Vice President, and Mark Shevitz, Principal Fair Haven Partners (30 Minutes)

Craig Maerrigan, Brad Haughey, and Mark Shevitz were present on behalf of Sprucegrove to provide an organizational and investment performance update.

VIII. INVESTMENT INFORMATION

A. NEPC – Allan Martin, Partner, and Chris Hill, Research Consultant.

1. Receive Currency Hedging Implementation Presentation, Parametric Engineered Portfolio Solutions, Justin Henne, Managing Director.

Following the presentation and discussion by the Board and consultants, the Vice Chair Wilson asked Mr. Martin to provide the overlay guidelines to the Board at an upcoming meeting.

2. Private Equity Program Review & 2015 Strategic Investment Plan
RECOMMENDED ACTION: Approve.

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

MOTION: Approve \$50 million commitment to diversified fund of fund, as recommended by NEPC.

Moved by Johnston, seconded by Henderson.

Vote: Motion carried

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

No: -

Absent: Foy, Sedell

At Trustee Johnston's request, Mr. Martin agreed to provide further data on the values and fees of this investment plan.

3. Preliminary Performance Report Month Ending March 31, 2015

Trustee Goulet left the meeting at 1:01 p.m.

MOTION: Receive and file.

Moved by Johnston, seconded by Henderson.

Vote: Motion carried

Yes: Johnston, Henderson, Winter, Hintz, McCormick, Wilson

No: -
Absent: Foy, Sedell, Goulet

- B. Consideration of Quiet Period Per Trustee Communications Policy
1. Staff Letter
 2. Trustee Communications Policy

MOTION: Approve initiation of a quiet period for GMO, PIMCO, and Standard Life, which will cease upon the selection of a service provider, conclusion of the search or later action by the Board.

Moved by Henderson, seconded by Johnston.

Vote: Motion carried
Yes: Johnston, Henderson, Winter, Hintz, McCormick, Wilson
No: -
Absent: Foy, Sedell, Goulet

IX. NEW BUSINESS

- A. Recommendation to Approve Trustee Goulet's Attendance at Nossaman LLP Public Pensions & Investments Fiduciaries Forum, September 24 – 25, 2015, San Francisco, CA.

During discussion, several Board members expressed interest in attending this forum, which is limited to 5 attendees from the VCERA Board. Vice Chair Wilson directed staff to update Trustee Goulet's request to add Trustee Wilson, Trustee Sedell, Trustee Winter, and Trustee McCormick, with Trustee Johnston as an alternate attendee, and to bring the updated request back before the Board for approval at an upcoming meeting.

- B. Recommendation to Approve Ms. Nemiroff's Attendance at the NAPPA Legal Education Conference, June 23 – 26, 2015, Austin, TX.

MOTION: Approve.

Moved by McCormick, seconded by Hintz.

Vote: Motion carried
Yes: Johnston, Henderson, Winter, Hintz, McCormick, Wilson
No: -
Absent: Foy, Sedell, Goulet

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

1. VCERIS Project Monthly Status Report

MOTION: Receive and file.

Moved by Henderson seconded by Hintz.

Vote: Motion carried

Yes: Johnston, Henderson, Winter, Hintz, McCormick, Wilson

No: -

Absent: Foy, Sedell, Goulet

X. INFORMATIONAL

A. Letter from Chair Towner to Assembly Member Das Williams for AB
1291

B. Invitation to Walter Scott Global Investment Management Lecture
Series.

XI. PUBLIC COMMENT

Michael Pineschi spoke on behalf of Unite Here, a union of hospitality employees. Mr. Pineschi previously provided public comment at the February 23, 2015 business meeting regarding a developing labor dispute at the Doubletree, owned by UBS Realty and managed by Trumble Property Group and Income Fund.

Mr. Pineschi requested that VCERA urge UBS Realty to reach an agreement ensuring labor peace at hospitality-related properties. In addition to his comments, Mr. Pineschi distributed a report from Unite Here on the performance of the UBS Trumbull Property Fund, and submitted a report compiled by Unite Here which featured a list of responsible and irresponsible real estate managers. These reports were added to the meeting agenda materials as Attachments B and C.

XII. STAFF COMMENT

Ms. Webb said that she planned to invite staff members to Board meetings over the coming months, as well as inviting Board members to monthly staff meetings. Ms. Webb proceeded to introduce the Board to VCERA staff members Shalini Nunna, Retirement Benefits Manager, and Chris Webb, Retirement Benefits Specialist. Ms. Webb thanked Trustee Sedell for agreeing to attend the VCERA staff meeting scheduled for April 22, 2015.

XIII. BOARD MEMBER COMMENT

In response to the comments made regarding UBS during Public Comment, a few board members commented on the issue of social investing.

XIV. ADJOURNMENT

The meeting was adjourned at 1:21 p.m.

Respectfully submitted,



LINDA WEBB, Retirement Administrator

Approved,



TRACY TOWNER, Chairman