

VENTURA COUNTY EMPLOYEES' RETIREMENT ASSOCIATION

BOARD OF RETIREMENT

BUSINESS MEETING

June 15, 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
Deanna McCormick, General Employee Member
Craig Winter, General Employee Member
Chris Johnston, Safety Employee Member
Arthur E. Goulet, Retiree Member

DIRECTORS Joseph Henderson, Public Member
ABSENT: Will Hoag, Alternate Retiree Member

STAFF
PRESENT: Linda Webb, Retirement Administrator
Henry Solis, Chief Financial Officer
Dan Gallagher, Chief Investment Officer
Lori Nemiroff, Assistant County Counsel
Julie Stallings, Chief Operations Officer
Vickie Williams, Retirement Benefits Manager
Stephanie Caiazza, Program Assistant
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 Towner called the Business Meeting of June 15, 2015, to order at 9:03 a.m.

II. APPROVAL OF AGENDA

The following motion was made:

MOTION: Approve the agenda.

Moved by Wilson, seconded by McCormick.

Vote: Motion carried

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

No: -

Absent: Henderson

III. APPROVAL OF MINUTES

A. Disability Meeting of June 1, 2015.

MOTION: Approve the agenda.

Moved by Goulet, seconded by McCormick.

Vote: Motion carried

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

No: -

Absent: Henderson

IV. CONSENT AGENDA

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

B. Receive and File Report of Checks Disbursed in May 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 March 31, 2015.

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

MOTION: Approve the Consent Agenda.

Moved by Wilson, seconded by McCormick.

Vote: Motion carried

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

No: -

Absent: Henderson

V. INVESTMENT MANAGER PRESENTATIONS

Tortoise Capital Advisors delivered their annual investment presentation first, followed by Bridgewater Associates, LP and GMO.

- A. Receive Annual Investment Presentation, Bridgewater Associates, LP, Joel Whidden, Senior Relationship Manager (30 Minutes)

Joel Whidden was present on behalf of Bridgewater Associates, LP, to provide an organizational and investment performance update.

Trustee Hintz left the meeting during this presentation at 9:35 a.m.

MOTION: Receive and file.

Moved by Sedell, seconded by Wilson.

Vote: Motion carried

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

No: -

Absent: Henderson, Hintz

- B. Receive Annual Investment Presentation, Tortoise Capital Advisors, Andy Goldsmith, Head of Corporate Development (30 Minutes)

Andy Goldsmith was present on behalf of Tortoise Capital Advisors to provide an organizational and investment performance update.

Trustee Wilson noted that Plains represents 8% of the Tortoise portfolio, and inquired what impact the Santa Barbara pipeline spill would have on Tortoise and possible implications for the future of the industry.

Mr. Goldsmith acknowledged that event as a regrettable accident, and described the progress of the cleanup and safeguards in place. Financially, the spill was immaterial.

The following motion was made:

MOTION: Receive and file.

Moved by Goulet, seconded by Foy.

Vote: Motion carried

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

No: -

Absent: Henderson

- C. Receive Annual Investment Presentation, GMO, Ryan Dawley, Client Relations Associate, and Tom Rosalanko, Portfolio Strategist (30 Minutes)

Ryan Dawley and Tom Rosalanko were present on behalf of GMO to provide an organizational and investment performance update.

MOTION: Receive and file.

Moved by Goulet, seconded by Wilson.

Vote: Motion carried

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

No: -

Absent: Henderson, Hintz

VI. INVESTMENT INFORMATION

- A. NEPC – Dan LeBeau, Consultant.

1. Preliminary Performance Report Month Ending May 31, 2015

MOTION: Receive and file.

Moved by Wilson, seconded by McCormick.

Vote: Motion carried

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

No: -

Absent: Henderson, Hintz

Trustee Johnston requested that the Board consider placing Sprucegrove, GMO, and UBS on VCERA's "Watch List" due to failure to meet performance objectives or goals.

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

MOTION: Place Sprucegrove, GMO, and UBS on "Watch List", with no quiet period, and receive monthly updates in accordance with the Investment Policy Statement.

Moved by Johnston, seconded by McCormick.

Vote: Motion carried

Yes: Goulet, Foy, Johnston, Sedell, Winter, McCormick

No: Wilson

Absent: Henderson, Hintz

Trustee Wilson stated that he voted against the motion because he did not support placing UBS on the "Watch List".

Managers placed on "Watch List" shall be notified in writing and remain on "Watch" typically for six months. Consultants and staff will provide the Board with monthly updates of the manager's progress in remediating the issue(s).

VII. NEW BUSINESS

A. Policy Review and Recommended Approval

1. Delegation of Authority to Board Chair and Staff to Approve Contract Amendments for Board-Approved Investments

a. Memo from Chief Investment Officer

MOTION: Approve.

Moved by Wilson, seconded by Sedell.

Vote: Motion carried

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

No: -

Absent: Henderson, Hintz

2. Oral Update on Unfunded Liability Amortization Policy Review

- a. Summary of Amortization Periods (Segal, 2013)
3. Periodic Review of Board Policies: Business Planning, Assigned Portable Electronic Device, and Education & Travel.
 - a. Staff Letter
 - b. Assigned Portable Electronic Device Policy Proposed (Redline)
 - c. Business Planning Policy Proposed (Redline)
 - d. Education and Travel Policy Proposed (Redline)

Trustee Sedell requested clarification of the first sentence of the last paragraph on page 1 of the Education and Travel Policy. Ms. Webb agreed to modify the sentence to specify that due diligence trips may include the Chief Investment Officer, Administrator, and/or the Administrator's designee.

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

MOTION: Approve proposed changes to the Assigned Portable Electronic Device Policy, Business Planning Policy, and Education and Travel Policy.

Moved by Goulet, seconded by Sedell.

Vote: Motion carried

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

No: -

Absent: Henderson, Hintz

Trustee Johnston requested that staff research possible changes to the current rates for meal reimbursements.

- B. Ventura County Employees' Retirement Information System (VCERIS) Pension Administration Project
 1. VCERIS Project Monthly Status Report

MOTION: Receive and file.

Moved by Wilson, seconded by McCormick.

Vote: Motion carried

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

No: -

Absent: Henderson, Hintz

- C. IFEBP Portfolio Concepts and Management Report, Submitted by
Trustee Winter

MOTION: Receive and file.

Moved by Goulet, seconded by Johnston.

Vote: Motion carried

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

No: -

Absent: Henderson, Hintz

VIII. INFORMATIONAL

- A. Save the Date- Ventura County Board of Retirement Investment Retreat,
September 16, 2015
- B. Tortoise Capital Advisors Press Release dated May 19, 2015
- C. World Pension Forum's 5th Annual Summer Summit, August 18 – 21,
2015, Aspen Meadows Resort, CO
- D. Chickasaw Capital MLP Investor Conference 2015, September 16 – 17,
2015, Houston, TX

IX. PUBLIC COMMENT

None.

X. STAFF COMMENT

The Board was introduced to VCERA staff member Chantell Garcia,
Retirement Specialist.

Mr. Gallagher informed the Board that he plans to schedule due diligence
trips to take place in August 2015. The trips will be to State Street in Kansas
City, Missouri and to Reams Asset Management in Columbus, Indiana.
Trustee Johnston and Trustee McCormick volunteered to attend.

Mr. Solis announced that an IT consultant would be available for assistance after the meeting.

XI. BOARD MEMBER COMMENT

Trustee Johnston requested that staff include an audit of the actuary on an upcoming meeting agenda.

Chair Towner stated that he attended the California State Senate Public Employment and Retirement Committee meeting on June 8, 2015, during which Assemblymember Das Williams spoke in support of AB 1291. Chair Towner reported that the Public Employment and Retirement Committee passed AB-1291 voting 4-0, with 1 abstention.

Chair Towner provided an update on the VCERA General Counsel position, stating that the position had yet to be approved by the Ventura County Board of Supervisors.

XII. ADJOURNMENT

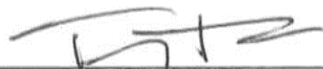
The meeting was adjourned at 11:41 a.m.

Respectfully submitted,



LINDA WEBB, Retirement Administrator

Approved,



TRACY TOWNER, Chairman