

# **VENTURA COUNTY EMPLOYEES' RETIREMENT ASSOCIATION**

## **BOARD OF RETIREMENT**

### **BUSINESS MEETING**

**July 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  
Dan Gallagher, Chief Investment Officer  
Lori Nemiroff, Assistant County Counsel  
Julie Stallings, Chief Operations Officer  
Vickie Williams, Retirement Benefits Manager  
Donna Edwards, Retirement Specialist  
Chantell Garcia, Retirement Benefits Specialist  
Stephanie Caiazza, 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. CALL TO ORDER**

Chair Towner called the Business Meeting of July 20, 2015, to order at 9:00 a.m.

**II. APPROVAL OF AGENDA**

The following motion was made:

MOTION: Approve the agenda.

Moved by Henderson, seconded by McCormick.

Vote: Motion carried

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

No: -

Abstain: Sedell

**III. APPROVAL OF MINUTES**

A. Disability Meeting of July 6, 2015.

MOTION: Approve.

Moved by Goulet, seconded by McCormick.

Vote: Motion carried

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

No: -

Abstain: Sedell

**IV. CONSENT AGENDA**

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

B. Receive and File Report of Checks Disbursed in June 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 June 30, 2015.

- D. 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 May 31, 2015.
- E. Receive and File Budget Summary for FY 2014-15 Month Ending April 30, 2015 (Preliminary)

MOTION: Approve the Consent Agenda.

Moved by Wilson, seconded by Goulet.

Vote: Motion carried

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

No: -

**V. INVESTMENT MANAGER PRESENTATIONS**

- A. Receive Annual Investment Presentation, Hexavest, Nadia Cesaratto, Vice President (30 Minutes)

Nadia Cesaratto was present on behalf of Hexavest to provide an organizational and investment performance update.

- B. Receive Annual Investment Presentation, Walter Scott, Global Investment Management, Margaret Foley, Global Portfolio Specialist (30 Minutes)

Margaret Foley was present on behalf of Walter Scott Global Investment Management to provide an organizational and investment performance update.

- C. Receive Annual Investment Presentation, Parametric, Jack Hansen, Chief Investment Officer (30 Minutes)

Jack Hansen was present on behalf of Parametric to provide an organizational and investment performance update.

**VI. INVESTMENT INFORMATION**

- A. NEPC – Dan LeBeau, Consultant.

- 1. Preliminary Performance Report Month Ending June 30, 2015  
**RECOMMENDED ACTION: Receive and file.**

MOTION: Receive and file.

Moved by Wilson, seconded by Sedell.

Vote: Motion carried

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

No: -

The Board received public comment from Michael Pineschi of Unite Here, a union of hospitality employees. Mr. Pineschi provided an update regarding an ongoing labor dispute at the Doubletree by Hilton Hotel Los Angeles Downtown, owned by UBS Realty and managed by Trumble Property Group and Income Fund. Mr. Pineschi asked the Board to urge UBS to meet with the parties and work out an agreement.

The Board also received public comments from Lisa Lei and Adriana Estrada, both of whom shared their experiences of working at the Doubletree by Hilton Hotel Los Angeles Downtown.

**VII. OLD BUSINESS**

A. Application for Service Connected Disability Retirement, RayMel Lloyd;  
Case No. 14-024 (Continued from the Disability Meeting of July 6, 2015)

1. Staff Letter
2. Letter to VCERA submitted by Mr. Lloyd, dated July 7, 2015
3. Revised Medical Analysis submitted by VRSD for July 20, 2015 Business Meeting.

Janet Chu-Hooker was present on behalf of Ventura Regional Sanitation District (VRSD), and Michael Youril, Attorney at Law, was present via teleconference on behalf of VRSD. The applicant, RayMel Lloyd, was also present.

Ms. Webb reviewed the timeline of the case and stated that, at the July 6, 2015 disability meeting, the Board requested that VRSD submit a revised report with additional information regarding causation for service-connected disability in support of its non-challenge position. Following the July 6, 2015 disability meeting, the applicant submitted an amended application, and VRSD submitted additional documentation. Both items were provided to the Board for consideration.

Both parties declined to make statements.

After discussion, the following motion was made:

MOTION: Grant the applicant, RayMel Lloyd, a service-connected disability retirement.

Moved by Wilson, seconded by Winter.

Vote: Motion carried

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

No: Henderson, Goulet

Trustee Goulet stated that he voted against the motion because he found VRSD's analysis to be unsatisfactory.

Both parties agreed to waive Findings of Fact and Conclusions of Law.

**B. LANQUIST, ET AL. v. VENTURA COUNTY EMPLOYEES' RETIREMENT ASSOCIATION; APPEAL CASE NO. 2d Civil No. B251179; VENTURA COUNTY SUPERIOR COURT CASE NO. 56-2011-00404515-CU-WM-VTA**

**1. Memo from Board Counsel**

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

MOTION: Adopt the recommendation to set aside the decision of July 11, 2011, and direct staff to process service credit purchase requests consistent with judgment and writ.

Moved by Hintz, seconded by Henderson.

Vote: Motion carried

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

No: -

**C. Update and Preliminary Report on PEPRA Pensionable Compensation Analysis**

**1. Staff Letter**

2. Preliminary Pensionable Compensation Analysis

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

MOTION: Receive and file preliminary report from VCERA Staff and Nossaman LLP, and direct Retirement Administrator to provide to stakeholders for review and comment.

Moved by Sedell, seconded by Henderson.

Vote: Motion carried

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

No: -

**VII. NEW BUSINESS**

A. Oral Update on VCERA's General Counsel Position

The Board received public comment from Assistant County Executive Officer Matt Carroll. Mr. Carroll informed the Board that the County would be willing to support Ms. Nemiroff's transition from Assistant County Counsel to the prospective position of VCERA General Counsel by relocating to VCERA with her current title and salary, both of which could be changed with Board consent in January 2016 pending approval of AB1291.

B. Quarterly Administrator Report for 2<sup>nd</sup> Quarter, 2015.

MOTION: Receive and file.

Moved by Hintz, seconded by Goulet.

Vote: Motion carried

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

No: -

C. Recommendation to Approve Chief Financial Officer's Attendance at CalPERS 2015 Global CFO Forum, August 31 – September 1, 2015, Sacramento, CA.

MOTION: Approve.

Moved by Sedell, seconded by Johnston.

Vote: Motion carried

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

No: -

- D. Recommendation to Approve Trustee Johnston's Attendance at Public Safety Employees Pension and Benefits Conference, October 25 - 28, 2015, Rancho Mirage, CA.

MOTION: Approve.

Moved by Foy, seconded by McCormick.

Vote: Motion carried

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

No: -

- E. Consideration and Possible Approval of Merit Increase for Linda Webb, Retirement Administrator

This item was postponed until the end of the Closed Session. Upon returning from Closed Session, the following motion was made:

MOTION: Approve merit increase of 10% for Retirement Administrator Linda Webb.

Moved by Foy, seconded by Henderson.

Vote: Motion carried

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

No: -

- F. 2015/16 Business Plan

The 2015/16 Business Plan was added to the July 20, 2015 agenda materials as "Attachment A".

MOTION: Receive and file, to allow time for review and possible revision before returning before the Board for approval at an upcoming meeting.

Moved by Henderson, seconded by Hintz.

Vote: Motion carried

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

No: -

- G. Recommendation to Approve Payment for Waiver of Recourse, Fiduciary Liability Insurance, FY 2015/2016.

MOTION: Receive and file.

Moved by Henderson, seconded by Winter.

Vote: Motion carried

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

No: -

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

1. VCERIS Project Monthly Status Report

MOTION: Receive and file.

Moved by Foy, seconded by McCormick.

Vote: Motion carried

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

No: -

**IX. CLOSED SESSION**

- A. CONFERENCE WITH LEGAL COUNSEL-EXISTING LITIGATION/INITIATION OF LITIGATION (Government Code section 54954.5(a), (c).)  
Name of Case: Jeffrey Manory v. Timothy Ginnell, et al., Los Angeles County Superior Court Case No BC529512
- B. PUBLIC EMPLOYEE PERFORMANCE EVALUATION  
Title: Retirement Administrator  
(Government Code section 54957(b)(1))

Upon returning to open session, the Chairman announced that the Board had taken no reportable action.



**X. INFORMATIONAL**

A. Letter to Governor Brown in Support of AB 1291

**XI. PUBLIC COMMENT**

None.

**XII. STAFF COMMENT**

Ms. Webb reminded the Board to each submit \$9.09 to VCERA as payment for fiduciary liability insurance.

Mr. Gallagher reported that he and Trustee McCormick were scheduled to attend due diligence visits in August to Reams Asset Management in Indianapolis, IN, and to Tortoise Capital Advisors and State Street Corporation in Kansas City, MO.

Mr. Gallagher informed the Board that he would also schedule due diligence visits in October to visit Harbourvest, GMO, and Loomis Sayles in Boston, MA. Trustee Sedell and Trustee Hoag expressed interest in attending the October due diligence trip to Boston.

**XIII. BOARD MEMBER COMMENT**

None.

XIV. ADJOURNMENT

The meeting was adjourned at 12:22 p.m.

Respectfully submitted,



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LINDA WEBB, Retirement Administrator

Approved,



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TRACY TOWNER, Chairman