

VENTURA COUNTY EMPLOYEES' RETIREMENT ASSOCIATION

BOARD OF RETIREMENT

BUSINESS MEETING

September 21, 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
Will Hoag, Alternate Retiree Member

DIRECTORS Joseph Henderson, Public Member
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
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 September 21, 2015, to order at 9:00 a.m.

II. APPROVAL OF AGENDA

The following motion was made:

MOTION: Approve the agenda.

Moved by Johnston, seconded by McCormick.

Vote: Motion carried

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

No: -

Absent: Foy, Wilson, Henderson

III. APPROVAL OF MINUTES

A. Disability Meeting of September 14, 2015.

Ms. Webb offered a correction to page 4 of the minutes, stating that the motion on the application under item V.D. was to deny both service connected and non-service connected disability retirement. Ms. Webb offered a correction to a typographical error on the word "recommendation" on page 4 of the minutes.

MOTION: Approve as amended.

Moved by Goulet, seconded by Johnston.

Vote: Motion carried

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

No: -

Absent: Foy, Wilson, Henderson

IV. CONSENT AGENDA

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

- B. Approve Regular and Deferred Retirements and Survivors Continuances for the Month of August 2015
- C. Receive and File Report of Checks Disbursed in July 2015
- D. Receive and File Report of Checks Disbursed in August 2015
- E. Receive and File Statement of Fiduciary Net Position, Statement of Changes in Fiduciary Net Position, Schedule of Investments and Cash Equivalents, and Schedule of Investment Management Fees for the Period Ending June 30, 2015.
- F. Receive and File Budget Summary for FY 2014-15 Month Ending June 30, 2015 (Final)
- G. Receive and File Budget Summary for FY 2015-16 Month Ending July 31, 2015
- H. Receive and File Budget Summary for FY 2015-16 Month Ending August 31, 2015

MOTION: Approve the Consent Agenda.

Moved by Hintz, seconded by Goulet.

Vote: Motion carried

Yes: Goulet, Johnston, Hintz, Winter, McCormick

No: -

Absent: Foy, Wilson, Henderson

Abstain: Sedell

Trustee Foy and Trustee Wilson arrived after this item at 9:03 a.m.

V. INVESTMENT MANAGER PRESENTATIONS

- A. Receive Annual Investment Presentation, Loomis Sayles, Stephanie S. Lord, Vice President (30 Minutes)

Stephanie S. Lord was present on behalf of Loomis Sayles to provide an organizational and investment performance update.

- B. Receive Annual Investment Presentation, PIMCO, David J. Blair, Senior Vice President, Account Manager, Sasha Talcott, Vice President, Account Manager (30 Minutes)

David J. Blair and Sasha Talcott were present on behalf of PIMCO to provide an organizational and investment performance update.

VI. INVESTMENT INFORMATION

The Board advanced to agenda item "VII. Actuarial Information", then continued to item "VI. Investment Information".

A. NEPC – Allan Martin, Partner.

1. Quarterly Performance Report Month Ending June 30, 2015

After discussion by the Board, Chief Investment Officer, and Mr. Martin, the following motion was made:

MOTION: Receive and file.

Moved by Hintz, seconded by Goulet.

Vote: Motion carried

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

No: -

Absent: Henderson

2. Preliminary Performance Report Month Ending August 31, 2015

The following motion was made:

MOTION: Receive and file.

Moved by McCormick, seconded by Winter.

Vote: Motion carried

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

No: -

Absent: Henderson

VII. ACTUARIAL INFORMATION

A. Governmental Accounting Standards (GAS) 68 Actuarial Valuation as of June 30, 2015.

Paul Angelo, FSA and John Monroe, ASA of Segal Consulting, Presenting via Teleconference

Time: 10:00 a.m.

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

MOTION: Approve.

Moved by Wilson, seconded by Hintz.

Vote: Motion carried

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

No: -

Absent: Henderson

B. Segal Contract Renewal for Actuarial Services, and Proposed Schedule of Fixed Fees and Hourly Billing Rates

1. Staff Letter

2. Actuarial Services Agreement between VCERA and The Segal Company (2003)

After discussion, the following motion was made:

MOTION: Grant authority to the Retirement Administrator to execute a contract amendment that includes the additional services of GASB 67 and 68, and to approve the fee letter, adopting the change of billing general consulting services to a time and materials basis.

Moved by Goulet, seconded by Foy.

Vote: Motion carried

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

No: -

Absent: Henderson

VII. OLD BUSINESS

A. VCERIS Pension Administration Project Linea Solutions Change Order #7 Correction

1. Staff Letter

2. Corrected Change Order #7

The following motion was made:

MOTION: Approve corrected Linea Solutions Change Order #7, and grant the Chair the authority to sign the revised contract.

Moved by Goulet, seconded by Winter.

Vote: Motion carried

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

No: -

Absent: Henderson

IX. NEW BUSINESS

- A. Discussion of Reporting Relationships of VCERA Executive Management Staff to the Board and Retirement Administrator

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

MOTION: Direct staff to obtain an estimate of the cost for Cortex to evaluate VCERA's organization and present their recommendations on organizational structure.

Moved by Foy, seconded by Sedell.

Vote: Motion carried

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

No: -

Absent: Henderson

X. INFORMATIONAL

- A. Letter to Board of Supervisors Regarding Board Member Terms, dated September 18, 2015

XI. CLOSED SESSION

- A. CONFERENCE WITH LEGAL COUNSEL-EXISTING LITIGATION
(Government Code section 54956.9(a)
Name of Case: In Re Motors Liquidation Company, et al, Bankr. Case No. 09-50026 (REG) Motors Liquidation Company Avoidance Action Trust v. JPMorgan Chase Bank, N.A. et al, Adv. Pro. 09-00504 (REG)

- B. CONFERENCE WITH LEGAL COUNSEL - PENDING LITIGATION (Gov. Code sec. 54956.9(c))
Consider and take possible action regarding filing of amicus curiae brief in support of retirement system respondent in Flethez v. San Bernardino County Employees' Retirement Association (California Supreme Court Case No. S227679)

After returning from Closed Session, Counsel announced that the Board took action in the filing of amicus curiae brief in support of retirement system respondent in Flethez v. San Bernardino County Employees' Retirement Association (California Supreme Court Case No. S227679)

XII. PUBLIC COMMENT

None.

XII. STAFF COMMENT

Mr. Gallagher stated that he has begun working with NEPC under the Board's direction in order to bring forward another asset allocation plan.

With regard to the ongoing labor dispute concerning the Doubletree Los Angeles hotel owned by UBS, Mr. Gallagher reported that the workers voted to unionize and Unite Here indicated that they would work with UBS and the hotel to make it more profitable.

Mr. Gallagher provided a personnel update on Sprucegrove and distributed a report on the due diligence visit to Reams, Tortoise, and State Street, and shared that he and Ms. McCormick found no items of concern during their visit.

Lastly, Mr. Gallagher stated that he wished to inform the Board that his daughter is employed by BlackRock as a consultant. Mr. Gallagher specified that his daughter is not involved in investment management and that he had been previously advised that this was of no fiduciary concern from a legal perspective, but wanted to provide this information to the Board in the interest of transparency.

Ms. Webb reported that she had plans to meet with representatives from SEIU and with representatives from the County of Ventura CEO's office, to discuss pay codes and issues regarding the pensionable compensation analysis.

XIII. BOARD MEMBER COMMENT

Trustee Johnston commended Mr. Gallagher and Trustee McCormick on their due diligence visit report.

Trustee Wilson suggested further discussion at a later time of potentially discounting the pre-paid County employer contributions by the short-term bond rate.

XIV. ADJOURNMENT

The meeting was adjourned at 12:25 p.m.

Respectfully submitted,



LINDA WEBB, Retirement Administrator

Approved,



TRACY TOWNER, Chairman