

VENTURA COUNTY EMPLOYEES' RETIREMENT ASSOCIATION

BOARD OF RETIREMENT

BUSINESS MEETING

October 19, 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
Chris Ayala, Technical Specialist
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 October 19, 2015, to order at 9:00 a.m.

II. APPROVAL OF AGENDA

Chair Towner offered a modification to page 4 of the agenda, stating that the correct page numbers for item VII.A.4.b.(1) are 138-143, and the correct page numbers for item VII.A.4.b.(2) are 144-160.

Trustee McCormick requested to table item VII.D. to a future meeting when an agenda for the event is available.

The following motion was made:

MOTION: Approve the agenda, as amended.

Moved by Goulet, seconded by Johnston.

Vote: Motion carried

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

No: -

Absent: Foy, Hintz

III. APPROVAL OF MINUTES

A. Disability Meeting of October 5, 2015.

MOTION: Approve.

Moved by Goulet, seconded by McCormick.

Vote: Motion carried

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

No: -

Absent: Foy, Hintz

IV. CONSENT AGENDA

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

- B. Receive and File Report of Checks Disbursed in September 2015
- C. Receive and File Statement of Reserves at June 30, 2015
- D. Receive and File Statement of Fiduciary Net Position, Statement of Changes in Fiduciary Net Position, and Schedule of Investments and Cash Equivalents for the Period Ending July 31, 2015.
- E. Receive and File Statement of Fiduciary Net Position, Statement of Changes in Fiduciary Net Position, and Schedule of Investments and Cash Equivalents for the Period Ending August 31, 2015.
- F. Receive and File Budget Summary for FY 2015-16 Month Ending September 30, 2015

In response to an inquiry by Trustee Goulet, Ms. Webb confirmed that separating members receive information and guidance from VCERA staff prior to choosing whether to take a refund of retirement contributions.

MOTION: Approve the Consent Agenda.

Moved by Johnston, seconded by McCormick.

Vote: Motion carried

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

No: -

Absent: Foy, Hintz

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

V. INVESTMENT MANAGER PRESENTATIONS

- A. Receive Annual Investment Presentation, Reams Asset Management, Clark W. Holland, Portfolio Manager (30 Minutes)

Clark W. Holland was present on behalf of Reams Asset Management to provide an organizational and investment performance update.

Trustee Hintz arrived at 9:35 a.m.

VI. INVESTMENT INFORMATION

- A. NEPC – Allan Martin, Partner.
 - 1. Preliminary Performance Report Month Ending September 30, 2015

VII. NEW BUSINESS

A. Report and Recommendation on PEPRRA Pensionable Compensation Analysis

Received public comment from Paul Derse, Ventura County Chief Financial Officer.

Received public comment from CNA representative Tina Grieger.

Received public comment from SEIU representative Ramon Rubalcava.

Received public comment from LeeAnn Wilkie, who spoke on behalf of Ventura County nurses.

1. Resolution of the Board of Retirement of Ventura County Employees' Retirement Association (VCERA) Regarding Pensionable Compensation Determination, dated November 17, 2014.

2. Letter from Staff

a. Exhibit 1: Recommend Continued Inclusion (COV & VRSD)

MOTION: Adopt recommended continued inclusion re: Regular Salary and FLSA: Ratify the inclusion of the pay codes listed in Exhibit 1, both Table A and Table B, in pensionable compensation, effective January 1, 2013.

Moved by Hintz, seconded by Goulet.

Vote: Motion carried

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

No: -

b. Exhibit 2: Recommended Exclusion, with Correction of Past Inclusion

(1) Table A: Market-Based Premium Pay Items (COV)

MOTION: Approve staff recommendation to exclude from pensionable compensation, with correction of past inclusion.

Moved by Wilson, seconded by Henderson.

MOTION WITHDRAWN: Following discussion by the Board, Trustee Wilson withdrew his motion.

After further discussion, the following motion was made:

MOTION: Include Table A in pensionable compensation, with request to Board of Supervisors to create a publicly available schedule of the items in Table A by July 1, 2016.

Moved by Hintz, seconded by Johnston.

Vote: Motion carried

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

No: Goulet

Trustee Goulet stated that he voted against the motion because the July 1, 2016 date was later than he thought was appropriate.

(2) Table B: Y-Rate (COV)

MOTION: Include items in Table B in pensionable compensation.

Moved by Hintz, seconded by Johnston.

Vote: Motion carried

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

No: -

c. Exhibit 3: Recommend Inclusion

(1) Table A: Base Part of Holiday Pay & FLSA (COV) Effective January 1, 2013

(2) Table B: Longevity Pay Items (COV)
Effective January 3, 2016

MOTION: Approve staff recommendation to include items in Table A and Table B in pensionable compensation with indicated effective dates.

Moved by Henderson, seconded by McCormick.

Vote: Motion carried

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

No: -

d. Exhibit 4: Recommend Prospective Inclusion

MOTION: Approve staff's recommendation to include Exhibit 4 in pensionable compensation, effective January 3, 2016.

Moved by McCormick, seconded by Johnston.

Vote: Motion carried

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

No: Foy, Sedell, Wilson

e. Exhibit 5: Recommend Continued Exclusion in Absence of Pay Code Distinctions (Situational)

MOTION: Approve staff's recommendation to continue exclusion in pensionable compensation, in absence of pay code distinctions.

Moved by Henderson, seconded by Hintz.

Vote: Motion carried

Yes: Goulet, Foy, Henderson, Hintz, Sedell, Wilson

No: McCormick, Winter, Johnston

f. Exhibit 6: Recommend Exclusion with Correction of Past Inclusion Effective January 1, 2013

(1) Table A: COV

(2) Table B: VRSD

MOTION: Approve staff's recommendation to exclude items from Tables A and B from pensionable compensation, with correction of past inclusion.

Moved by Goulet, seconded by Henderson.

Vote: Motion carried

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

No: -

g. Exhibit 7: Recommend Continued Exclusion

MOTION: Approve staff's recommendation for continued exclusion in pensionable compensation for Tables A and B.

Moved by Goulet, seconded by Henderson.

Vote: Motion carried

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

No: McCormick

h. Exhibit 8: Inactive Codes

(1) Table A: COV

(2) Table B: VRSD

Ms. Webb explained that Exhibit 8 represented inactive codes and indicated which Exhibit each code would be in if activated in the future.

No action was taken by the Board on Exhibit 8.

MOTION: Direct staff to bring new pay codes to the Board for inclusion or exclusion on an ad-hoc basis, as well as an annual report and review of the application of existing pay codes.

Moved by Sedell, seconded by McCormick.

Vote: Motion carried

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

No: -

Trustee Winter asked how the July 2016 request to the County of Ventura on MBPP items would be handled. Ms. Webb said she would communicate that to the County and report back.

3. Potential Board Actions Regarding Recommended Inclusions and Exclusions Under the VCERA Pensionable Compensation Resolution of November 2014, Ashley Dunning, Nossaman LLP
4. Written Feedback from Stakeholders:
 - a. VCDSA, VCPFA and VCPPOA
 - (1) Stephen Silver, Counsel: September 10, 2015
 - (2) Follow-up List of Pay Codes: September 17, 2015
 - b. SEIU
 - (1) Kerianne R. Steele: Counsel for SEIU, Local 721: October 2, 2015
 - (2) Declaration of Angela Portillo, SEIU Worksite Organizer: October 2, 2015
 - c. CNA
 - (1) Letter from Tina Grieger, Labor Representative for CNA: October 2, 2015
 - (2) Follow-up to Letter: October 2, 2015
 - d. County of Ventura Letter: October 13, 2015

B. IRS Qualification Filing

1. Staff Letter
2. 2010 Hanson Bridgett Engagement Letter
3. Hanson Bridgett Engagement Letter
RECOMMENDED ACTION: Continued Engagement of Hanson Bridgett for Tax Compliance Counsel and Filing of Cycle E Tax Determination Letter

MOTION: Approve new engagement of Hanson Bridgett for tax compliance counsel & filing for up to \$25,000, with an additional \$25,000 approved only if a Voluntary Compliance Program (VCP) filing is required.

Moved by Goulet, seconded by Henderson.

Vote: Motion carried

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

No: -

4. Hanson Bridgett Estimated Timeline and Budget

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

1. VCERIS Project Monthly Status Update- August 2015

RECOMMENDED ACTION: Receive and file.

2. VCERIS Project Monthly Status Update- September 2015

RECOMMENDED ACTION: Receive and file.

MOTION: Receive and file items C.1. and C.2.

Moved by Wilson, seconded by Goulet.

Vote: Motion carried

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

No: -

D. Recommendation to Approve Trustee McCormick's Attendance at 2015
CORPaTH Summit and Crystal Globe Awards, December 15-16, 2015, Las
Vegas, NV

This item was tabled during "Item II. Approval of Agenda".

VIII. OLD BUSINESS

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

1. Proposal of Services from Cortex Consulting

MOTION: Decline to engage Cortex on their consulting proposal.

Moved by Hintz, seconded by Foy.

Vote: Motion carried

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

No: Johnston, McCormick, Winter

B. Oral Update on Human Resources Contracted Services Related to AB1291

Ms. Webb and Chair Towner provided an update on the process of developing draft documents in coordination with the contracted consultant and Nossaman. Staff will withdraw from discussions of specific benefits to avoid any conflicts.

C. LANQUIST, ET AL. v. VENTURA COUNTY EMPLOYEES' RETIREMENT ASSOCIATION; VENTURA COUNTY SUPERIOR COURT CASE NO. 56-2011-00404515. Consider and Take Possible Action to Authorize Payment of Outstanding Costs in an amount not to exceed \$1,870.92.

Ms. Nemiroff explained background and history of this item.

MOTION: Authorize VCERA to pay remaining costs to petitioners if County does not pay its share by October 31, 2015.

Moved by Goulet, seconded by Wilson.

Vote: Motion carried

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

No: -

IX. INFORMATIONAL

A. Nossaman Fiduciary Forum Report Submitted by Attendees

X. PUBLIC COMMENT

None.

XI. STAFF COMMENT

Ms. Webb informed the Board that the offer from M.F. Daily to allot sign space to VCERA will be included on the November 2, 2015 meeting agenda.

XII. BOARD MEMBER COMMENT

Chair Towner confirmed that an adequate number of trustees are available to attend the December 21, 2015 business meeting, and it will not be necessary to reschedule the meeting.

Trustee Wilson thanked staff for their work on the PEPRA Pensionable Compensation Analysis.

Trustee Hoag reminded the Board to submit their Chief Investment Officer performance evaluations before the November 2, 2015 disability meeting.

XIII. ADJOURNMENT

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

Respectfully submitted,



LINDA WEBB, Retirement Administrator

Approved,



TRACY TOWNER, Chairman