

VENTURA COUNTY EMPLOYEES' RETIREMENT ASSOCIATION

BOARD OF RETIREMENT

BUSINESS MEETING

January 25, 2016

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
Craig Winter, General Employee Member
Chris Johnston, Safety Employee Member
Arthur E. Goulet, Retiree Member
Will Hoag, Alternate Retiree Member

DIRECTORS Deanna McCormick, General Employee Member
ABSENT:

STAFF Linda Webb, Retirement Administrator
PRESENT: Lori Nemiroff, Assistant County Counsel
Dan Gallagher, Chief Investment Officer
Chantell Garcia, Retirement Benefits Specialist
Stephanie Caiazza, Program Assistant

PLACE: Ventura County Government Center
Hall of Administration- 3rd Floor Multipurpose Room
800 S. Victoria Ave.
Ventura, CA 93009

TIME: 9:00 a.m.

ITEM:

I. CALL TO ORDER

Chair Towner called the Business Meeting of January 25, 2016, to order at 9:05 a.m.

II. APPROVAL OF AGENDA

MOTION: Approve.

Moved by Goulet, seconded by Hintz.

Vote: Motion carried

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

No: -

Absent: McCormick

III. APPROVAL OF MINUTES

A. Disability Meeting of January 4, 2016.

MOTION: Approve.

Moved by Wilson, seconded by Johnston.

Vote: Motion carried

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

No: -

Absent: McCormick

Abstain: Sedell

IV. CONSENT AGENDA

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

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

C. Receive and File Budget Summary for FY 2015-16 Month Ending December 31, 2015.

MOTION: Approve the Consent Agenda.

Moved by Wilson, seconded by Henderson.

Vote: Motion carried

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

No: -

Absent: McCormick

V. INVESTMENT INFORMATION

- A. NEPC – Allan Martin, Partner
Dan Gallagher, VCERA Chief Investment Officer

1. Preliminary Performance Report Month Ending December 31, 2015
RECOMMENDED ACTION: Receive and file.

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

MOTION: Receive and file.

Moved by Winter, seconded by Goulet.

Vote: Motion carried

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

No: -

Absent: McCormick

VI. ACTUARIAL INFORMATION

- A. Review and Approval of Annual Actuarial Information Report as of June 30, 2015 – The Segal Company, Paul Angelo and John Monroe.

1. June 30, 2015 Actuarial Valuation Report

In response to a question from Catherine Rodriguez, Ventura County Chief Financial Officer, regarding the effective date of the new contribution rates, Ms. Nemiroff stated that the changes must be implemented within 90 days of the start of the fiscal year.

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

MOTION: Approve.

Moved by Goulet, seconded by Henderson.

Vote: Motion carried

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

No: -

Absent: McCormick

2. June 30, 2015 GAS 67 Actuarial Valuation Report

MOTION: Approve.

Moved by Hintz, seconded by Winter.

Vote: Motion carried

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

No: -

Absent: McCormick

- B. Recommendation to Approve PEPRA Annual Compensation Limit

1. Staff Letter
2. California Actuarial Advisory Panel PEPRA Pension Compensation Limits for the Calendar Year 2016

MOTION: Adopt the 2016 PEPRA Compensation Limits of \$117,020 and \$140,424 as calculated by the California Actuarial Advisory Panel (CAAP).

Moved by Wilson, seconded by Winter.

Vote: Motion carried

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

No: -

Absent: McCormick

VII. OLD BUSINESS

- A. Adoption of Resolution Pursuant to AB1291

1. Staff Letter

2. Draft Resolution

MOTION: Adopt proposed Resolution re: District Status and Application of Government Code Section 31522.10 in Ventura County.

Moved by Hintz, seconded by Sedell.

Vote: Motion carried

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

No: -

Absent: McCormick

B. Discussion of CPI Methodology, Trustee Johnston

1. Staff Letter
2. CPI Basis for Annual COLA Adjustments (Segal)
3. VCERA COLA as of April 1, 2015 (Segal)
4. Statutory COLA Provision
5. CERL System Methodology Survey Table
6. Bureau of Labor Statistics Table Through December 2015
7. Year End Volatility Spreadsheet (Trustee Johnston)

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

MOTION: Change the Consumer Price Index (CPI) measurement used to determine retiree COLA adjustments to an average annual CPI measure from year to year.

Moved by Johnston, seconded by Hintz.

Following discussion by the Board, Trustee Johnston withdrew his motion. The following motion was made:

MOTION: Continue this matter at the business meeting of March 21, 2016, to allow time for feedback from stakeholders. Moved by Sedell, seconded by Hintz.

Vote: Motion carried

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

No: -

Absent: McCormick

- C. Adoption of Corrected IRS Model Regulation for IRC Code §401(a) and Board Resolution Adopting Tax Compliance Regulations

RECOMMENDED ACTION: Approve.

1. Staff Letter
2. Model Regulation: 401(a) – Distribution Limits (Corrected)

MOTION: Adopt the provided 401(A) Distribution Limits Regulation, which includes the establishment of a bona fide separation from service period of 60 days.

Moved by Foy, seconded by Sedell.

Vote: Motion carried

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

No: -

Absent: McCormick

3. Board Resolution Adopting Tax Compliance Regulations

RECOMMENDED ACTION: Approve.

MOTION: Approve.

Moved by Goulet, seconded by Henderson.

Vote: Motion carried

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

No: -

Absent: McCormick

Ms. Webb stated that this resolution will be effective once adopted by the Board of Supervisors. Ms. Webb informed the Board that this resolution will be on the agenda for the Board of Supervisors meeting on January 26, 2016, and that she will be present at the meeting to answer any questions.

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

This item was previously considered by the Board in Closed Session at the disability meeting of January 4, 2016.

The following motion was made:

MOTION: Approve merit increase of 5% for Retirement Administrator Linda Webb.

Moved by Goulet, seconded by Wilson.

Vote: Motion carried

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

No: -

Absent: McCormick

VIII. NEW BUSINESS

- A. Request to Retroactively Approve Chair Towner and Chief Investment Officer Dan Gallagher's Attendance at 2016 NEPC Public Funds Workshop from January 11 – 12, 2016 in Tempe, AZ.

1. NEPC Public Funds Workshop Report, Submitted by Chair Towner and CIO Dan Gallagher

MOTION: Retroactively approve attendance at NEPC's 2016 Public Funds Workshop and reimbursement of travel expenses for VCERA Board Chair Tracy Towner and CIO Dan Gallagher.

Moved by Sedell, seconded by Johnston.

Vote: Motion carried

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

No: -

Absent: McCormick

X. INFORMATIONAL

- A. CORPaTH Summit Report, Submitted by Trustee McCormick

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

MOTION: Receive and file.

Moved by Winter, seconded by Johnston.

Vote: Motion carried

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

No: -

Absent: McCormick

B. State Street Servicing of US Public Retirement Plans Update

MOTION: Receive and file.

Moved by Foy, seconded by Sedell.

Vote: Motion carried

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

No: -

Absent: McCormick

XI. PUBLIC COMMENT

None.

XII. STAFF COMMENT

Mr. Gallagher and Ms. Webb had several updates and announcements to provide to the Board.

Mr. Gallagher informed the Board of State Street's settlement with the SEC regarding a pay to play issue that occurred in 2010 and 2011.

Mr. Gallagher updated the Board on the liquidation of VCERA's global bond portfolios with PIMCO and Loomis Sayles.

Mr. Gallagher requested that the trustees inform him if they are interested in attending a meeting with David Rubenstein, Co-Founder and Co-CEO of The Carlyle Group, on February 3, 2016. Trustee Johnston expressed interest in attending the meeting.

Mr. Gallagher informed the Board that a due diligence visit to Pantheon and NEPC in San Francisco was tentatively scheduled for February 29, 2016. Trustee Sedell and Trustee Wilson expressed interest in attending.

Ms. Webb stated that Brian Colker of Linea Solutions will be present at the February 1, 2016 disability meeting to provide an update on the VCERIS pension administration system project. She indicated that User Acceptance Training (UAT) was progressing well.

Ms. Webb informed the Board that iPads for viewing meeting materials will likely be available for the trustees by the February 22, 2016 business meeting.

Ms. Webb informed the Board that the IRS Qualification filing documents were being completed and submitted that week.

Lastly, Ms. Webb announced that the remaining Board of Retirement meetings through April 2016 are scheduled to take place off-site in the Multipurpose Room, located in the Hall of Administration at the Ventura County Government Center.

XIII. BOARD MEMBER COMMENT

None.

XIV. ADJOURNMENT

The Chairman adjourned the meeting from closed session at 11:19 a.m.

Respectfully submitted,



LINDA WEBB, Retirement Administrator

Approved,



TRACY TOWNER, Chairman