

VENTURA COUNTY EMPLOYEES' RETIREMENT ASSOCIATION

BOARD OF RETIREMENT

BUSINESS MEETING

February 22, 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
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: 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 February 22, 2016, to order at 9:00 a.m.

II. APPROVAL OF AGENDA

MOTION: Approve.

Moved by Henderson, seconded by Wilson.

Vote: Motion carried

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

No: -

Absent: Foy

III. APPROVAL OF MINUTES

A. Disability Meeting of February 1, 2016.

Staff confirmed that the minutes would be corrected to list Trustee Sedell's name in each vote.

MOTION: Approve, as amended.

Moved by Henderson, seconded by Johnston.

Vote: Motion carried

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

No: -

Absent: Foy

IV. CONSENT AGENDA

A. Approve Regular and Deferred Retirements and Survivors Continuances for the Month of January 2016.

B. Receive and File Report of Checks Disbursed in January 2016.

- C. 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 December 31, 2015.
- D. Receive and File Budget Summary for FY 2015-16 Month Ending January 31, 2016.

MOTION: Approve the Consent Agenda.

Moved by Henderson, seconded by Johnston.

Vote: Motion carried

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

No: -

Absent: Foy

V. INVESTMENT MANAGER PRESENTATIONS

- A. Receive Annual Investment Presentation, Prudential Real Estate Investors – PRISA, Mark A. Oczkus, Executive Director, and Jeremy S. Keenan, Vice President.

Mark A. Oczkus and Jeremy S. Keenan were present on behalf of Prudential Real Estate Investors – PRISA to provide an organizational and investment performance update.

Trustee Foy arrived at 9:11 a.m.

- B. Receive Annual Investment Presentation, UBS Asset Management, Thomas C. Klugherz, Executive Director.

Thomas C. Klugherz and Megan Burroughs were present on behalf of UBS Asset Management to provide an organizational and investment performance update.

MOTION: Receive and file items V.A. and V.B.

Moved by Wilson, seconded by Hintz.

Vote: Motion carried

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

No: -

VI. INVESTMENT INFORMATION

A. NEPC – Dan LeBeau, Consultant
Dan Gallagher, VCERA Chief Investment Officer

1. Presentation of Investment Performance Report Quarter Ending December 31, 2015.

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

MOTION: Receive and file.

Moved by Wilson, seconded by Goulet.

Vote: Motion carried

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

No: -

2. Preliminary Performance Report Month Ending January 31, 2016

The Board discussed possible changes to VCERA's international exposure. Chair Towner proposed that the Board review the new capital market assumptions and consider the implications at the March 21, 2016 business meeting, and continue the discussion of international exposure at the April 18, 2016 business meeting, if needed.

MOTION: Receive and file.

Moved by McCormick, seconded by Winter.

Vote: Motion carried

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

No: -

3. Prudential Fee Structure Change

- a. Memo from Staff

- b. Memo from NEPC

- c. Letter and Executive Summary from Prudential

After discussion by the Board and representatives from Prudential, the following motion was made:

MOTION: Receive and file.

Moved by Wilson, seconded by Henderson.

Vote: Motion carried

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

No: Johnston

After further discussion, the following motion was made:

MOTION: Direct Prudential to bring the fee structure change back before the Board if it is not instituted globally.

Moved by Sedell, seconded by Goulet.

Vote: Motion carried

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

No: -

4. Report on PIMCO Institute
Submitted by Chair Towner and CIO Dan Gallagher

MOTION: Receive and file.

Moved by Henderson, seconded by Wilson.

Vote: Motion carried

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

No: -

VII. OLD BUSINESS

- A. AB1291 Update by Chair Towner

Chair Towner provided an update on the implementation of AB1291, stating that the vendors were in the process of updating their contracts with Ventura County HR to include VCERA's employees.

VIII. NEW BUSINESS

A. Review of 2015 Board Member Education Compliance

1. Board Education Compliance Report for 2015

Ms. Webb requested that the trustees provide any necessary additions or corrections by the end of the week before the report is posted to the VCERA website.

The following motion was made:

MOTION: Receive and file the compliance report for 2015, and authorize staff to make any necessary corrections and post in compliance with Government Code Section 31522.8.

Moved by Sedell, seconded by Winter.

Vote: Motion carried

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

No: -

B. Mid-Year Budget Update for FY 2015-16

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

MOTION: Receive and file.

Moved by Goulet, seconded by Sedell.

Vote: Motion carried

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

No: -

C. VCERA Cost-of-Living Adjustments (COLA) as of April 1, 2016.

Ms. Webb said that the pending consideration of CPI methodology as it relates to retiree COLAs for future years would likely be brought back to the Board in April. Staff was coordinating a communication to potentially impacted members and retirees explaining the two methods being considered to allow them an opportunity to provide comment or input.

MOTION: Approve.

Moved by Henderson, seconded by Wilson.

Vote: Motion carried

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

No: -

- D. Recommendation to Approve Chair Towner's Attendance at the IFEBP Wharton School International and Emerging Market Investing, July 25 – 27, 2016, San Francisco, CA

Trustee Goulet and Trustee Johnston stated that they would also like to obtain Board approval to register for the course.

MOTION: Approve Chair Towner, Trustee Goulet, and Trustee Johnston's attendance at the IFEBP Wharton School course on International and Emerging Market Investing.

Moved by Sedell, seconded by Foy.

Vote: Motion carried

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

No: -

- E. Recommendation to Approve Trustee Goulet's Attendance at the 2016 Pension Bridge Annual Conference, April 6 – 7, 2016, San Francisco, CA

MOTION: Approve.

Moved by Henderson, seconded by Winter.

Vote: Motion carried

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

No: -

- F. Ventura County Employees' Retirement Information System (VCERIS) Pension Administration Project Monthly Status Update- January 2016

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

MOTION: Receive and file.

Moved by Henderson, seconded by Winter.

Vote: Motion carried

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

No: -

IX. PUBLIC COMMENT

None.

X. STAFF COMMENT

Ms. Webb stated that the discussion of meal reimbursements that was tabled on February 1, 2016 will be continued at the April 4, 2016 disability meeting during the review of the Education and Travel Policy.

Ms. Webb informed the Board that Ventura County CFO Catherine Rodriguez requested to meet with John Monroe of Segal Consulting in order to review VCERA's 2015 Actuarial Valuation in more detail. Ms. Webb stated that the meeting was scheduled for February 24, 2016, and that both she and Ms. Nemiroff will be in attendance, as well as several Ventura County staff invited by Ms. Rodriguez.

Ms. Webb informed the Board that she will not be present at the March 7, 2016 Disability Meeting because she will be attending the CALAPRS General Assembly on that date.

Mr. Gallagher distributed a handout displaying 50 years of investment returns and volatility over rolling 1, 2, 3, and 4 year periods.

XIII. BOARD MEMBER COMMENT

Staff distributed Trustee Goulet's report on the CALAPRS Trustees' Roundtable that took place in Burbank on February 5, 2016. Trustee Goulet noted that the report was submitted on time for inclusion in the Board's agenda materials.

XIV. ADJOURNMENT

The Chairman adjourned the meeting at 11:29 a.m.

Respectfully submitted,



LINDA WEBB, Retirement Administrator

Approved,



TRACY TOWNER, Chairman