

VENTURA COUNTY EMPLOYEES' RETIREMENT ASSOCIATION

BOARD OF RETIREMENT

DISABILITY MEETING

May 2, 2016

MINUTES

DIRECTORS Tracy Towner, Chair, Alternate Safety Employee Member
PRESENT: William W. Wilson, Vice Chair, Public Member
Steven Hintz, Treasurer-Tax Collector
Mike Sedell, Public Member
Craig Winter, General Employee Member
Deanna McCormick, General Employee Member
Arthur E. Goulet, Retiree Member
Will Hoag, Alternate Retiree Member

DIRECTORS Peter C. Foy, Public Member
ABSENT: Joseph Henderson, Public Member
Chris Johnston, Safety Employee Member

STAFF Lori Nemiroff, Assistant County Counsel
PRESENT: Linda Webb, Retirement Administrator
Henry Solis, Chief Financial Officer
Dan Gallagher, Chief Investment Officer
Donna Edwards, Retirement Benefits Specialist
Chantell Garcia, Retirement Benefits Specialist
Nancy Jensen, Office Assistant
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 Disability Meeting of May 2, 2016, to order at 9:00 a.m.

II. APPROVAL OF AGENDA

MOTION: Approve.

Moved by Sedell, seconded by Winter.

Vote: Motion carried

Yes: Goulet, Sedell, McCormick, Hintz, Winter, Wilson, Towner

No: -

Absent: Foy, Henderson, Johnston

III. APPROVAL OF MINUTES

A. Business Meeting of April 18, 2016.

MOTION: Approve.

Moved by Hintz, seconded by Goulet.

Vote: Motion carried

Yes: Goulet, Sedell, McCormick, Hintz, Winter, Wilson, Towner

No: -

Absent: Foy, Henderson, Johnston

IV. RECEIVE AND FILE PENDING DISABILITY APPLICATION STATUS REPORT

MOTION: Approve.

Moved by Goulet, seconded by Wilson.

Vote: Motion carried

Yes: Goulet, Sedell, McCormick, Hintz, Winter, Wilson, Towner

No: -

Absent: Foy, Henderson, Johnston

V. APPLICATIONS FOR DISABILITY RETIREMENT

A. Application for Service Connected Disability Retirement,
Edwin Ilano; Case No. 14-020

1. Application for Service Connected Disability Retirement
2. Medical Analysis and Recommendation by County of Ventura, Risk Management, to grant Application for Service Connected Disability Retirement and supporting documentation

3. Hearing Notice, dated April 19, 2016

Stephen D. Roberson, Attorney at Law, was present on behalf of County of Ventura Risk Management. Edwin Stone, Attorney at Law, was present on behalf of the applicant.

Both parties declined to make statements.

The following motion was made:

MOTION: Grant the Applicant, Edwin Ilano, a service connected disability retirement.

Moved by Sedell, seconded by Hintz.

Vote: Motion carried

Yes: Goulet, Sedell, McCormick, Hintz, Winter, Wilson, Towner

No: -

Absent: Foy, Henderson, Johnston

Both parties agreed to waive preparation of findings of fact and conclusions of law.

B. Application for Service Connected Disability Retirement,
Timothy Waite; Case No. 13-022

1. Application for Service Connected Disability Retirement

2. Medical Analysis and Recommendation by County of Ventura, Risk Management, to grant Application for Service Connected Disability Retirement and supporting documentation

3. Hearing Notice, dated April 22, 2016

Carol A. Kempner, Attorney at Law, was present on behalf of County of Ventura Risk Management. Edwin Stone, Attorney at Law, was present on behalf of the applicant.

Both parties declined to make statements.

In response to an inquiry by Trustee Goulet, Ms. Kempner clarified that the job description submitted with Risk Management's analysis should have been an unannotated version, but it reflected the correct job description.

The following motion was made:

MOTION: Grant the Applicant, Timothy Waite, a service connected disability retirement.

Moved by Sedell, seconded by McCormick.

Vote: Motion carried

Yes: Goulet, Sedell, McCormick, Hintz, Winter, Wilson, Towner

No: -

Absent: Foy, Henderson, Johnston

Both parties agreed to waive preparation of findings of fact and conclusions of law.

VI. NEW BUSINESS

A. Quarterly Administrator's Report for January – March, 2016

RECOMMENDED ACTION: Receive and file.

MOTION: Receive and file.

Moved by McCormick, seconded by Wilson.

Vote: Motion carried

Yes: Goulet, Sedell, McCormick, Hintz, Winter, Wilson, Towner

No: -

Absent: Foy, Henderson, Johnston

B. Consideration of Quiet Period per Trustee Communications Policy

1. Staff Letter

2. Trustee Communications Policy

MOTION: Approve initiation of a quiet period during the search for a private equity separate account manager, which will cease upon the selection of an account manager, conclusion of the search or later action by the Board.

Moved by Hintz, seconded by Winter.

Vote: Motion carried

Yes: Goulet, Sedell, McCormick, Hintz, Winter, Wilson, Towner

No: -

Absent: Foy, Henderson, Johnston

C. Annual Review of Education and Travel Policy

1. Staff Letter
2. Education and Travel Policy Proposed (Redline)
3. GSA Special Per Diem Rate Publication

The Board discussed changes to the policy in addition to those proposed in the redline draft.

In response to an inquiry by Trustee Sedell, the Board determined that “flight time” referred to the total time spent on the airplane(s).

Trustee Goulet requested that staff remove the reference to “premium economy(or equivalent)” from the table.

The Board directed Ms. Webb to add an annotation to the policy stating that the total cost of travel can be used to determine the amount that should be reimbursed.

MOTION: Approve the proposed changes to Education and Travel Policy.

Moved by Sedell, seconded by Wilson.

Vote: Motion carried

Yes: Goulet, Sedell, McCormick, Hintz, Winter, Wilson, Towner

No: -

Absent: Foy, Henderson, Johnston

D. Policies to be Reviewed at May 16, 2016 Business Meeting

1. Staff Letter
 - a. Charter: Board of Retirement
 - b. Charter: Chair
 - c. Charter: Vice Chair
 - d. Charter: Retirement Administrator
 - e. Board Policy Development Process
 - f. Monitoring and Reporting

g. Service Provider Selection

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

MOTION: Receive and file this item, and appoint Trustee Hoag and Trustee McCormick to review the above policies and propose any changes at an upcoming board meeting.

Moved by Wilson, seconded by Winter.

Vote: Motion carried

Yes: Goulet, Sedell, McCormick, Hintz, Winter, Wilson, Towner

No: -

Absent: Foy, Henderson, Johnston

- E. Recommendation to Approve Ms. Nemiroff's Attendance at the NAPPA 2016 Legal Education Conference, June 21 – 24, 2016 in New Orleans, LA
RECOMMENDED ACTION: Approve.

MOTION: Approve.

Moved by Wilson, seconded by McCormick.

Vote: Motion carried

Yes: Goulet, Sedell, McCormick, Hintz, Winter, Wilson, Towner

No: -

Absent: Foy, Henderson, Johnston

- F. Report on Pension Bridge Annual Conference, submitted by Trustee Goulet
RECOMMENDED ACTION: Receive and file.

MOTION: Receive and File.

Moved by McCormick, seconded by Winter.

Vote: Motion carried

Yes: Goulet, Sedell, McCormick, Hintz, Winter, Wilson, Towner

No: -

Absent: Foy, Henderson, Johnston

- G. Consideration and Possible Approval of Merit Increase for Dan Gallagher, Chief Investment Officer
This item to be considered following "VII. Closed Session"

This item was postponed until the end of Closed Session item VII.A. Upon

returning from Closed Session item VII.A., Chair Towner stated that Mr. Gallagher was eligible for a merit increase of up to 3.8%.

MOTION: Approve merit increase of 3.8% for Chief Investment Officer Dan Gallagher.

Moved by Goulet, seconded by McCormick.

Vote: Motion carried

Yes: Goulet, Sedell, McCormick, Hintz, Winter, Wilson, Towner

No: -

Absent: Foy, Henderson, Johnston

Trustee Sedell commended Mr. Gallagher on his job performance.

Chair Towner announced that the Board would proceed to items VIII. Public Comment, IX. Staff Comment, and X. Board Comment, then return to Closed Session item VII.B. before adjournment.

VII. CLOSED SESSION

A. PUBLIC EMPLOYEE PERFORMANCE EVALUATION

Title: Chief Investment Officer
(Government Code section 54957(b)(1))

**B. CONFERENCE WITH LABOR NEGOTIATORS,
GOVT. CODE SECTION 54957.6**

Agency Designated Representatives:

Tracy Towner

Ashley Dunning of Nossaman LLP (by teleconference)

Prospective Unrepresented VCERA Employees:

Retirement Administrator

Retirement Chief Financial Officer

Retirement General Counsel

Retirement Chief Investment Officer

Retirement Chief Operations Officer

VIII. PUBLIC COMMENT

None.

IX. STAFF COMMENT

Mr. Gallagher provided an organizational update on Sprucegrove and GMO, and stated that he agreed with NEPC that the recent changes would not be material to their operations.

Mr. Gallagher noted that the Board increased its allocation to private equity, and that staff and NEPC were moving forward on two tracks. The first track is a manager search to find a private equity separate account manager. The second, so as to ensure 2016 vintage year exposure, would be a recommendation for three private equity investments to be presented to the Board at the May 16, 2016 meeting.

Ms. Webb informed the Board that the first retiree payroll had been processed in V3. There was a one-time conversion error that resulted in over withholding of state taxes for a number of retirees. The majority affected had over withholding of \$25 or less. In the 35 cases where the amount was more than \$100, staff contacted the retirees to explain and offer to increase the following check. The error has been corrected going forward.

X. BOARD MEMBER COMMENT

Trustee Goulet requested that Mr. Gallagher provide the Board with a performance analysis of Sprucegrove and GMO at an upcoming meeting.

XI. ADJOURNMENT

The meeting was adjourned at 10:30 a.m.

Respectfully submitted,



LINDA WEBB, Retirement Administrator

Approved,



TRACY TOWNER, Chairman