

VENTURA COUNTY EMPLOYEES' RETIREMENT ASSOCIATION

BOARD OF RETIREMENT

BUSINESS MEETING

May 16, 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
Robert Bianchi, Alternate Public Member
Deanna McCormick, General Employee Member
Craig Winter, General Employee Member
Arthur E. Goulet, Retiree Member
Will Hoag, Alternate Retiree Member

DIRECTORS Joseph Henderson, Public Member
ABSENT: Chris Johnston, Safety Employee Member

STAFF Linda Webb, Retirement Administrator
PRESENT: Lori Nemiroff, Assistant County Counsel
Dan Gallagher, Chief Investment Officer
Julie Stallings, Chief Operations Officer
Karen Scanlan, Fiscal Manager
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 May 16, 2016, to order at 9:02 a.m.

Chair Towner announced that on May 3, 2016, the Board of Supervisors adopted a resolution authorizing the appointment of an alternate public member to the Board of Retirement, in accordance with Government Code Section 31520.13. The Board of Supervisors appointed Robert Bianchi as Alternate Public Member, and reappointed William Wilson as Public Member. Trustee Bianchi and Trustee Wilson were sworn in to office by Mark Lunn, County Clerk and Recorder on May 16, 2016, prior to the Board meeting.

The Board joined Chair Towner in welcoming Trustee Bianchi to the Board of Retirement.

II. APPROVAL OF AGENDA

Chair Towner removed the item "X.A. Closed Session Conference with Labor Negotiators" from the meeting agenda.

MOTION: Approve.

Moved by Goulet, seconded by Hintz.

Vote: Motion carried

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

No: -

Absent: Henderson, Johnston

III. APPROVAL OF MINUTES

A. Disability Meeting of May 2, 2016.

MOTION: Approve.

Moved by Hintz, seconded by McCormick.

Vote: Motion carried
Yes: Goulet, Foy, Hintz, McCormick, Bianchi, Sedell, Winter, Wilson,
Towner
No: -
Absent: Henderson, Johnston

IV. CONSENT AGENDA

- A. Approve Regular and Deferred Retirements and Survivors Continuances for the Month of April 2016
- B. Receive and File Report of Checks Disbursed in April 2016
- C. Receive and File Budget Summary for FY 2015-16 Month Ending April 30, 2016
- D. 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 March 31, 2016

MOTION: Approve Consent Agenda.

Moved by Sedell, seconded by Winter.

Vote: Motion carried
Yes: Goulet, Foy, Hintz, McCormick, Bianchi, Sedell, Winter, Wilson,
Towner
No: -
Absent: Henderson, Johnston

Trustee Goulet inquired about the increased number of pension payments on the April check register. Ms. Stallings stated that the checks issued as pension payments in April included one-time payments, refunds, and death benefits.

V. INVESTMENT MANAGER PRESENTATIONS

- A. Receive Annual Investment Presentation, Tortoise Capital Advisors, Andy Goldsmith and Braden Cielocha

Andy Goldsmith and Braden Cielocha were present on behalf of Tortoise Capital Advisors to provide an organizational and investment performance update.

- B. Receive Annual Investment Presentation, Bridgewater, Joel Whidden and Fred Post

Joel Whidden and Fred Post were present on behalf of Bridgewater to provide an organizational and investment performance update.

VI. INVESTMENT INFORMATION

- A. NEPC – Allan Martin and Chris Hill
VCERA – Dan Gallagher, Chief Investment Officer

- 1. Presentation of Investment Performance Report Month Ending April 30, 2016

RECOMMENDED ACTION: Receive and file.

MOTION: Receive and file.

Moved by McCormick, seconded by Winter.

Vote: Motion carried

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

No: -

Absent: Henderson, Johnston

- 2. Presentation of Investment Performance Report Quarter Ending March 31, 2016

RECOMMENDED ACTION: Receive and file.

MOTION: Receive and file.

Moved by Wilson, seconded by Hintz.

Vote: Motion carried

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

No: -

Absent: Henderson, Johnston

- B. 2016 Private Equity Investment Program Pacing Plan Discussion
- C. Recommendation to Approve Investments: \$60 Million in Harbourvest Dover Street Fund IX; \$60 Million Investment in Adams Street 2016 Global Fund; \$15 Million Investment in Drive Capital Fund II; Authorize an Amount Not to Exceed \$60,000 for Nossaman for Provision of the Necessary Attendant Legal Services; and Authorize Chair to Approve

and Execute Required Documentation, Subject to Legal Review and Approval by Board Counsel

1. Recommendation to Approve a \$60 Million Investment in Harbourvest Dover Street Fund IX
 - a. NEPC Analysis
 - b. Harbourvest Pitchbook
2. Recommendation to Approve a \$60 Million Investment in Adams Street 2016 Global Fund
 - a. NEPC Analysis
 - b. Adams Street Pitchbook
3. Recommendation to Approve a \$15 Million Investment in Drive Capital Fund II
 - a. PowerPoint Presentation by Drive Capital Partners
 - b. NEPC Analysis
 - c. Drive Capital Fact Sheet

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

MOTION: Approve a total of \$135 million to three new investments:

1. \$60 million to Harbourvest Dover Street Fund IX
2. \$60 million to Adams Street 2016 Global Fund
3. \$15 million to Drive Capital Fund II

Moved by Hintz, seconded by Winter.

Vote: Motion carried

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

No: -

Absent: Henderson, Johnston

4. Recommendation to Authorize an Amount Not to Exceed \$60,000 for Nossaman for Provision of the Necessary Attendant Legal Services

MOTION: Authorize an amount not to exceed \$60,000 for legal services to be provided by Nossaman.

Moved by Hintz, seconded by McCormick.

Vote: Motion carried

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

No: -

Absent: Henderson, Johnston

5. Authorize Chair to Approve and Execute Required Documentation, Subject to Legal Review and Approval by Board Counsel

MOTION: Authorize the Board Chair to approve and execute the required documentation subject to legal review and approval.

Moved by Sedell, seconded by Wilson.

Vote: Motion carried

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

No: -

Absent: Henderson, Johnston

VII. OLD BUSINESS

- A. Update on Board Request to the County of Ventura for a Publicly Available Schedule of Market Based Premium Pay Items

Ms. Webb informed the Board that the Auditor-Controller had posted documents on their webpage in response to the Board of Retirement's request for a publicly available schedule of market-based premium pay items. She said she had contacted the Auditor-Controller to express that staff believed the documents needed some additional elements to fit what the Board of Retirement was expecting. Ms. Webb stated that staff would be discussing this further with the Auditor-Controller to suggest additions to their posting before the end of the fiscal year.

VIII. INFORMATIONAL

- A. VCERA's Analysis of the Recently Negotiated CNA Retention Premium Payment
- B. Letter from RREEF America REIT III

- C. The Ambachtsheer Letter April 2016
- D. Save the Date – Nossaman 2016 Fiduciaries' Forum

X. CLOSED SESSION

**A. 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

This item was removed from the agenda during item "II. Approval of Agenda".

X. PUBLIC COMMENT

None.

XI. STAFF COMMENT

Ms. Webb stated that the policies and charters listed on the May 2, 2016 agenda will be reviewed by Trustee Hoag and Trustee McCormick, and changes will be submitted to the Board for approval at an upcoming meeting.

Mr. Gallagher informed the Board that Goldman Sachs recently took the view that cash on its balance sheet is a negative. With the authority delegated to staff, Mr. Gallagher will revise the guidelines to authorize Parametric to use treasury bills instead of cash as initial margin collateral. Parametric will also be entering an agreement with Morgan Stanley as opposed to exclusively using Goldman Sachs.

XII. BOARD MEMBER COMMENT

Chair Towner informed the Board that he was exploring options to streamline board meetings and possibly reduce their frequency.

Trustee Goulet commented that the SACRS Spring 2016 Conference was one of the best that he had attended and outlined the actions taken at the SACRS business meeting.

XIII. ADJOURNMENT

The meeting was adjourned at 11:32 a.m.

Respectfully submitted,



LINDA WEBB, Retirement Administrator

Approved,



TRACY TOWNER, Chairman