

VENTURA COUNTY EMPLOYEES' RETIREMENT ASSOCIATION

BOARD OF RETIREMENT

BUSINESS MEETING

MARCH 27, 2017

MINUTES

DIRECTORS
PRESENT: Tracy Towner, Chair, Alternate Safety Employee Member
William W. Wilson, Vice Chair, Public Member
Steven Hintz, Treasurer-Tax Collector¹
Peter Foy, Public Member²
Mike Sedell, Public Member³
Robert Bianchi, Alternate Public Member
Craig Winter, General Employee Member
Arthur E. Goulet, Retiree Member
Will Hoag, Alternate Retiree Member
Ed McCombs, Alternate Public Member

DIRECTORS
ABSENT: Chris Johnston, Safety Employee Member

STAFF
PRESENT: Linda Webb, Retirement Administrator
Lori Nemiroff, County Counsel
Henry Solis, Chief Financial Officer
Julie Stallings, Chief Operations Officer
Dan Gallagher, Chief Investment Officer
Karen Scanlan, Accounting Manager I
Chantell Garcia, Retirement Benefits Specialist
Chris Ayala, Program Assistant

PLACE: Ventura County Employees' Retirement Association
Second Floor Boardroom
1190 South Victoria Avenue
Ventura, CA 93003

TIME: 9:00 a.m.

ITEM:

¹ Arrived at 9:07 a.m.

² Arrived at 9:05 a.m.

³ Left at 10:00 a.m.

I. CALL TO ORDER

Chair Towner called the Business Meeting of March 27, 2017, to order at 9:00 a.m., in acknowledgement of the service of the late Deanna McCormick.

II. APPROVAL OF AGENDA

MOTION: Approve.

Moved by Sedell, seconded by Bianchi.

Vote: Motion carried

Yes: Bianchi, Goulet, Hoag, McCombs, Sedell, Wilson, Winter, Towner

No: -

Absent: Foy, Hintz, Johnston

III. APPROVAL OF MINUTES

A. Disability Minutes of March 13, 2017

Trustee Goulet said that on the March 13th meeting minutes, Trustee Hintz was listed as present on the first page of the agenda, but was absent until he arrived at 9:07 am. Also, for item V.A., there was no mention of a written statement given by disability applicant and the word "pay" was missing in the comments regarding the publicly available pay schedule in item VI.A.

MOTION: Approve with Corrections.

Moved by Sedell, seconded by Bianchi.

Vote: Motion carried

Yes: Bianchi, Goulet, Hoag, McCombs, Sedell, Wilson, Winter, Towner

No: -

Absent: Foy, Hintz, Johnston

IV. CONSENT AGENDA

A. Approve Regular and Deferred Retirements and Survivors Continuances for the Month of February 2017

B. Receive and File Report of Checks Disbursed in February 2017

C. Receive and File Budget Summary for FY 2016-17 Month Ending February 28, 2017

- 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 January 31, 2017
- E. 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 February 28, 2017

MOTION: Receive and File.

Moved by Goulet, seconded by Sedell.

Vote: Motion carried

Yes: Bianchi, Goulet, Hoag, McCombs, Sedell, Wilson, Winter, Towner

No: -

Absent: Foy, Hintz, Johnston

Trustee Foy arrived at 9:05 a.m.

Trustee Hintz arrived at 9:07 a.m.

V. INVESTMENT MANAGER PRESENTATIONS

- A. Receive Annual Investment Presentation, Adams Street Partners, Scott Hazen and Saguna Malhotra

Scott Hazen and Saguna Malhotra were present on behalf of Adams Street Partners to provide an organizational and investment performance update.

- B. Receive Annual Investment Presentation, HarbourVest, Brett Gordon

Brett Gordon was present on behalf of HarbourVest to provide an organizational and investment performance update.

Chair Towner requested a 10-minute break at 10:00 a.m.

Trustee Sedell left at 10:00 a.m.

The Board returned from break at 10:10 a.m.

- C. Receive Annual Investment Presentation, Pantheon, Susan Long McAndrews, Matt Garfinkle, and Sprague Von Stroh

Susan Long McAndrews, Matt Garfinkle, and Sprague Von Stroh were present on behalf of Pantheon to provide an organizational and investment performance update.

VI. INVESTMENT INFORMATION

- A. NEPC – Allan Martin and Tony Ferrera
VCERA – Dan Gallagher, Chief Investment Officer
1. Preliminary Performance Report for Period Ending February 28, 2017.
RECOMMENDED ACTION: Receive and file.
 2. Third Quarter 2016 Private Markets Review – Private Equity
RECOMMENDED ACTION: Receive and file.

Trustee Goulet said that he was confused by Master Page 137, which stated the Total Value to Paid-In Ratio as \$1.33, though VCERA had paid in almost \$252 million; the Total Value was incorrectly shown also.

Mr. Ferrera replied that he believed some of the numbers were transposed and he would provide corrections.

3. Publicly Traded Equity Asset Class Structure Review
RECOMMENDED ACTION: Approve recommendation to move Blackrock managed Large Cap and SMid Cap equity index funds pro rata from Dow Jones benchmarked index funds to Russell 1000 and Russell 2500 benchmarked index funds.

Trustee Winter left at 10:55 a.m. and returned at 10:59 a.m.

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

MOTION: Approve Item VI.A.3.

Moved by Wilson, seconded by Bianchi.

Vote: Motion carried

Yes: Bianchi, Foy, Goulet, Hintz, Hoag, McCombs, Wilson, Winter, Towner

No: -

Absent: Johnston, Sedell

MOTION: Receive and file items VI.A.1. and VI.A.2.

Moved by Wilson, seconded by Bianchi.

Vote: Motion carried

Yes: Bianchi, Foy, Goulet, Hintz, Hoag, McCombs, Wilson, Winter, Towner

No: -

Absent: Johnston, Sedell

VII. **NEW BUSINESS**

- A. Proposed Board of Retirement Resolution Pertaining to Regulations for IRS Section 415 – Annual Limits

RECOMMENDED ACTION: Approve

1. Staff Letter
2. Proposed Resolution

Ms. Webb asked the Board to note that the two date references of March 13th, should have read March 27th, and that the Clerk had provided corrected hard copies. Ms. Webb said that as part of VCERA's recent favorable IRS qualification, tax counsel Hanson Bridgett had recommended the Board adopt the presented clarifying amendment. Ms. Webb said VCERA's regulations already provide that differential wage payments be included in the Plan's definition of total compensation, and the Resolution would reinforce that. Ms. Webb said the General Counsel had reviewed the Resolution and recommended adoption. She also said the Resolution needed to be approved by the Board of Supervisors, and that the CEO's office had indicated no anticipated issues with approval.

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

MOTION: Approve.

Moved by Wilson, seconded by Hintz.

Vote: Motion carried

Yes: Bianchi, Foy, Goulet, Hintz, Hoag, McCombs, Wilson, Winter, Towner

No: -

Absent: Johnston, Sedell

- B. SACRS Spring 2017 Voting Proxy

1. Staff Letter

Ms. Webb stated that the Board needed to select a voting delegate for the SACRS 2017 Spring Conference.

Trustee Goulet said that there would be a new Treasurer nominee and he thought that the Board should vote for the new nominee.

Ms. Webb commented that it was not yet known who the nominee would be.

Trustee Goulet replied that Mr. Walker had withdrawn and that the new nominee would be running unopposed.

Trustee Hoag volunteered to serve as the voting delegate, and Trustee Winter offered to be the alternate.

VIII. INFORMATIONAL

- A. Retirement Administrator's Annual Letter to the County of Ventura, Board of Supervisors on Actuarial Valuation Results

IX. PUBLIC COMMENT

None.

X. STAFF COMMENT

Ms. Webb reminded the Board members to turn in their Form 700 if they have not already done so. Ms. Webb asked any Board members still interested in attending the SACRS 2017 Spring Conference and not registered to please let staff know. Ms. Webb informed the Board that there would be a special election to fill the Board's General Member vacancy scheduled for May 30, 2017. Ms. Webb stated that the RFP for Actuarial Audit Services would be posted to VCERA's website on April 3rd. She reminded the Board of a new assembly bill, and all the trustees would now be required to take a sexual harassment prevention class. Staff would be providing a link to an online course that would meet the requirement. Ms. Webb reminded the Board that at the April 17th Board meeting, a photographer would be present for updated photos.

XI. BOARD MEMBER COMMENT

Chair Towner commented that some progress was being made on AB 995.

XII. ADJOURNMENT

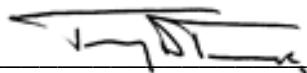
At 11:23 a.m., Chair Towner adjourned the meeting in memory of Deanna McCormick.

Respectfully submitted,



LINDA WEBB, Retirement Administrator

Approved,



TRACY TOWNER, Chairman