

VENTURA COUNTY EMPLOYEES' RETIREMENT ASSOCIATION

BOARD OF RETIREMENT

DISABILITY & BUSINESS MEETING

APRIL 17, 2017

MINUTES

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

DIRECTORS Peter C. Foy, Public Member

RS

ABSENT:

STAFF Linda Webb, Retirement Administrator
PRESENT: Lori Nemiroff, General Counsel
Henry Solis, Chief Financial Officer
Julie Stallings, Chief Operations Officer
Dan Gallagher, Chief Investment Officer
Vickie Williams, Retirement Benefits Manager
Donna Edwards, Retirement Benefits Specialist
Stephanie Berkley, 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:

I. CALL TO ORDER

Chair Towner called the Disability & Business Meeting of April 17, 2017, to order at 9:00 a.m.

II. APPROVAL OF AGENDA

Chair Towner amended the agenda by moving the presentation from State Street, item VII.B. after receiving and filing the pending disability status report, item V.

MOTION: Approve the agenda as amended.

Moved by Bianchi, seconded by Wilson.

Vote: Motion carried

Yes: Bianchi, Goulet, Hintz, Johnston, McCombs, Sedell, Wilson, Winter

No: -

Absent: Foy

III. APPROVAL OF MINUTES

Trustee Goulet identified 2 corrections on page 4, in the first paragraph. The first was where it stated that the paid-In Ratio was 1.33 million. This should have been a ratio of 1.33. The second error was in the third sentence, after the phrase \$252 million, the word "also" should be removed.

A. Business Meeting of March 27, 2017.

MOTION: Approve with Corrections.

Moved by Goulet, seconded by Wilson.

Vote: Motion carried

Yes: Bianchi, Goulet, Hintz, Johnston, McCombs, Wilson, Winter

No: -

Abstain: Sedell

Absent: Foy

IV. CONSENT AGENDA

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

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

- C. Receive and File Budget Summary for FY 2016-17 Month Ending March 31, 2017.

MOTION: Receive and File.

Moved by Wilson, seconded by Sedell.

Vote: Motion carried

Yes: Bianchi, Goulet, Hintz, Johnston, McCombs, Sedell, Wilson, Winter

No: -

Absent: Foy

V. **RECEIVE AND FILE PENDING DISABILITY APPLICATION STATUS REPORT**

MOTION: Receive and File.

Moved by Goulet, seconded by Bianchi.

Vote: Motion carried

Yes: Bianchi, Goulet, Hintz, Johnston, McCombs, Sedell, Wilson, Winter

No: -

Absent: Foy

Following the vote on this item, the Board advanced to agenda item VII.B.

VI. **APPLICATIONS FOR DISABILITY RETIREMENT**

- A. Application for Non-Service Connected Disability Retirement – Daniel A. Farmer; Case No. 17-003.

1. Application for Non-Service Connected Disability Retirement, dated February 1, 2017.
2. Medical Analysis and Recommendation, including Supporting Medical Documentation, submitted by County of Ventura, Risk Management, in support of the Application for Non-Service Connected Disability Retirement, dated April 4, 2017.
3. Hearing Notice, dated April 10, 2017.

Paul Hilbun, was present on behalf of County of Ventura Risk Management. The applicant, Daniel A. Farmer, was also present.

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

MOTION: Approve Non-Service Connected Disability Application Retirement.

Moved by Wilson, seconded by Sedell.

Vote: Motion carried

Yes: Bianchi, Goulet, Hintz, Johnston, McCombs, Sedell, Wilson, Winter

No: -

Absent: Foy

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

B. Application for Non-Service Connected Disability Retirement - Kimberly A. Graves; Case No. 16-029.

1. Application for Non-Service Connected Disability Retirement, dated September 6, 2016.
2. Medical Analysis and Recommendation, including Supporting Medical Documentation, submitted by County of Ventura, Risk Management, in support of the Application for Non-Service Connected Disability Retirement, March 28, 2017.
3. Hearing Notice, dated April 4, 2017.

Paul Hilbun, was present on behalf of County of Ventura Risk Management. The applicant, Kimberly A. Graves, was also present.

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

MOTION: Approve Non-Service Connected Disability Application Retirement.

Moved by Wilson, seconded by Sedell.

Vote: Motion carried

Yes: Bianchi, Goulet, Hintz, Johnston, McCombs, Sedell, Wilson, Winter

No: -

Absent: Foy

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

C. Application for Service-Connected Disability Retirement – Robert J. Garcia; Case No. 15-010.

1. Amended Findings and Decision including Findings of Fact and Conclusions of Law, submitted by Hearing Officer Robert Klepa, dated March 13, 2017.

2. Objection to Hearing Officer's Proposed Findings of Fact, Determination and Recommendations, submitted by Edwin K. Stone, Attorney for Applicant, Robert J. Garcia, dated March 24, 2017.
3. Legal Memorandum In Support of the Hearing Officer's Recommended Decision That Applicant, Robert J. Garcia Be Denied a Service Connected Disability Retirement, submitted by Stephen D. Roberson, Attorney for Respondent, County of Ventura/Risk Management, dated March 28, 2017.
4. Hearing Notice, dated April 3, 2017.

Stephen D. Roberson, Attorney at Law, was present on behalf of County of Ventura Risk Management. Edwin K. Stone, Attorney at Law, was present on behalf of the applicant. The applicant, Robert J. Garcia, was also present.

Mr. Stone, Attorney for the applicant stated that there were a couple of typographical errors in item 2, page 1. Mr. Stone said that the first was where the date of injury was cited as October 21, 2000, which should be October 21, 2013 and the second error was on page 2, where it cited that the injury did not occur in Camarillo, which it did.

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

MOTION: Adopt the Hearing Officer's recommendation and deny the applicant, Robert J. Garcia, a Service Connected Disability Application Retirement.

Moved by Wilson, seconded by Sedell.

Vote: Motion carried

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

No: -

Absent: Foy

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

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

- D. Application for Service-Connected and Non-Service Connected Disability Retirement - Josie Y. Garcia; Case No. 13-019.
 1. Administrative Record Volume I.
 2. Administrative Record Volume II.

3. Administrative Record Volume III; including the Hearing Notice dated April 3, 2017.
4. Supplemental Member Fact Sheet

Stephen D. Roberson, Attorney at Law, was present on behalf of County of Ventura Risk Management. David G. Shumaker, Attorney at Law, was present on behalf of the applicant. The applicant, Josie Y. Garcia, was also present.

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

MOTION: Approve Non-Service Connected Disability Application Retirement and Deny the Service Connected Disability Application Retirement.

Moved by Hintz, seconded by Bianchi.

Vote: Motion carried

Yes: Bianchi, Goulet, Hintz, Johnston, McCombs, Sedell, Wilson, Winter

No: -

Absent: Foy

MOTION: Approve the Earlier Effective Date of Retirement.

Moved by Hintz, seconded by Winter.

Vote: Motion carried

Yes: Bianchi, Goulet, Hintz, Johnston, McCombs, Sedell, Wilson, Winter

No: -

Absent: Foy

E. Application for Service Connected Disability Retirement – Travis J. Miller; Case No. 15-018.

1. Petition for Reconsideration, submitted by David G. Schumaker, Attorney for Applicant, dated March 24, 2017.
2. Letter to Sheriff Geoff Dean, submitted by David G. Schumaker, Attorney for Applicant, dated March 23, 2017.
3. Letter to Sheriff Geoff Dean, submitted by David G. Schumaker, Attorney for Applicant, dated March 24, 2017.
4. Legal Memorandum Filed by Respondent, County of Ventura/Risk Management, In Opposition To Petition for Reconsideration, Filed By

Applicant, Travis Miller, received from Stephen D. Roberson, Attorney for Respondent, County of Ventura, dated April 3, 2017.

5. Statement from Travis J. Miller, Applicant, dated March 13, 2017.
6. Hearing Officer's Proposed Decision including Findings of Fact and Conclusion, submitted by Hearing Officer Catherine Harris, dated January 16, 2017.
7. Objection to Proposed Findings of Fact and Proposed Decision, submitted by David G. Schumaker, Attorney for Applicant, dated January 30, 2016.
8. Legal Memorandum In Support of the Hearing Officer's Recommended Decision That Applicant, Travis Miller, Be Denied a Service-Connected Disability Retirement, submitted by Stephen D. Roberson, Attorney for Respondent, County of Ventura, dated February 27, 2017.
9. Hearing Notice, dated March 27, 2017.

Stephen D. Roberson, Attorney at Law, was present on behalf of County of Ventura Risk Management. David G. Shumaker, Attorney at Law, was present on behalf of the applicant. The applicant, Travis J. Miller, was also present.

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

MOTION: Deny the Petition for Reconsideration of a Service Connected Disability Application Retirement.

Moved by Wilson, seconded by Sedell.

Vote: Motion carried

Yes: Bianchi, Goulet, Hintz, McCombs, Sedell, Wilson, Winter

No: Johnston

Absent: Foy

VII. INVESTMENT MANAGER PRESENTATIONS

- A. Receive Annual Investment Presentation, Sprucegrove, Brad Haughey and Arjun Kumar.

Brad Haughey and Arjun Kumar were present on behalf of Sprucegrove to provide an organizational and investment performance update.

After this item was presented, the Board advanced to agenda item VIII.A.1.

- B. Receive Annual Investment Presentation from State Street, John Muir and Julianna Frank.

John Muir and Julianna Frank were present on behalf of State Street to provide an organizational and investment performance update.

After this item was presented, the Board returned to agenda item VI.A.

VIII. INVESTMENT INFORMATION

- A. NEPC – Tony Ferrara
VCERA – Dan Gallagher, Chief Investment Officer
1. Third Quarter 2016 Private Equity Portfolio Review – Corrected Copy.
RECOMMENDED ACTION: Receive and file.
 2. Preliminary Performance Report for Period Ending March 31, 2016.
RECOMMENDED ACTION: Receive and file.

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

MOTION: Receive and File Items VIII.A.1 and VIII.A.2.

Moved by Wilson, seconded by Bianchi.

Vote: Motion carried

Yes: Bianchi, Goulet, Hintz, Johnston, McCombs, Sedell, Wilson, Winter

No: -

Absent: Foy

IX. NEW BUSINESS

- A. SACRS Business Meeting Agenda Items
RECOMMENDED ACTION: Give direction to voting delegate.
1. Materials for May 19, 2017 SACRS Business Meeting.
 2. Supplemental Information for Bylaws Item.

Ms. Webb said that the provided SACRS business packet recommends that the Board give direction to their chosen voting delegate to act on the agenda items, one being the bylaws and the other the ballot.

Chair Towner stated that there were 2 candidates running for Treasurer and 2 running for Secretary, including Trustee Goulet.

Trustee Goulet said that there was actually only one person running for Treasurer.

Ms. Webb asked if there was any specific direction regarding the bylaws item.

Chair Towner recommended that the delegate vote to approve them, as well as vote for Trustee Goulet for Secretary.

- B. Recommendation to Approve Trustee McCombs Attendance at CALAPRS Principles of Pension Management for Trustees 2017, Pepperdine University, August 28 – 31, 2017.

RECOMMENDED ACTION: Approve.

1. Staff Letter

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

MOTION: Approve.

Moved by Goulet, seconded by Winter.

Vote: Motion carried

Yes: Bianchi, Goulet, Hintz, Johnston, McCombs, Sedell, Wilson, Winter

No: -

Absent: Foy

- C. Report on ILPA Level I Program, Submitted by Trustee Johnston and Trustee Bianchi.

- D. Report on CALAPRS Advance Principles of Pension Management for Trustees', Submitted by Trustee Bianchi.

MOTION: Receive and File.

Moved by Wilson, seconded by Bianchi.

Vote: Motion carried

Yes: Bianchi, Goulet, Hintz, Johnston, McCombs, Sedell, Wilson, Winter

No: -

Absent: Foy

X. INFORMATIONAL

- A. Updated VCERA Assets Managed by HarbourVest at September 30, 2016 Report.

- B. 22nd Annual NEPC Investment Conference Agenda.

- C. NEPC's 2017 April Newsletter.

- D. 2017 Public Funds Forum Invitation.

XI. PUBLIC COMMENT

None

XII. STAFF COMMENT

Ms. Webb said that the Board of Retirement special election was in process and the deadline for the candidates to turn in their nomination packets to the Elections office was Friday, April 14th.

Ms. Webb commented that the Actuarial Audit RFP was issued, with May 5th being the deadline for submission and the deadline for questions was Friday, April 14th. Staff had in fact received questions from two actuarial firms, and would be passing the questions along to the committee.

Ms. Webb informed the Board that the Ventura County Board of Supervisors had adopted the new contribution rates the previous week.

Mr. Gallagher said that two upcoming due diligence trips were scheduled for June 12th with NEPC and Prudential in San Francisco and the other on July 12th with Black Rock and UBS, also in San Francisco. Mr. Gallagher asked the Board if any of them were interested in attending any of these trips. He offered to send the details of the two trips so all could check their availability.

Chair Towner and Trustee Bianchi stated that they were interested in attending the due diligence trip on July 12th.

Mr. Gallagher reminded the Board that four different investment manager and private equity manager presentations were scheduled for the disability meeting of May 1st. Mr. Gallagher stated that he had been working with NEPC on this and that he would update the Board at that meeting. Mr. Gallagher also said that he believed that all four managers were qualified.

XIII. BOARD MEMBER COMMENT

Trustee Hoag reminded the Board to complete their performance reviews for the General Counsel and the C.I.O. as soon as possible, so that they could be filed in the next two weeks. Mr. Hoag also said that if they had a problem with survey to please let him know.

XIV. ADJOURNMENT

The meeting was adjourned at 10:51 a.m.

Respectfully submitted,



LINDA WEBB, Retirement Administrator

Approved,



TRACY TOWNER, Chairman