

**VENTURA COUNTY EMPLOYEES' RETIREMENT ASSOCIATION**

**BOARD OF RETIREMENT**

**BUSINESS MEETING**

**APRIL 19, 2004**

**MINUTES**

**DIRECTORS** William W. Wilson, Chair, Public Member  
**PRESENT:** Tracy Towner, Vice Chair, Safety Employee Member  
Lawrence L. Matheney, Treasurer, Ex-officio Member  
Albert G. Harris, Public Member  
Judy Mikels, Public Member  
John J. Crossan, Public Member  
Robert Hansen, General Employee Member  
Jim Wall, General Employee Member  
Wayne Larroque, Retiree Member  
Chris Johnston, Alternate Employee Member  
Vern Markley, Alternate Retiree Member

**STAFF** Van Perris, Administrator  
**PRESENT:** Tim Thonis, Assistant Administrator  
Lori Nemiroff, Assistant County Counsel

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

**TIME:** 9:00 a.m.

**ITEM:**

**I. INTRODUCTION OF MEETING**

Chairman Wilson called the Business Meeting of April 19, 2004, to order at 9:00 a.m.

**II. APPROVAL OF AGENDA**

Mr. Crossan moved, seconded by Mr. Wall, to approve the Agenda.

Motion passed.

**III. APPROVAL OF MINUTES**

- A. Disability Meeting of April 5, 2004.

Mr. Harris moved, seconded by Mr. Hansen, to approve the Minutes for the Disability Meeting of April 5, 2004.

Motion passed.

**IV. CONSENT AGENDA**

- A. Delta Asset Management Investment Report for the Month Ended March 31, 2004.
- B. Wasatch Advisors Investment Report for the Month Ended March 31, 2004.
- C. LSV Asset Management Investment Report for the Month Ended March 31, 2004.
- D. Barclays Global Investors Report for the U.S. Equity Index Fund, Extended Equity Market Fund and U.S. Debt Index Fund for the Month Ended March 31, 2004.
- E. Capital Guardian Trust Company Investment Report for the Month Ended March 31, 2004.
- F. Sprucegrove Investment Management Investment Report for the Month Ended March 31, 2004.
- G. Western Asset Management Investment Report for the Month Ended March 31, 2004.
- H. Reams Asset Management Investment Report for the Month Ended March 31, 2004.
- I. Regular and Deferred Retirements and Survivors Continuances for the Month of March 2004.
- J. Statement of Plan Net Assets, Statement of Changes In Plan Net Assets, Summary of Investments & Cash Equivalents, Statement of Reserves and Schedule of Investment Management Fees for the Month Ended March 31, 2004.

**IV. CONSENT AGENDA (Continued)**

- K. Report of Checks Disbursed in February 2004.
- L. Budget Summary for the Months Ended February 29 and March 31, 2004.

Mr. Harris moved, seconded by Mr. Matheney, to approve the Consent Agenda Items A through L.

Motion passed.

**V. INVESTMENT INFORMATION**

- A. Delta Asset Management Annual Presentation, Robert Sandroni, Managing Director.

Robert Sandroni, Managing Director and Marla Ryan, Vice President, were present from Delta Asset Management. Mr. Sandroni provided an overview of the organization and advised the Board that they were looking for a new parent company. Ms. Ryan discussed investment performance.

- B. Ennis Knupp & Associates, David Russell, CFA, and Kevin Vandolder, CFA.

- 1. INVESCO Core Equity Founding Investor Update and Real Estate Account Takeover Proposal Comparison from March Meeting.

Discussion was held regarding the proposal from INVESCO to take the current assets into their new core real estate commingled fund, the fact that INVESCO was currently on the Boards watch list, options other than moving to the INVESCO commingled fund and related issues.

Mr. Russell reviewed the INVESCO Watch List Status memorandum which outlined a number of actions that needed to be accomplished by INVESCO's parent organization before Ennis Knupp would recommend INVESCO Realty Advisors be taken off the watch list.

Mr. Matheney moved, seconded by Ms. Mikels, to eliminate INVESCO from further consideration for the position as the second commingled fund real estate manager.

Motion passed. Mr. Matheney, Mr. Crossan, Mr. Wilson, Ms. Mikels and Mr. Hansen for the motion. Mr. Wall, Mr. Larroque, Mr. Tower and Mr. Harris opposed the motion.

**V. INVESTMENT INFORMATION (Continued)**

B. Ennis Knupp & Associates, David Russell, CFA, and Kevin Vandolder, CFA.

1. INVESCO Core Equity Founding Investor Update and Real Estate Account Takeover Proposal Comparison from March Meeting (Continued).

Ms. Mikels moved, seconded by Mr. Wall, to receive and file the INVESCO Watch List Status memorandum from Ennis Knupp.

Motion passed.

Mr. Harris moved, seconded by Mr. Hansen, to select Prudential Real Estate Investors to manage the allocation to a commingled real estate fund.

Motion passed.

2. INVESCO Watch List Status.

Item taken under V.B.1.

3. Proposed Real Estate Asset Class Benchmark.

Mr. Vandolder discussed the recommendation to change the real estate benchmark from the NCREIF Property Index to the NCREIF Open-End Fund Property Index effective with the funding of Prudential.

Ms. Mikels moved, seconded by Mr. Wall to approve the recommended change in real estate benchmark.

Motion passed.

4. Real Property Appraisal Accuracy.

Mr. Russell and Mr. Vandolder discussed the appraisal process.

5. On Site Due Diligence at Wasatch Advisors.

Mr. Vandolder discussed the Wasatch Advisors site visit.

Ms. Mikels moved, seconded by Mr. Harris, to receive and file V.B. 4 & 5.

Motion passed.

**V. INVESTMENT INFORMATION (Continued)**

B. Ennis Knupp & Associates, David Russell, CFA, and Kevin Vandolder, CFA.

6. Monthly Investment Performance Summary as of March 31, 2004.

Mr. Russell and Mr. Vandolder summarized the performance report.

Mr. Harris moved, seconded by Mr. Wall, to receive and file.

Motion passed.

**VI. OLD BUSINESS**

A. Memorandum from Robert A. Palmer, Chair, SACRS Legislative Committee, Regarding Legislative Proposal to Amend Brown Act.

Ms. Nemiroff advised the Board that she had recommended to counsel for the Orange County Employees' Retirement System a change to clarify that a Board was not required to maintain a closed session minutes book.

Mr. Towner moved, seconded by Mr. Wall, to support this proposed legislation with the change requested by Ms. Nemiroff.

Motion passed.

B. Peoplesoft Retirement Interface Status Report, Brian Colker, Linea Solutions.

Mr. Colker reviewed the current status of testing the new interface being provided to VCERA by the County of Ventura as a result of its conversion to a new Human Resources/Payroll System. Mr. Colker stated that there were a number of items that will not be tested prior to the implementation of the new payroll system as a result of delays in receiving data from the County and the quality of data that had been received. Mr. Colker indicated there were still significant issues that needed to be resolved relating to the reporting of hours and compensation for employees on a 9/80 work schedule, as well as how hours will be reported for firefighter's. Mr. Colker indicated that it was hoped these matters could be corrected within 90 days of the new payroll system going live.

Mr. Perris indicated staff and Mr. Colker would be meeting with the Peoplesoft group to see what can be done to correct the information that will be reported to VCERA. Mr. Perris stated that until such time as corrections are made VCERA would be receiving inaccurate information for retirement purposes and would need to adjust member records to correctly calculate retirement benefits.

**VI. OLD BUSINESS (Continued)**

- B. Peoplesoft Retirement Interface Status Report, Brian Colker, Linea Solutions.

Louise Webster, Chief Deputy Auditor-Controller, addressed the Board regarding the 9/80 schedule for employees and FLSA pay requirements.

Mr. Hansen moved, seconded by Mr. Harris, to receive and file the report from Linea Solutions.

Motion passed.

**VII. NEW BUSINESS**

- A. Ventura County Employees' Retirement Association 2004 Business Plan.

Mr. Perris reviewed the 2004 Business Plan, which included a proposed Mission Statement for VCERA.

Mr. Harris moved, seconded by Mr. Towner, to approve the 2004 Business Plan

Motion passed.

- B. Administrative Budget for Fiscal-Year 2004-05 and Review of Board Education and Travel Policy.

Mr. Perris reviewed the proposed Administrative Budget for fiscal year 2004-05.

Mr. Harris moved, seconded by Mr. Hansen, to approve the Administrative Budget for 2004-05 and ratify the Board Education and Travel Policy.

Motion passed.

**VIII. INFORMATIONAL**

- A. Publications (Available in Retirement Office)
1. Institutional Investor
  2. Pensions and Investments

No action taken on Informational Items.

**IX. PUBLIC COMMENT**

Mr. Perris acknowledged the effort put forth by Tim Thonis in the development of VCERA's first formal Business Planning Policy.

**X. BOARD MEMBER COMMENT**

Mr. Markley commented on the inclusion of Board Agendas and Minutes on the VCERA website.

**XI. ADJOURNMENT**

Chairman Wilson adjourned the meeting at 12:10 p.m.

Respectfully submitted,

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VAN PERRIS  
Administrator

Approved:

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WILLIAM W. WILSON  
Chair, Board of Retirement