

VENTURA COUNTY EMPLOYEES' RETIREMENT ASSOCIATION

BOARD OF RETIREMENT

BUSINESS MEETING

JULY 19, 2004

MINUTES

DIRECTORS PRESENT: William W. Wilson, Chairman, Public Member
Lawrence L. Matheney, Treasurer, Ex-officio Member
Judy Mikels, Public Member
Albert G. Harris, Public Member
Robert Hansen, General Employee Member
Wayne Larroque, Retiree Member
Chris Johnston, Alternate Employee Member
Vern Markley, Alternate Retiree Member

DIRECTORS ABSENT: Tracy Towner, Vice Chairman, Safety Employee Member
John J. Crossan, Public Member
Jim Wall, General Employee Member

STAFF PRESENT: Van Perris, Administrator
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.

ACTION ON AGENDA: When Deemed to be Appropriate, the Board of Retirement May Take Action on Any and All Items Listed Under Any Category of This Agenda, Including "Correspondence" and "Informational"

ITEM:

I. INTRODUCTION OF MEETING

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

II. APPROVAL OF AGENDA

Mr. Harris moved, seconded by Mr. Matheney to approve the Agenda.

Motion passed.

III. APPROVAL OF MINUTES

A. Disability Meeting of July 12, 2004.

Mr. Harris moved, seconded by Mr. Johnston to approve the Minutes for the Disability Meeting of July 12, 2004.

Motion passed. Mr. Matheney abstained.

IV. CONSENT AGENDA

A. Delta Asset Management Investment Report for the Month Ended June 30, 2004.

B. Wasatch Advisors Investment Report for the Month Ended June 30, 2004.

C. LSV Asset Management Investment Report for the Month Ended June 30, 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 June 30, 2004.

E. Capital Guardian Trust Company Investment Report for the Month Ended June 30, 2004.

F. Sprucegrove Investment Management Investment Report for the Month Ended June 30, 2004.

G. Western Asset Management Investment Report for the Month Ended June 30, 2004.

H. Reams Asset Management Investment Report for the Month Ended June 30, 2004.

I. Regular and Deferred Retirements and Survivors Continuances for the Month of June 2004.

IV. CONSENT AGENDA (Continued)

J. Report of Checks Disbursed in June 2004.

K. Budget Summary for the Month Ended June 30, 2004 (Preliminary).

Mr. Harris moved, seconded by Mr. Johnston, to approve the Consent Agenda Items A through K.

Motion passed.

V. INVESTMENT INFORMATION

A. LSV Asset Management Annual Investment Presentation, Robert W. Vishny.

Mr. Vishny provided the Board with an update on the LSV organization, assets under management, portfolio characteristics and investment performance.

B. Ennis Knupp & Associates, Kevin Vandolder, CFA.

1. Review of Impact on Funding and Contribution Rates Assuming Various Market Scenarios.

Kevin Vandolder and Armand Yambao, FSA, were provided an overview of the direction of contribution rates and funding status using investment return and inflation data for the 1960's, 70's, 80's and 90's.

2. Preliminary Investment Performance Summary as of June 30, 2004.

Mr. Vandolder provided a report summarizing preliminary investment return data for periods ending June 30, 2004.

Ms. Mikels moved, seconded by Mr. Hansen, to receive and file the preliminary investment report.

Motion passed.

Mr. Vandolder reviewed a memorandum relating to an SEC complaint against Prudential Securities. Mr. Vandolder stated the circumstances were different than was the case with INVESCO and indicated Ennis Knupp was not recommending Prudential be placed on the watch list.

V. INVESTMENT INFORMATION (Continued)

- C. Letter from Jeff Cardon, Portfolio Management, Wasatch Advisors, Requesting Permission to Invest in Non-U.S. Companies Trading on Foreign Exchanges and Memorandum from Ennis Knupp Analyzing this Request.

Mr. Vandolder stated that this request was permitted by the current investment guidelines covering Wasatch Advisors in an amount not to exceed 15% and that Ennis Knupp was comfortable with the capability of the firm to invest in foreign markets.

VI. OLD BUSINESS

- A. Resolution to Amend the Provisions for the Payment of the Vested \$108.44 Monthly Supplemental Benefit

Mr. Harris moved, seconded by Mr. Larroque, to approve the resolution to amend the provisions for the payment of the vested \$108.44 supplemental benefit to remove any service requirement eligibility criteria.

Motion passed.

- B. Retirement System Interface Final Report; Brian Colker, Linea Solutions.

Mr. Colker provided an overview of the payroll interface project and summarized a number of areas that will require close monitoring by VCERA staff.

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

Motion passed.

VII. INFORMATIONAL

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

VIII. PUBLIC COMMENT

Mr. Vandolder discussed the Ennis Knupp Client Conference scheduled for October.

IX. BOARD MEMBER COMMENT

None.

X. ADJOURNMENT

There being no further items of business before the Board, Chairman Wilson adjourned the meeting at 10:50 a.m.

Respectfully submitted,

VAN PERRIS, Administrator

Approved:

WILLIAM W. WILSON
Chairman