

VENTURA COUNTY EMPLOYEES' RETIREMENT ASSOCIATION

BOARD OF RETIREMENT

BUSINESS MEETING

AUGUST 16, 2004

MINUTES

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

DIRECTORS
ABSENT: Judy Mikels, Public 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 August 16, 2004, to order at 9:00 a.m.

II. APPROVAL OF AGENDA

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

Motion passed.

III. APPROVAL OF MINUTES

A. Disability Meeting of August 2, 2004.

Mr. Matheney moved, seconded by Mr. Harris to approve the Minutes for the Disability Meeting of August 2, 2004.

Motion passed. Mr. Crossan abstained.

IV. CONSENT AGENDA

THE FOLLOWING ITEMS ARE ANTICIPATED TO BE ROUTINE AND NON CONTROVERSIAL. CONSENT ITEMS WILL BE APPROVED WITH ONE MOTION IF NO MEMBER OF THE BOARD WISHES TO COMMENT OR ASK QUESTIONS. IF COMMENT OR DISCUSSION IS DESIRED, THE ITEM WILL BE REMOVED FROM THE CONSENT AGENDA AND TRANSFERRED TO THAT SECTION OF THE AGENDA DEEMED APPROPRIATE BY THE CHAIR

A. Delta Asset Management Investment Report for the Month Ended July 31, 2004.

B. Wasatch Advisors Investment Report for the Month Ended July 31, 2004.

C. LSV Asset Management Investment Report for the Month Ended July 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 July 31, 2004.

E. Capital Guardian Trust Company Investment Report for the Month Ended July 31, 2004.

F. Sprucegrove Investment Management Investment Report for the Month Ended July 31, 2004.

IV. CONSENT AGENDA (Continued)

- G. Western Asset Management Investment Report for the Month Ended July 31, 2004.
- H. Reams Asset Management Investment Report for the Month Ended July 31, 2004.
- I. INVESCO Quarterly Property Status Report as of June 30, 2004.
- I. UBS Realty Investors Real Estate Separate Account Second Quarter 2004 Investment Summary.
- K. Regular and Deferred Retirements and Survivors Continuances for the Month of July 2004.
- L. Report of Checks Disbursed in June 2004.

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

Motion passed.

V. INVESTMENT INFORMATION

- A. EnnisKnupp & Associates, Steven Cummings, Chief Executive Officer and Christopher Riley, Investment Analyst.
 - 1. Second Quarter 2004 Performance Report.

Mr. Riley reviewed performance for periods ending June 30, 2004, and discussed a potential change in ownership of Delta Asset Management, the transition of the real estate property management function from INVESCO to Prudential and the performance of Capital Guardian.

- 2. Update on EnnisKnupp Organization.

Mr. Cummings provided an update on the EnnisKnupp organization.

V. INVESTMENT INFORMATION (Continued)

A. EnnisKnupp & Associates, Steven Cummings, Chief Executive Officer and Christopher Riley, Investment Analyst (Continued).

3. Core Fund Entry Queues and Real Estate Market Research Update Summary

Mr. Riley reviewed the memorandum.

4. Request from EnnisKnupp to Authorize State Street Bank to Provide Portfolio Information to InvestorForce, Inc., BBH Infomediary and Open Finance, Inc.

Mr. Cummings addressed this request.

Mr. Matheney moved, seconded by Mr. Hansen, to approve the request from EnnisKnupp to authorize State Street Bank to provide portfolio information to InvestorForce, Inc.

Motion passed.

5. Preliminary Investment Performance Summary as of July 31, 2004 (Distributed at Meeting).

Mr. Riley reviewed the preliminary performance report for July.

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

Motion passed.

6. EnnisKnupp Client Conference.

Mr. Cummings discussed the EnnisKnupp Client Conference.

VI. OLD BUSINESS

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

Ms. Nemiroff recommended a change to the language in the proposed legislation before the Board. The change was to make it clear that the five-year service requirement for eligibility for receipt of this benefit would be for those members whose current employment commenced after the effective date of the legislation, rather than stating for those who are first employed by a VCERA employer member.

Mr. Matheney moved, seconded by Mr. Hansen, to approved the proposed legislation with the recommended change.

Motion passed.

- B. Economic Actuarial Assumptions and Amortization Period.

Mr. Hansen moved, seconded by Mr. Harris, to adopt the fixed amortization method with a 15-year amortization period.

Motion passed.

- C. Recommendations from Personnel Review Committee Regarding Staff Counsel and Management Classifications.

Mr. Towner addressed the recommendations from the Committee.

Mr. Harris moved, seconded by Mr. Hansen, to approve the recommendations from the Personnel Review Committee.

Motion passed.

VII. NEW BUSINESS

- A. Annual Review of the Supplemental Targeted Adjustment For Retirees Cost-of-Living Benefit (STAR COLA).

Mr. Perris indicated that the resolution for the payment of this benefit required annual renewal by the Board, as well as an annual determination as to whether funds were available to bring the STAR COLA reserve up to the level necessary

VII. NEW BUSINESS (Continued)

- A. Annual Review of the Supplemental Targeted Adjustment For Retirees Cost-of-Living Benefit (STAR COLA) (Continued).

to pay the benefit for a five-year period. Mr. Perris indicated that there were no excess earnings available at the present time to transfer to the STAR COLA reserve.

Mr. Larroque moved, seconded by Mr. Hansen, to renew the STAR COLA benefit for an additional one-year period.

Motion passed.

- B. Request Submitted by Ann Michalski, Chair, Ventura County Retired Employees Association Benefits Committee, Regarding Retiree Health Insurance.

Ms. Michalski reviewed her letter to the Board requesting a working group consisting of representatives from the County, VCREA and VCERA be established to review health insurance benefit issues.

Discussion was held regarding the pending Mathews litigation.

Mr. Towner moved, seconded by Mr. Matheney, to table this request until the current litigation is resolved.

Motion passed. Mr. Larroque opposed.

- C. Request to Attend EnnisKnupp Client Conference.

Mr. Matheney moved, seconded by Mr. Hansen, to approve the request from Ms. Mikels to attend the EnnisKnupp Client Conference.

Motion passed.

VIII. CLOSED SESSION

The Board adjourned into closed session to discuss one item of pending litigation; George Mathews; individually, and on behalf of all others similarly situated, v. Ventura County Employees' Retirement Association; and County of Ventura; Case No. CIV 220607.

In open session Ms. Nemiroff stated that there would be no announcement.

IX. INFORMATIONAL

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

- B. Announcement of Capital Guardian Client Workshop.

X. PUBLIC COMMENT

None.

XI. BOARD MEMBER COMMENT

None.

XII. ADJOURNMENT

Chairman Wilson adjourned the meeting at 12:17 p.m.

Respectfully submitted,

VAN PERRIS, Administrator

Approved,

WILLIAM W. WILSON
Chair