

VENTURA COUNTY EMPLOYEES' RETIREMENT ASSOCIATION

BOARD OF RETIREMENT

BUSINESS MEETING

NOVEMBER 18, 2019

MINUTES

TRUSTEES
PRESENT: Steven Hintz, Treasurer-Tax Collector
Mike Sedell, Public Member
Jordan Roberts, General Employee Member
Arthur E. Goulet, Retiree Member
Will Hoag, Alternate Retiree Member
Robert Ashby, Safety Employee Member
Ed McCombs, Alternate Public Member

TRUSTEES
ABSENT: Steve Bennett, Public Member
William W. Wilson, Vice Chair, Public Member
Craig Winter, General Employee Member

STAFF
PRESENT: Linda Webb, Retirement Administrator
Henry Solis, Chief Financial Officer
Dan Gallagher, Chief Investment Officer
Lori Nemiroff, County Counsel
Leah Oliver, Chief Technology Officer
Chris Ayala, Program Assistant

PLACE: Ventura County Government Center
Hall of Administration Building, Multi-Purpose Room
800 S. Victoria Avenue
Ventura, CA 93009

TIME: 9:00 a.m.

ITEM:

I. CALL TO ORDER

In absence of Vice-Chair Wilson, the Treasurer/Tax Collector, Trustee Hintz, presided the meeting as Chair.

Trustee Hintz called the Business Meeting of November 18, 2019, to order at 9:00 a.m.

II. APPROVAL OF AGENDA

MOTION: Approve.

Moved by Sedell, seconded by Goulet.

Vote: Motion carried

Yes: Ashby, Goulet, Hintz, McCombs, Roberts, Sedell

No: -

Absent: Bennett, Wilson, Winter

Abstain:

III. APPROVAL OF MINUTES

A. Disability Minutes of November 4, 2019.

Ms. Webb offered a correction to the minutes on page 7 where, prior to the motion when Vice-Chair Wilson directed staff to schedule a meeting, it should have read, "*Vice-Chair Wilson then directed staff to schedule a meeting with County CEO Powers and the Auditor-Controller, including himself, Trustee Sedell and Trustee Bennett if he were to be available*".

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

MOTION: Approve with Correction.

Moved by Goulet, seconded by Roberts.

Vote: Motion carried

Yes: Ashby, Goulet, Hintz, McCombs, Roberts, Sedell

No: -

Absent: Bennett, Wilson, Winter

Abstain:

IV. CONSENT AGENDA

A. Approve Regular and Deferred Retirements and Survivors Continuances for the Month of October 2019.

B. Receive and File Report of Checks Disbursed in October 2019.

C. Receive and File Budget Summary for FY 2019-20 Month Ending October 31, 2019.

- 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 September 30, 2019.

MOTION: Approve.

Moved by Sedell, seconded by Ashby.

Vote: Motion carried

Yes: Ashby, Goulet, Hintz, McCombs, Roberts, Sedell

No: -

Absent: Bennett, Wilson, Winter

Abstain:

V. INVESTMENT MANAGER PRESENTATIONS

- A. Receive Annual Investment Presentation from BlackRock, Ross Ramatici and Drew Pinson.

Ross Ramatici and Drew Pinson reviewed BlackRock's organizational changes, and discussed the firm's investment outlook, portfolio strategy, composition and performance.

VI. INVESTMENT INFORMATION

NEPC – Allan Martin.

VCERA – Dan Gallagher, Chief Investment Officer.

- A. Preliminary Performance Report Month Ending October 31, 2019.

RECOMMENDED ACTION: Receive and file.

- B. Quarterly Investment Performance Report for Period Ending September 30, 2019.

RECOMMENDED ACTION: Receive and file.

Mr. Martin presented the Preliminary Performance Report for October 2019 and the Quarterly Investment Performance Report for the 3rd quarter to the Board.

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

MOTION: Receive and File the Preliminary Performance Report Month Ending October 31, 2019 and the Quarterly Investment Performance Report for Period Ending September 30, 2019.

Moved by Ashby, seconded by Goulet.

Vote: Motion carried

Yes: Ashby, Goulet, Hintz, McCombs, Roberts, Sedell

No: -

Absent: Bennett, Wilson, Winter

Abstain:

VII. OLD BUSINESS

- A. Update on Business Plan Risk Management Regarding Data Integrity.

Ms. Webb reported that a meeting on this issue took place on November 8th at the County CEO's office, and in attendance were herself, Vice-Chair Wilson, Trustee Sedell, County Executive Officer Mike Powers, Auditor-Controller Jeff Burgh, and Assistant County Executive Officer Mike Pettit. During the meeting, CEO Powers had pledged additional resources for the Auditor-Controller's office to accelerate the data correction process. She continued that she and Trustees Sedell and Wilson were encouraged by the CEO's pledge, and that staff would be tracking the progress going forward and providing regular updates to both the Board and CEO Powers' office.

Trustee Sedell remarked that Ms. Webb's comprehensive memorandum was instrumental in relaying the need for a cooperative plan to resolve the issue.

Trustee Goulet asked how long it take to get the funding for the pledged additional resources.

Ms. Webb replied that the C.E.O.'s office had indicated that they would be taking steps immediately to resolve the issue, and that Auditor-Controller Burgh had indicated he already had identified a specific resource to begin. Because VCERA staff met with the Auditor-Controller's staff on a regular basis, staff would update the Board on progress.

VIII. NEW BUSINESS

- A. Receive CA Govt. Code Section 7514.7 Annual Reporting – Real Estate Funds.
RECOMMENDED ACTION: Receive and File.

1. Staff Letter by C.I.O., Dan Gallagher.
2. CA Govt. Code Section 7514.7 Annual Reports for Prudential and UBS.

Mr. Gallagher said the provided report concluded the annual public disclosure requirement for alternative investments under California Government Code, Section 7514.7 for real estate funds. He reminded the Board that at the October business meeting, the mandatory reports for private equity and private credit were presented by Abbott and NEPC, respectively. Mr. Gallagher said he anticipated both reports to be issued together in the future.

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

MOTION: Receive and File.

Moved by Sedell, seconded by Ashby.

Vote: Motion carried

Yes: Ashby, Goulet, Hintz, McCombs, Roberts, Sedell

No: -

Absent: Bennett, Wilson, Winter

Abstain:

- B. Request for Authorization for Up to Two Trustees and C.I.O., Dan Gallagher to Attend the NEPC 2020 Public Funds Workshop in Tempe, AZ on February 4 – 5, 2020.
RECOMMENDED ACTION: Approve.

1. Staff Letter by C.I.O., Dan Gallagher.

2. NEPC 2020 Public Funds Workshop Agenda - Draft.

MOTION: Approve Request to Authorize up to 2 VCERA Trustees and the C.I.O. to Attend NEPC's 2020 Public Funds Workshop in Tempe, Arizona, on February 4 – 5, 2020.

Moved by Sedell, seconded by Ashby.

Vote: Motion carried

Yes: Ashby, Goulet, Hintz, McCombs, Roberts, Sedell

No: -

Absent: Bennett, Wilson, Winter

Abstain:

- C. Proposed Investment Manager Presentations and On-Site Due Diligence Visit Calendars for 2020.

RECOMMENDED ACTION: Approve.

1. Staff Letter by C.I.O., Dan Gallagher.
2. Proposed Investment Manager Presentations Calendar for 2020.
3. Proposed On-Site Due Diligence Visit Calendar for 2020.

Mr. Gallagher noted that the proposed manager presentations for 2020 were in the same order as for 2019, but with minor changes to accommodate the managers' schedules, and with consideration to the adopted board meeting calendar for 2020.

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

MOTION: Approve the Proposed 2020 Calendars for Investment Presentations and Investment On-Site Due Diligence Travel, and Authorize the Necessary Expenditures, in Accordance with the Board's Adopted Travel Policy.

Moved by Ashby, seconded by Goulet.

Vote: Motion carried

Yes: Ashby, Goulet, Hintz, McCombs, Roberts, Sedell

No: -

Absent: Bennett, Wilson, Winter

Abstain:

- D. Request for Authorization for Trustee Roberts to Attend the CALAPRS Overview Course on December 6, 2019 in San Mateo, CA.

RECOMMENDED ACTION: Approve.

1. Staff Letter.

MOTION: Approve Request for Authorization for Trustee Roberts to Attend the CALAPRS Overview Course on December 6, 2019 in San Mateo, CA.

Moved by Sedell, seconded by Ashby.

Vote: Motion carried
Yes: Ashby, Goulet, Hintz, McCombs, Roberts, Sedell
No: -
Absent: Bennett, Wilson, Winter
Abstain:

IX. INFORMATIONAL

A. Announcement Regarding BlueBay Private Debt Relunched as Arcmont Asset Management.

X. PUBLIC COMMENT

None.

XI. STAFF COMMENT

Ms. Webb said that SACRS would be reporting education hours for the trustees who attended the Fall conference. She also offered copies of the RVK Public Fund Universe Analysis report that was provided at the conference for those who were not able to attend.

XII. BOARD MEMBER COMMENT

None.

XIII. ADJOURNMENT

The meeting was adjourned at 9:59 a.m.

Respectfully submitted,



LINDA WEBB, Retirement Administrator

Approved,



STEVE HINTZ, Chairman