

VENTURA COUNTY EMPLOYEES' RETIREMENT ASSOCIATION

BOARD OF RETIREMENT

BUSINESS MEETING

MARCH 25, 2019

MINUTES

DIRECTORS
PRESENT: William W. Wilson, Chair, Public Member
Robert Bianchi, Vice Chair, Public Member
Steven Hintz, Treasurer-Tax Collector
Steve Bennett, Public Member
Mike Sedell, Public Member
Dan Shapiro, General Employee Member
Will Hoag, Alternate Retiree Member
Chris Johnston, Safety Employee Member
Ed McCombs, Alternate Public Member

DIRECTORS
ABSENT: Craig Winter, General Employee Member
Arthur E. Goulet, Retiree Member

STAFF
PRESENT: Linda Webb, Retirement Administrator
Lori Nemiroff, County Counsel
Henry Solis, Chief Financial Officer
Dan Gallagher, Chief Investment Officer
Leah Oliver, Chief Technology Officer
Josiah Vencel, Communications Officer
Chris Ayala, Program Assistant
Shalaine Nolan, Office Assistant III-C

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 Wilson called the Business Meeting of March 25, 2019, to order at 9:02 a.m.

II. APPROVAL OF AGENDA

Presentation of Certificate of Appreciation in Honor of Trustee Chris Johnston.

Chair Wilson presented Trustee Johnston with a Certificate of Appreciation for his nearly 17 years of service on the Board of Retirement.

Trustee Bennett arrived 9:03 a.m., before voting on this item.

Ms. Nemiroff informed the Board that staff was suggesting that the "Closed Session" items IX. and X. be heard after item XIV. "Board Member Comments", to allow the Board to adjourn after closed session.

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

MOTION: Approve with Amendments.

Moved by Bianchi, seconded by Hintz.

Vote: Motion carried

Yes: Bennett, Bianchi, Hintz, Hoag, Johnston, Sedell, Shapiro, Wilson

No: -

Absent: Goulet, Winter

Abstain: -

III. APPROVAL OF MINUTES

A. Disability and Business Minutes for February 25, 2019.

MOTION: Approve.

Moved by Johnston, seconded by Bianchi.

Vote: Motion carried

Yes: Bennett, Bianchi, Hintz, Hoag, Johnston, Sedell, Shapiro, Wilson

No: -

Absent: Goulet, Winter

Abstain: -

B. Disability Minutes for March 11, 2019.

MOTION: Approve.

Moved by Sedell, seconded by Bianchi.

Vote: Motion carried

Yes: Bennett, Bianchi, Hintz, Hoag, Johnston, Sedell, Shapiro, Wilson

No: -

Absent: Goulet, Winter

Abstain: -

IV. CONSENT AGENDA

- A. Approve Regular and Deferred Retirements and Survivors Continuances for the Month of February 2019.
- B. Receive and File Report of Checks Disbursed in February 2019.
- C. Receive and File Budget Summary for FY 2018-19 Month Ending February 28, 2019.
- D. Receive and File Statement of Fiduciary Net Position, Statement of Changes in Fiduciary Net Position, Schedule of Investments, Cash, and Cash Equivalents, and Schedule of Investment Management Fees for the Period Ending January 31, 2019.

MOTION: Receive and File.

Moved by Hintz, seconded by Bianchi.

Vote: Motion carried

Yes: Bennett, Bianchi, Hintz, Hoag, Johnston, Sedell, Shapiro, Wilson

No: -

Absent: Goulet, Winter

Abstain: -

V. INVESTMENT MANAGER PRESENTATIONS

- A. Receive Annual Investment Presentation, Harbourvest, Brett Gordon and Mark Radville.

Brett Gordon and Mark Radville were present on behalf of Harbourvest to provide an organizational and investment performance update.

Trustee Shapiro arrived at 9:11a.m., during this presentation.

- B. Receive Annual Investment Presentation, Pantheon, Matt Garfinkle, Kevin Dunwoodie, and Iain Jones.

Matt Garfinkle, Kevin Dunwoodie, and Iain Jones were present on behalf of Pantheon to provide an organizational and investment performance update.

- C. Receive Annual Investment Presentation from UBS Real Estate, Mario Maturo and Mia Dennis.

Mario Maturo and Mia Dennis were present on behalf of UBS Real Estate to provide an organizational and investment performance update.

VI. INVESTMENT INFORMATION

NEPC – Allan Martin and Tony Ferrara.
VCERA – Dan Gallagher, Chief Investment Officer

- A. Recommendation for \$7.5M Investment in Drive Capital Fund III & for \$7.5M Investment in Drive Capital OverDrive Fund I.

RECOMMENDED ACTION: Approve.

1. Staff Letter from Chief Investment Officer, Dan Gallagher.
2. Memorandum from NEPC.
3. Drive Capital Presentation, by Mark Kvamme.

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

MOTION: Approve Recommendation for Allocation of \$7.5M to Drive Capital Fund III, and for \$7.5M to Drive Capital OverDrive Fund I, and Direct Staff and Counsel to Negotiate the Necessary Legal Documents; and, Subject to Approval of VCERA Legal Counsel, Authorize the Board Chair or the Retirement Administrator, and in their Absence the Chief Investment Officer, to Approve and Execute the Required Documentation.

Moved by Sedell, seconded by Johnston.

Vote: Motion carried

Yes: Bennett, Bianchi, Hintz, Hoag, Johnston, Sedell, Shapiro, Wilson

No: -

Absent: Goulet, Winter

Abstain: -

- A. Recommendation for \$30M Investment in PIMCO Private Income Fund.

RECOMMENDED ACTION: Approve.

1. Staff Letter from Chief Investment Officer, Dan Gallagher.
2. Memorandum from NEPC.
3. PIMCO Presentation, by Jason Mandinach, Sasha Talcott, and Kevin Gray.

Trustee McCombs left at 10:27 a.m., before the Board voted on this item.

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

MOTION: Approve Recommendation of an Allocation of \$30 Million to PIMCO Private Income Fund, and Direct Staff and Counsel to Negotiate the Necessary Legal Documents; and, Subject to Successful Contract Negotiations, Authorize the Board Chair or the Retirement Administrator, or if both Unavailable, the Chief Investment Officer to Approve and Execute the Required Documentation.

Moved by Hintz, seconded by Sedell.

Vote: Motion carried

Yes: Bennett, Hintz, Hoag, Sedell, Shapiro, Wilson
No: Bianchi, Johnston
Absent: Goulet, Winter
Abstain: -

- C. Private Credit Overview & Pacing Plan.
RECOMMENDED ACTION: Receive and file.

Trustees Sedell and Bennett left at 11:05 a.m., before the Board voted on this item.

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

MOTION: Receive and File.

Moved by Hintz, seconded by Johnston.

Vote: Motion carried
Yes: Bianchi, Hintz, Hoag, Johnston, Shapiro, Wilson
No: -
Absent: Bennett, Goulet, Sedell, Winter
Abstain: -

- D. Capital Market Assumptions for 2019.
RECOMMENDED ACTION: Receive and file.

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

MOTION: Receive and File.

Moved by Hintz, seconded by Bianchi.

Vote: Motion carried
Yes: Bianchi, Hintz, Hoag, Johnston, Shapiro, Wilson
No: -
Absent: Bennett, Goulet, Sedell, Winter
Abstain: -

- E. Preliminary Performance Report Month Ending February 28, 2019.
RECOMMENDED ACTION: Receive and file.

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

MOTION: Receive and File.

Moved by Johnston, seconded by Bianchi.

Vote: Motion carried
Yes: Bianchi, Hintz, Hoag, Johnston, Shapiro, Wilson
No: -
Absent: Bennett, Goulet, Sedell, Winter
Abstain: -

VII. OLD BUSINESS

- A. Report and Recommendation from Real Estate Committee to Approve Letter of Intent to Lease for VCERA Office Space and Direct Committee to Finalize Lease with M.F. Daily Corporation and Return to Board for Final Approval.
RECOMMENDED ACTION: Approve.

1. Committee Letter.
To be provided
2. Letter of Intent to Lease.
To be Provided.

Ms. Webb noted that the Real Estate Committee was not yet recommending approval of a lease, but the approval of a Letter of Intent. She said that if the letter was approved, then staff would return to present a final lease agreement to the Board for formal approval, along with an estimate of costs.

Mr. Dwyer informed the Board that he and the committee had been negotiating with competing properties, as well as the current landlord for the last several months, and he was pleased to present the counter-proposal from M.F. Daily, which was a ten-year lease renewal.

After discussion by the Board, the following motions were made:

MOTION: Approve Letter of Intent to Lease and Direct Real Estate Ad Hoc Committee to Finalize a Lease with M.F. Daily Corporation and Return to the Board for Final Approval.

Moved by Johnston, seconded by Bianchi.

Vote: Motion carried

Yes: Bianchi, Hintz, Hoag, Johnston, Shapiro, Wilson

No: -

Absent: Bennett, Goulet, Sedell, Winter

Abstain: -

Trustee Johnston said there was a member in attendance that had requested to address the Board regarding the item, VIII.B., but was pressed for time, and therefore he requested that the Board advance to that item.

The Board then advanced to item, VIII.B. "Announcement of Upcoming Vacancy in Seventh Member Board Position and Election to Fill Vacancy with Member from Fire Group."

VIII. NEW BUSINESS

- A. Request for Up to 140 Additional Hours of Support from Brentwood I.T.
RECOMMENDED ACTION: Approve.

1. Staff Letter.

2. Memorandum from Chief Technology Officer, Leah Oliver.

Ms. Webb noted that the item addressed VCERA's long-term dependence on I.T. Contractor, Jo Ford of Brentwood I.T. She said that while a lot of tasks had been transitioned to the new Chief Technology Officer (CTO), Leah Oliver, she felt it more prudent for Mr. Ford, and the Chief Technology Officer to collaborate in completing or resolving certain I.T. related items.

Ms. Webb reminded the Board that in late 2016, VCERA was unsuccessful in recruiting two candidates for the CTO position, which prompted the Board to approve the staff's request to have the Retirement Administrator execute a contract for I.T. services with Brentwood I.T.

Ms. Webb then said that after previously speaking to Trustee Goulet, he recommended that staff request that the Board approve authorization for the Retirement Administrator to execute a new contract amendment, with a new not-to-exceed amount of \$295,000, and have the additional tasks specified, which the CTO had listed in the attached memorandum, with the understanding that if the tasks were not completed by June 30th, which was the current contract's expiration date, then it extended to December 31, 2019, to allow all remaining items to be completed.

After discussion by the Board, the following motions were made:

MOTION: Approve Request to Authorize Retirement Administrator to Execute a Contract Amendment with Brentwood I.T. to, Increase the Not-to-Exceed Amount to \$295,000; Add Specified Task Scope of Work; and Extend Contract Term to December 31, 2019, if Retirement Administrator Deems Necessary to Complete Tasks.

Moved by Johnston, seconded by Bianchi.

Vote: Motion carried

Yes: Bianchi, Hintz, Hoag, Johnston, Shapiro, Wilson

No: -

Absent: Bennett, Goulet, Sedell, Winter

Abstain: -

After the voting on this item the Board advanced to item, VIII.C. "Recommendation for Authorization for Retirement Benefits Manager, Shalini Nunna, to Attend the CALAPRS 2019 Management/Leadership Academy, Pasadena, CA, April 15 – 16, June 10 – 12, and July 22 – 24, 2019."

B. Announcement of Upcoming Vacancy in Seventh Member Board Position and Election to Fill Vacancy with Member from Fire Group.

1. Staff letter.

Ms. Webb said that the item was to notify the Board of an upcoming election due to Trustee Johnston's retirement from County service, and due to the Government Code, which stated that two Safety member seats have to be held by the two different Safety groups.

Therefore, staff would proceed in holding a special election, with candidates only from the Fire group, because of the previous direction from the Board regarding the other Safety member seat.

Ms. Kasey L. Sirody from the Ventura County Deputy Sheriffs' Association presented a letter to the Board from the Association respectfully requesting that the other Safety member seat remain vacant, pending the resolution of Mr. Towner's Civil Service Commission (CSC) case.

Chair Wilson asked about the status of Mr. Towner's CSC case.

Ms. Webb replied that a second day of hearings were completed the previous week, and the CSC would need at least an additional day to finish; however, because of the County's unavailability in April, the next hearing date would be in May. She said that staff believed it should only take about 2 weeks to issue a ruling.

Trustee Johnston said that there was also in attendance a member from the Firefighters' Association to confirm their support of the Board action to leave the Safety Alternate seat open.

Robert Ashby from the Ventura County Professional Firefighters Association stood and confirmed his Associations support of the request made by Ms. Sirody.

Ms. Webb stated that staff would then proceed with the special election as described, unless otherwise directed by the Board.

After the Board heard this item, they returned to item VIII.A. "Request for Up to 140 Additional Hours of Support from Brentwood I.T".

C. Recommendation for Authorization for Retirement Benefits Manager, Shalini Nunna, to Attend the CALAPRS 2019 Management/Leadership Academy, Pasadena, CA, April 15 – 16, June 10 – 12, and July 22 – 24, 2019.

Recommended Action: Approve.

1. Staff letter.
2. 2019 Management/Leadership Academy Announcement.

Ms. Webb explained that the item was a request for Retirement Benefits Manager, Shalini Nunna to attend CALAPRS 3-module course in Management/Leadership Academy, and recommended approval of the training request.

After discussion by the Board, the following motions were made:

MOTION: Approve Recommendation for Authorization for Retirement Benefits Manager, Shalini Nunna, to Attend the CALAPRS 2019 Management/Leadership Academy, Pasadena, CA, April 15 – 16, June 10 – 12, and July 22 – 24, 2019.

Moved by Johnston, seconded by Bianchi.

Vote: Motion carried

Yes: Bianchi, Hintz, Hoag, Johnston, Shapiro, Wilson

No: -

Absent: Bennett, Goulet, Sedell, Winter

Abstain: -

Chair Wilson said that he had received a recommendation from staff to postpone the Closed Session items related to performance evaluations.

Ms. Webb remarked that staff recommended postponement in the interest of time, as several Trustees had left, and since the pending evaluations did not include any considerations for salary increases, the postponement would not have any adverse effect on the evaluated employees.

Chair Wilson agreed it best to postpone the performance evaluations, so that more Trustees could be present.

Before adjourning to Closed Session, the Board continued to items "XII. Public Comment", XIII. Staff Comment," and XIV. Board Member Comment."

IX. CLOSED SESSION

- A. CONFERENCE WITH LEGAL COUNSEL-EXISTING LITIGATION (Government Code section 54956.9(a) Name of Case: In Re Motors Liquidation Company, et al, Bankr. Case No. 09-50026 (REG) Motors Liquidation Company Avoidance Action Trust v. JPMorgan Chase Bank, N.A. et al, Adv. Pro. 09-00504 (REG).

X. CLOSED SESSION

- A. PUBLIC EMPLOYEE PERFORMANCE EVALUATION
Title: Retirement Administrator
(Government Code section 54957(b)(1))
- B. PUBLIC EMPLOYEE PERFORMANCE EVALUATION
Title: General Counsel
(Government Code section 54957(b)(1))
- C. PUBLIC EMPLOYEE PERFORMANCE EVALUATION
Title: Chief Investment Officer
(Government Code section 54957(b)(1))

The agenda items from Closed Session, "X.A. through X.C." were postponed to the Disability and Business Meeting of April 15, 2019.

XI. INFORMATIONAL

- A. 24th Annual NEPC Investment Conference Agenda.

XII. PUBLIC COMMENT

None.

XIII. STAFF COMMENT

Ms. Webb reminded the Board to file their Form 700's if they had not yet done so. She also asked those Trustees to let staff know if they were interested in attending the SACRS 2019 Spring Conference.

The Board went into Closed Session at 11:27 a.m. and General Counsel stated that the Board would adjourn the meeting at the conclusion of closed session, as there would be no public announcement.

XIV. BOARD MEMBER COMMENT

Trustee Shapiro said that he wanted to thank Trustee Johnston for his years of service on the Board.

XV. ADJOURNMENT

The Chairman adjourned the meeting at the conclusion of closed session at 11:41 a.m.

Respectfully submitted,



LINDA WEBB, Retirement Administrator

Approved,



Bill Wilson, Vice-Chairman