

VENTURA COUNTY EMPLOYEES' RETIREMENT ASSOCIATION

BOARD OF RETIREMENT

BUSINESS MEETING

NOVEMBER 19, 2012

MINUTES

DIRECTORS
PRESENT:

William W. Wilson, Chair, Public Member
Tracy Towner, Vice Chair, Safety Employee Member
Peter C. Foy, Public Member
Arthur E. Goulet, Retiree Member
Steven Hintz, Treasurer-Tax Collector
Joseph Henderson, Public Member
Robert Hansen, General Employee Member
Tom Johnston, General Employee Member
Chris Johnston, Alternate Employee Member
Will Hoag, Alternate Retiree Member

DIRECTORS
ABSENT:

Albert G. Harris, Public Member

STAFF
PRESENT:

Donald C. Kendig, Retirement Administrator
Henry Solis, Chief Financial Officer
Lori Nemiroff, Assistant County Counsel
Chantell Garcia, Retirement Benefits Specialist
Glenda Jackson, Program Assistant

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

II. APPROVAL OF AGENDA

Chairman Wilson called the Business Meeting of November 19, 2012, to order at 9:00 a.m.

MOTION: Mr. Towner moved, seconded by Mr. T. Johnston, to approve the agenda as presented.

Motion passed unanimously. Mr. Harris absent. Judge Hintz absent for this item.

III. APPROVAL OF MINUTES

A. Disability Meeting of November 5, 2012.

Mr. Goulet proposed the following corrections:

Master Page No. 6, item V.A. motion to read, "Mr. Goulet moved, seconded by Mr. T. Johnston, to grant the applicant, Dennis C. Crandall, a non-service connected disability retirement."

MOTION: Mr. Goulet moved, seconded by Mr. T. Johnston, to approve the minutes of November 5, 2012 as corrected.

Motion passed unanimously. Mr. Harris absent. Judge Hintz absent for this item.

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. Regular and Deferred Retirements and Survivors Continuances for the Month of October 2012.
- B. Report of Checks Disbursed in October 2012.
- C. Asset Allocation as of October 2012.
- D. Statement of Plan Net Assets, Statement of Changes in Plan Net Assets, and Investments & Cash Equivalents for the Month Ended August 31, 2012.

IV. CONSENT AGENDA (continued)

E. Budget Summary – Year to Date as of October 2012, Fiscal-Year 2012-13.

MOTION: Mr. Henderson moved, seconded by Mr. Goulet, to approve the Consent Agenda as presented.

Motion passed unanimously. Mr. Harris absent. Judge Hintz absent for this item.

END OF CONSENT AGENDA

V. INVESTMENT INFORMATION

Judge Hintz entered the meeting at 9:02 a.m.

A. Hewitt EnnisKnupp, Russ Charvonia, ChFC, CFP, Esq. and Kevin Chen.

1. Q3 Performance Report, September 2012.
2. Monthly Manager Performance Report, October 2012.

MOTION: Mr. Hansen moved, seconded by Mr. Henderson, to receive and file the Q3 Performance Report for September 2012, and the Monthly Manager Performance Report for October 2012.

Motion passed unanimously. Mr. Harris absent.

3. Risk Modeling Profile Update, September 2012.

MOTION: Mr. Hansen moved, seconded by Judge Hintz, to approve Risk Modeling Proposal No. 2 and to direct Hewitt EnnisKnupp to return to the December Business meeting with more information.

Motion passed unanimously. Mr. Harris absent.

Hewitt EnnisKnupp will provide a short list of MLP candidates for Board comment prior to conducting its search, and will provide specific Real Return/GTAA options/ideas.

4. Tactical Rebalancing Policy Proposal.

MOTION: Judge Hintz moved, seconded by Mr. Hansen, to adopt Hewitt EnnisKnupp's policy proposal for tactical rebalancing as a pilot project for not less than three years, with modifications to the proposal clarifying that Hewitt EnnisKnupp shall recommend overweights and

V. INVESTMENT INFORMATION (continued)

underweights and staff shall implement.

Motion passed. Mr. Towner voting no. Mr. Harris absent.

5. Highlights and Research, November 2012.

a. Proxy Voting Report

MOTION: Mr. Henderson moved, seconded by Mr. Hansen, to receive and file the Proxy Voting Report.

Motion passed unanimously. Mr. Harris absent.

b. Loomis PM Change

MOTION: Mr. Goulet moved, seconded by Judge Hintz, to receive and file the Loomis PM Change.

Mr. Towner left the meeting at 10:07 a.m.

Motion passed unanimously. Mr. Harris absent. Mr. Towner absent for this item.

Mr Towner reentered the meeting at 10:08 a.m.

c. Real Estate Hurricane Update.

d. GMO

MOTION: Judge Hintz moved, seconded by Mr. T. Johnston, to approve Hewitt EnnisKnupp's recommendation to transition from the GMO Separate Account to the GMO Fund of Mutual Funds.

Motion passed unanimously. Mr. Harris absent.

e. Medium Term Views

Mr. Foy left the meeting at 10:13 a.m.

f. HEK 12/19 Client Call

g. Conviction in Equity Investing White Paper

Mr. Foy reentered the meeting at 10:21 a.m.

h. Obama Election

V. INVESTMENT INFORMATION (continued)

MOTION: Mr. Hansen moved, seconded by Mr. Goulet, to receive and file Items V.A.5. c., e., f., g., and h.

Motion passed unanimously. Mr. Harris absent.

6. Approval of Fees for Hewitt EnnisKnupp.

MOTION: Mr. Hansen moved, seconded by Mr. Towner, to approve a 2.2% adjustment in Hewitt EnnisKnupp's advisory fees for 2013.

Motion passed. Judge Hintz and Mr. T. Johnston voting no. Mr. Harris absent.

7. Assignment of Advisory Services from Clifton to Parametric.

MOTION: Mr. Goulet moved, seconded by Mr. Hansen, to receive and file the Clifton notification of its acquisition by Parametric, and authorized the Retirement Administrator to execute the assignment of advisory services.

Motion passed unanimously. Mr. Harris absent.

VI. ACTUARIAL INFORMATION

A. Analysis of VCERA Benefit Formulas Compared to those Contained in Assembly Bill (AB) 340.

MOTION: Mr. Goulet moved, seconded by Mr. Towner, to receive and file the Analysis of VCERA Benefit Formulas Compared to those Contained in Assembly Bill (AB) 340.

Motion passed unanimously. Mr. Harris absent.

B. VCERA Issues Regarding Implementation of Provisions in CalPEPRA.

Judge Hintz left the meeting at 11:23 a.m.

Mr. Hansen left the meeting at 11:26 a.m.

VI. ACTUARIAL INFORMATION (continued)

MOTION: Mr. Towner moved, seconded by Mr. Goulet to approve staff's recommended direction to the actuary, as edited, with the sole purpose for the actuary to set the rates, with the caveat that it could all change.

Motion passed unanimously. Mr. Harris absent. Mr. Hansen and Judge Hintz absent for this item.

Mr. Hansen reentered the meeting at 11:29 a.m.

VII. NEW BUSINESS

A. Board Meeting Dates and 2013 Calendar.

MOTION: Mr. Foy moved, seconded by Mr. T. Johnston, to adopt a Board meeting schedule setting Board meeting dates for the third Monday of the month.

Motion passed. Mr. Wilson and Mr. Goulet voting no. Mr. Harris and Judge Hintz absent.

B. Governance Policy Review and Board Policy Discussion.

MOTION: Mr. Goulet moved, seconded by Mr. Towner, to receive and file the Governance Policy Review and Board Policy Discussion.

Motion passed unanimously. Mr. Harris and Judge Hintz absent.

C. Holiday Hours – Day After Thanksgiving, Christmas Eve, and New Year's Eve.

MOTION: Mr. Towner moved, seconded by Mr. T. Johnston, to deny the proposed office closures unless allowed under County Ordinance.

Motion passed unanimously. Mr. Harris and Judge Hintz absent.

VIII. PUBLIC COMMENT

None.

IX. BOARD MEMBER COMMENT

None.

X. ADJOURNMENT

The Meeting adjourned at 11:49 a.m.

Respectfully submitted,



DONALD C. KENDIG, CPA, Retirement Administrator

Approved,



WILLIAM W. WILSON, Chairman