

VENTURA COUNTY EMPLOYEES' RETIREMENT ASSOCIATION

BOARD OF RETIREMENT

BUSINESS MEETING

December 16, 2013

MINUTES

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

DIRECTORS Mike Sedell
ABSENT:
STAFF Tim Thonis, Interim Retirement Administrator
PRESENT: Henry Solis, Chief Financial Officer
Lori Nemiroff, Assistant County Counsel
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. **CALL TO ORDER**

Chairman Wilson called the Business Meeting of December 16, 2013, to order at 9:00 a.m.

II. APPROVAL OF AGENDA

MOTION: Approve the Agenda.

Moved by Goulet, seconded by T. Johnston.

Vote: Motion carried
Yes: Goulet, Henderson, Hintz, T. Johnston, McCormick, Towner, Wilson
No: -
Absent: - Foy, Sedell
Abstain: -

III. APPROVAL OF MINUTES

A. Disability Meeting of December 2, 2013.

MOTION: Approve the Minutes as corrected to delete Foy and Sedell as voting yes, Master Page No. 6, Agenda item II.A.

Moved by Goulet, seconded by T. Johnston.

Vote: Motion carried
Yes: Goulet, Henderson, Hintz, T. Johnston, McCormick, Towner, Wilson
No: -
Absent: Foy, Sedell
Abstain: -

IV. CONSENT AGENDA

- A. Approve Regular and Deferred Retirements and Survivors Continuances for the Month of November 2013.
- B. Receive and File Report of Checks Disbursed in November 2013.
- C. Receive and File Asset Allocation as of November 30, 2013.
- D. Receive and File Statement of Plan Net Position, Statement of Changes in Plan Net Position, Investments & Cash Equivalents, and Schedule of Investment Management Fees October 31, 2013.

- E. Receive and File Budget Summary for FY 2013-14 Month ending November 2013.

MOTION: Approve the Consent Agenda.

Moved by Henderson, seconded by Hintz.

Vote: Motion carried

Yes: Goulet, Henderson, Hintz, T. Johnston, McCormick, Towner, Wilson

No: -

Absent: Foy, Sedell

Abstain: -

END OF CONSENT AGENDA

V. STANDING ITEM

- A. Receive an Oral Update on Pensionable Compensation and PEPRRA.

Received an oral report from Board Counsel on two Superior Court cases in San Diego and Contra Costa counties. The County of San Diego Deputy Sheriff's Association sued regarding the inclusion of pickups in the 50/50 normal cost rate calculations applied to new employees. The Court ruled that the pick-ups did not need to be included for employees hired after January 1, 2013.

In Contra Cost County (AB197 consolidated cases), as you may recall in the Phase I, the Judge had ruled that the Retirement System did not have the authority or discretion to include in comp earnable annual leave buy-backs that were in excess of what members could earn during the measurement period. In Phase II, the Judge was going to consider whether employees nevertheless acquired a vested right to have those amounts included by virtue of the settlement agreements that were entered into after the Ventura Decision. A ruling is expected in the near future.

No action taken.

VI. INVESTMENT INFORMATION

Trustee Foy arrived at 9:12 a.m.

- A. Receive Annual Investment Presentation, RREEF America III – Jay Miller, Portfolio Manager. (30 Minutes)

Jay Miller was present on behalf of RREEF America III to review the firm's organization, investment results for VCERA's accounts, investment process and outlook.

No action taken.

- B. Receive Annual Investment Presentation, Blackrock – Anthony Freitas, CFA. (30 Minutes)

Anthony Freitas and Tim Murray were present on behalf of Blackrock to review the firm's organization, investment results for VCERA's accounts, investment process and outlook.

No action taken.

- C. NEPC – Don Stracke, Senior Consultant.

1. Receive and File NEPC Investment Summary Report as of November 30, 2013.

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

MOTION: Receive and file the Report.

Moved by Henderson, seconded by T. Johnston.

Vote: Motion carried
Yes: Foy, Goulet, Henderson, Hintz, T. Johnston, McCormick, Towner, Wilson
No: -
Absent: Sedell
Abstain: -

NEPC will provide the Investment Summary Report in two different formats for Board review at the January 27, 2014 Business Meeting.

2. Receive and File 2014 Investment Work Plan.

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

MOTION: Receive and file the Investment Work Plan.

Moved by Henderson, seconded by T. Johnston.

Vote: Motion carried
Yes: Foy, Goulet, Henderson, Hintz, T. Johnston, McCormick, Towner, Wilson
No: -
Absent: Sedell
Abstain: -

3. Consider Investment in Western TRU Bond Portfolio.

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

MOTION: Adopt the recommendation of NEPC to not transition the Western Asset Management portfolio to an unconstrained strategy at this time.

Moved by Henderson, seconded by T. Johnston.

Vote: Motion carried
Yes: Foy, Goulet, Henderson, Hintz, T. Johnston, McCormick, Towner, Wilson
No: -
Absent: Sedell
Abstain: -

4. Consider SACRS Peer Comparison Report (RV Kuhns).

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

MOTION: Receive and file the Report.

Moved by Goulet, seconded by T. Johnston.

Vote: Motion carried
Yes: Foy, Goulet, Henderson, Hintz, T. Johnston, McCormick, Towner, Wilson
No: -
Absent: Sedell
Abstain: -

VII. OLD BUSINESS

A. Consider Approval of Custodial Fee Proposal.

1. Custodial Fee Proposal – Yolanda Diaz, State Street Bank and Trust.

After discussion by the Board, Staff and State Street, the following motion was made:

MOTION: Continue the item to the January 27, 2014 Business meeting to allow time for Board Counsel to negotiate an updated State Street contract, with new fee schedule, to be retroactively applied to January 1, 2014.

Moved by Goulet, seconded by Henderson.

Vote: Motion carried
Yes: Foy, Goulet, Henderson, Hintz, T. Johnston, McCormick,
Towner, Wilson
No: -
Absent: Sedell
Abstain: -

B. Receive and File Corrected 2014 Calendar for Investment Manager Presentations.

1. 2014 Investment Manager Presentation Calendar.

After Board discussion, the following motion was made:

MOTION: Receive and file the Corrected 2014 Calendar.

Moved by T. Johnston, seconded by Henderson.

Vote: Motion carried
Yes: Foy, Goulet, Henderson, Hintz, T. Johnston, McCormick,
Towner, Wilson
No: -
Absent: Sedell
Abstain: -

VIII. NEW BUSINESS

A. Consider VCERA Authorization Signatures and Investment Management Authorization Letter.

1. Clifton Investment Group.

A. Clifton Authorization Form.

2. Resolution of the Board of Retirement Delegating Authority to the Chief Financial Officer and Interim Retirement Administrator to Provide Investment Instructions to Blackrock Asset Management.

A. Blackrock Asset Management Specimen Signature Form.

3. Investment Manager Memorandum; Appointment of Interim Retirement Administrator and Authorization to Provide Instruction.

4. Consider Authorization for Subpoena Signature Authority.

After Board discussion, the following motion was made:

MOTION: Approve items VIII.A. 1 through 4 under New Business.

Moved by Hintz, seconded by McCormick.

Vote: Motion carried

Yes: Foy, Goulet, Henderson, Hintz, T. Johnston, McCormick,
Towner, Wilson

No: -

Absent: Sedell

Abstain: -

B. Distribution of June 30, 2013 Actuarial Valuation Report with Supporting Letters; The Segal Company.

1. June 30, 2013 Actuarial Valuation Report.

2. Three-year Phase-in of Employer Contribution Rates.

3. Options for Allocating the Cost Associated with Cessation of Member Contributions After 30 Years of Service for Non-PEPRA Tiers.

After Board discussion, the following motion was made:

MOTION: Authorize distribution of Actuarial Report and Supplemental Materials to all employee organizations recognized by the County of Ventura.

Moved by Henderson, seconded by T. Johnston.

Vote: Motion carried

Yes: Foy, Goulet, Henderson, Hintz, T. Johnston, McCormick,
Towner, Wilson

No: -

Absent: Sedell

Abstain: -

C. Request for Authorization to Request Publication of Decision in Porter v. Board of Retirement of the Orange County Employees' Retirement System Concerning Effective Date of Disability Retirement.

After Board discussion, the following motion was made:

MOTION: Authorize staff to request Publication of Decision in Porter v. Board of Retirement of the Orange County Employees' Retirement System Concerning Effective Date of Disability Retirement.

Moved by Henderson, seconded by Goulet.

Vote: Motion carried
Yes: Foy, Goulet, Henderson, Hintz, T. Johnston, McCormick,
Towner, Wilson
No: -
Absent: Sedell
Abstain: -

IX. PUBLIC COMMENT

None.

X. STAFF COMMENT

The Interim Retirement Administrator updated the Board on the recent press related to an Internet hacking situation that included VCERA's payroll vendor, ADP, as a victim. Staff contacted ADP and found there was no impact on VCERA. Staff will monitor the situation and bring back any updates to the Board as necessary.

The Interim Retirement Administrator wished the Board a Happy Holiday season.

Board Counsel commented about a recommendation on the December 17, 2013 Board of Supervisors Agenda to recommend reappointment of Mr. Henderson and Mr. Sedell to the Board of Retirement.

XI. BOARD MEMBER COMMENT

Vice Chair Towner commented that the January 27, 2014 Board Meeting could be a long meeting.

XII. ADJOURNMENT

The meeting was adjourned at 11:07 a.m.

Respectfully submitted,



TIM THONIS, Interim Retirement Administrator

Approved,



WILLIAM W. WILSON, Chairman