VENTURA COUNTY EMPLOYEES' RETIREMENT ASSOCIATION
BOARD OF RETIREMENT
DISABILITY & BUSINESS MEETING
DECEMBER 11, 2017

MINUTES

DIRECTORS PRESENT: Tracy Towner, Chair, Alternate Safety Employee Member
William W. Wilson, Vice Chair, Public Member
Mike Sedell, Public Member
Robert Bianchi, Public Member
Craig Winter, General Employee Member
Arthur E. Goulet, Retiree Member
Will Hoag, Alternate Retiree Member
Chris Johnston, Safety Employee Member
Ed McCombs, Alternate Public Member

DIRECTORS ABSENT: Steven Hintz, Treasurer-Tax Collector
Peter Foy, Public Member
Maeve Fox, General Employee Member

STAFF PRESENT: Linda Webb, Retirement Administrator
Lori Nemiroff, County Counsel
Henry Solis, Chief Investment Officer
Dan Gallagher, Chief Investment Officer
Julie Stallings, Chief Operations Officer
Shalini Nunna, Retirement Benefits Manager
Karen Scanlan, Accounting Manager I
Donna Edwards, Retirement Benefits Specialist
Stephanie Berkley, Retirement Benefits Specialist
Chris Ayala, 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

Chair Towner called the Disability and Business Meeting of December 11, 2017, to order at 9:02 a.m.

II. APPROVAL OF AGENDA

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

MOTION: Approve.

Moved by McCombs, seconded by Bianchi.

Vote: Motion carried
Yes: Bianchi, Goulet, Johnston, McCombs, Sedell, Wilson, Winter
No: -
Absent: Foy, Fox, Hintz

III. APPROVAL OF MINUTES


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

MOTION: Approve.

Moved by Goulet, seconded by Winter.

Vote: Motion carried
Yes: Bianchi, Goulet, Johnston, McCombs, Sedell, Wilson, Winter
No: -
Absent: Foy, Fox, Hintz

IV. CONSENT AGENDA

A. Approve Regular and Deferred Retirements and Survivors Continuances for the Month of November 2017.


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

MOTION: Approve.

Moved by Wilson, seconded by Bianchi.

Vote: Motion carried
V. RECEIVE AND FILE PENDING DISABILITY APPLICATION STATUS REPORT

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

MOTION: Receive and File.

Moved by Goulet, seconded by Bianchi.

Vote: Motion carried
Yes: Bianchi, Goulet, Johnston, McCombs, Sedell, Wilson, Winter
No: -
Absent: Foy, Fox, Hintz

VI. APPLICATIONS FOR DISABILITY RETIREMENT

A. Application for Service-Connected Disability Retirement – Johnson, David L.; Case No. 16-003.


Derek Straatsma, Attorney at Law and Catherine Laveau, were present on behalf of County of Ventura Risk Management. David G. Schumaker, Attorney at Law, was present on behalf of the applicant. The applicant, David L. Johnson, was also present.

Both parties declined to make statements.

Trustee Goulet requested that Risk Management include a statement in future disability reports that they have investigated all personal hobbies and recreational activities of the applicants and have concluded that such activities did not cause or contribute to the injuries or illness.

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

MOTION: Approve Application of Service-Connected Disability Retirement.

Moved by Goulet, seconded by Bianchi.
Vote: Motion carried
Yes: Bianchi, Goulet, Johnston, McCombs, Sedell, Wilson, Winter
No: -
Absent: Foy, Fox, Hintz

Both parties agreed to waive preparation of findings of fact and conclusions of law.

B. Application for Service-Connected Disability Retirement – Acosta, Victor L.; Case No. 17-020.


Michael Youril, Attorney at Law, was present on behalf of County of Ventura Risk Management. The applicant, Victor L. Acosta, was also present.

Both parties declined to make statements.

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

**MOTION:** Approve Application of Service-Connected Disability Retirement.

Moved by Wilson, seconded by McCombs.

Vote: Motion carried
Yes: Bianchi, Goulet, Johnston, McCombs, Sedell, Wilson, Winter
No: -
Absent: Foy, Fox, Hintz

Both parties agreed to waive preparation of findings of fact and conclusions of law.

C. Application for Service-Connected Disability Retirement – Janeen R. Bittmann; Case No. 17-014.

1. Risk Management’s Request for an Extension of time to submit Medical Analysis through March 2018.


Catherine Laveau, was present on behalf of County of Ventura Risk Management. The applicant, Janeen Bitemann, was also present by phone.

Both parties declined to make statements.

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

**MOTION:** Approve Request for Extension to March 2018.

Moved by Bianchi, seconded by Winter.

Vote: Motion carried
Yes: Bianchi, Goulet, Johnston, McCombs, Sedell, Wilson, Winter
No: -
Absent: Foy, Fox, Hintz

**VII. INVESTMENT MANAGER PRESENTATIONS**

A. Receive Annual Investment Presentation from Loomis Sayles, Stephanie S. Lord.

Stephanie S. Lord was present on behalf of Loomis Sayles to provide an organizational and investment performance update.

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

**MOTION:** Receive and File.

Moved by Sedell, seconded by Goulet.

Vote: Motion carried
Yes: Bianchi, Goulet, Johnston, McCombs, Sedell, Wilson, Winter
No: -
Absent: Foy, Fox, Hintz

**VIII. INVESTMENT INFORMATION**

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

A. Investment Manager Watch List Consideration.

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


Mr. Gallagher reminded the Board that at the last Disability Meeting, Trustee Johnston requested the Board discuss and consider adding Hexavest to the investment watch list.
and to remove Sprucegrove from the list. Mr. Gallagher referenced NEPC's October 31, 2017 Monthly Investment Performance Report and documents from Hexavest that described their expected and historical performance in down markets.

After discussion by the Board, staff, and consultant, the following motions were made:

**MOTION:** Add Hexavest to the Investment Watch List.

Moved by Winter, seconded by McCombs.

Vote: Motion carried
Yes: Bianchi, Goulet, Johnston, McCombs, Sedell, Wilson, Winter
No: Wilson
Absent: Foy, Fox, Hintz

**MOTION:** Remove Sprucegrove from the Investment Watch List.

Moved by Wilson, seconded by Bianchi.

Vote: Motion carried
Yes: Bianchi, Goulet, Johnston, McCombs, Sedell, Wilson, Winter
No: -
Absent: Foy, Fox, Hintz

B. 2018 Proposed Schedule of Investment Manager Presentations and Investment On-Site Due Diligence Visits.

**Recommended Action:** Approve.

1. Staff Letter by C.I.O., Dan Gallagher.
2. Proposed VCERA 2018 Investment Presentations Calendar.
3. Proposed VCERA 2018 Investment On-Site Due Diligence Calendar.

Mr. Gallagher requested for the Board approve the proposed schedule and authorize the appropriate expenses for the proposed due diligence visits.

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

**MOTION:** Approve.

Moved by Sedell, seconded by Winter.

Vote: Motion carried
Yes: Bianchi, Goulet, Johnston, McCombs, Sedell, Wilson, Winter
No: -
Absent: Foy, Fox, Hintz
IX.  OLD BUSINESS

A.  Recommendation to Approve New Walter Scott Reduced Fee Schedule.

  RECOMMENDED ACTION: Approve.

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

  2. Amended and Restated Fee Schedule.

Mr. Gallagher recommended that the Board to approve the new fee schedule and authorize the Board’s Chair or Retirement Administrator to execute the document, with the C.I.O. as a backup if the those two were unavailable.

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

MOTION: Authorize the Chair, Retirement Administrator or the C.I.O. to Execute the Amended Reduced Fee Schedule with Walter Scott.

Moved by Goulet, seconded by Bianchi.

Vote: Motion carried
Yes: Bianchi, Goulet, Johnston, McCombs, Sedell, Wilson, Winter
No: -
Absent: Foy, Fox, Hintz

B.  California Government Code Section 7514.7 Annual Reporting.

  RECOMMENDED ACTION: Receive and File.

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


  3. California Reporting Templates.

Mr. Gallagher said California Government Code Section 7514.7 requires that alternative investment results be presented on an annual basis. He said at the last Board meeting, Abbott Capital Management gave a presentation that reviewed the information, but he was submitting it separately as well because it was a specific State requirement and the provided report included information from the Real Estate managers as well.

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

MOTION: Receive and File.

Moved by Sedell, seconded by McCombs.

Vote: Motion carried
Yes: Bianchi, Goulet, Johnston, McCombs, Sedell, Wilson, Winter
No: -
Absent: Foy, Fox, Hintz

Following the vote on this item, the Board advanced to agenda item X.B., then returned to item X.A.

X. NEW BUSINESS

A. Recommendation to Approve PEPRA Annual Compensation Limit.

RECOMMENDED ACTION: Approve.

1. Staff Letter.


Ms. Webb said that the PEPRA Annual Compensation Limit was an annual item approved after the California Actuarial Advisory Panel meets every year to calculate the PEPRA Compensation Limits for General and Safety members. She said staff recommended adoption of the limits as presented.

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

MOTION: Adopt the 2018 PEPRA Compensation Limits of $121,388 and $145,666 as Calculated by the California Actuarial Advisory Panel (CAAP).

Moved by Sedell, seconded by Johnston.

Vote: Motion carried
Yes: Bianchi, Goulet, Johnston, McCombs, Sedell, Wilson, Winter
No: -
Absent: Foy, Fox, Hintz

Following the vote on this item, the Board returned to agenda item X.C.


Recommended Action: Approve

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

2. NEPC 2018 Public Funds Workshop Agenda.

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

MOTION: Approve.

Moved by Bianchi, seconded by Winter.
XI. INFORMATIONAL

A. SACRS Peer Comparison Report.

B. CALAPRS Advanced Principles of Pension Management for Trustees.

C. The 2018 Pension Bridge Annual Conference.
XII. **PUBLIC COMMENT**

None.

XIII. **STAFF COMMENT**

Ms. Webb informed the Board that the General and Safety member elections had concluded and the same trustees would be serving another term. The Oath of Office was scheduled to be administered at the January 8th Disability Meeting.

She said staff had received the draft of the 2017 Actuarial Valuation, and had provided feedback to the Actuary; once staff received the final version, staff would release it to the public to begin the 25-day stakeholder feedback period.

XIV. **BOARD MEMBER COMMENT**

None.

XV. **ADJOURNMENT**

The Chairman adjourned the meeting at 10:05 a.m.

Respectfully submitted,

LINDA WEBB, Retirement Administrator

Approved,

TRACY TOWNER, Chairman