

VENTURA COUNTY EMPLOYEES' RETIREMENT ASSOCIATION

BOARD OF RETIREMENT

BUSINESS MEETING

May 20, 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
Mike Sedell, Public Member
Joseph Henderson, Public Member
Deanna McCormick, General Employee Member
Tom Johnston, General Employee Member
Arthur E. Goulet, Retiree Member
Chris Johnston, Alternate Employee Member
Will Hoag, Alternate Retiree Member

DIRECTORS None.
ABSENT:

STAFF Donald C. Kendig, 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.

I. INTRODUCTION OF MEETING

Chairman Wilson called the Business Meeting of May 20, 2013, to order at 9:00 a.m.

The Board welcomed Trustee Mike Sedell, who was sworn in at 8:30 a.m. at the office of Mark Lunn, County Clerk and Recorder.

ITEM:

II. APPROVAL OF AGENDA

Ms. McCormick requested that item VI.A. Pensionable Compensation: Review of the County of Ventura CEO Letter and Review of What Consists of Pensionable Compensation be moved up to the front of the Agenda.

MOTION: Mr. Henderson moved, seconded by Mr. T. Johnston, to approve the Agenda as amended.

Motion passed unanimously.

VI. OLD BUSINESS

A. Pensionable Compensation: Review of the County of Ventura CEO Letter and Review of What Consists of Pensionable Compensation.

1. Pensionable Compensation Under CalPEPRA Letter - CEO
2. VRSD Pay Code Analysis – Staff
3. Manatt Presentation Slides - Implementing AB 340 and AB 197

After Board discussion, the following motion was made:

MOTION: Mr. Towner moved, seconded by Mr. T. Johnston, to receive and file the Pensionable Compensation: Review of the County of Ventura CEO Letter and Review of What Consists of Pensionable Compensation.

Motion passed unanimously.

After further Board discussion, the Board agreed that Board Counsel will post a legal notice on the VCERA website outlining the present status of CalPEPRA as it relates to pensionable compensation, the Board of Retirement's interpretation of the law and a disclaimer that it does not create any vested rights.

Heard public comment from Matt Carroll, County Executive Office, asking the Board to reconsider its interpretation of what comprises Pensionable Compensation.

VI. OLD BUSINESS (continued)

- A. Pensionable Compensation: Review of the County of Ventura CEO Letter and Review of What Consists of Pensionable Compensation. (continued)

After Board discussion, the following motion was made:

MOTION: Mr. Henderson moved to place this item on the next Agenda. Motion failed due to lack of a second.

After further discussion, the Chair directed staff to place an item after the Consent Agenda of the June 17 Business Meeting with an update on any developments surrounding Pensionable Compensation.

III. APPROVAL OF MINUTES

- A. Disability Meeting of May 6, 2013.

Mr. Goulet requested the following correction:

Master Page No. 5, item III. Approval of Minutes under Motion, delete the period after item "III" and change the uppercase "A" to a lowercase "a" immediately following.

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

Motion passed. Mr. Sedell abstaining.

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 April 2013.
- B. Report of Checks Disbursed in April 2013.
- C. Asset Allocation as of April 30, 2013.

IV. CONSENT AGENDA (continued)

- D. Statement of Plan Net Assets, Statement of Changes in Plan Net Assets, and Investments & Cash Equivalents for the Month Ended February 28, 2013.
- E. Budget Summary – Year to Date as of April 2013, Fiscal-Year 2012-13.

MOTION: Judge Hintz moved, seconded by Mr. Henderson, to approve the Consent Agenda.

Motion passed unanimously.

END OF CONSENT AGENDA

V. INVESTMENT INFORMATION

- A. Annual Investment Presentation, State Street Global Advisors – Yolanda Diaz (Custodial Services) and John Muir (Securities Lending). (30 Minutes).

Yolanda Diaz and John Muir were present on behalf of State Street Global Advisors to review the firm's organization, investment results for VCERA's accounts, investment process, and outlook.

No Action Taken.

- B. Hewitt EnnisKnupp, Russ Charvonja, ChFC, CFP, Esq. and Kevin Chen.

- 1. First Quarter 2013 Performance Report.

MOTION: Mr. Henderson moved, seconded by Mr. Foy, to receive and file the First Quarter 2013 Performance Report.

Motion passed unanimously.

- 2. Monthly Manager Performance Report, April 2013.

MOTION: Mr. Goulet moved, seconded by Mr. Foy, to receive and file the Monthly Manager Performance Report, April 2013.

Motion passed unanimously.

- 3. Highlights and Research, May 2013.

- a. Private Equity Fees Discussion (Comparison).
- b. RREEF Retirement Update.
- c. Rethinking Fixed Income.
- d. HEK Client Webcast and Blog.

V. INVESTMENT INFORMATION (continued)

B. Hewitt EnnisKnupp, Russ Charvonja, ChFC, CFP, Esq. and Kevin Chen.
(continued)

3. Highlights and Research, May 2013. (continued)

After Board discussion, the following motion was made:

MOTION: Mr. Foy moved, seconded by Mr. Henderson, to confirm the \$75M allocation to Adams Street Partners, including the direct allocation as originally proposed.

Motion passed. Mr. Goulet voting no due to including the direct allocation.

Staff reported that it will notify Manatt, Phelps, & Phillips, LLP to begin the review of the legal documents and will bring a public legal memo to the Board at either the June 3, 2013 or June 17, 2013 Board meeting.

After further discussion, the following motion was made:

MOTION: Mr. Henderson moved, seconded by Mr. Goulet, to receive and file the Highlights and Research, May 2013.

Motion passed unanimously.

C. HarbourVest, Dover VIII, Legal Review Report.

1. Reed Smith Public Legal Memo.

After Board discussion, the following motion was made:

MOTION: Mr. Henderson moved, seconded by Mr. Goulet, to authorize the Chair to execute the legal documents for a \$60M allocation to the Dover VIII Fund and authorized the Retirement Administrator to execute legal documents with substantially identical provisions for an additional \$15M, should additional capacity become available in the fund.

Motion passed. Mr. Foy and Judge Hintz absent for this item.

VII. NEW BUSINESS

A. Pension Bridge Conference – Written Report.

1. Report from Trustees – Goulet/Henderson

MOTION: Mr. Henderson moved, seconded by Mr. T. Johnston, to receive and file the Pension Bridge Conference Report from Trustees Goulet and Henderson.

Motion passed. Mr. Foy and Judge Hintz absent for this item.

VIII. PUBLIC COMMENT

The Retirement Administrator announced an updated rolling calendar had been placed in the Trustee folders, a photographer would be available between 8:30 a.m. and 9:00 a.m. on June 3, 2013 for updated Trustee photos and that GMO would like to teleconference to present its annual report with staff coordinating presentation of slides. The Board concurred with GMO teleconferencing.

Board Counsel announced that in the matter of Michael R. Koevenig that no writ of mandamus was filed within the deadline and the decision of the Board at the February 25, 2013 Disability meeting is final.

Mr. Towner complimented Board Counsel on the court's ruling on the Lanquist/Temple petition.

IX. BOARD MEMBER COMMENT

Mr. Goulet asked about SACRS oral reports. Staff responded that this will be placed on next Agenda.

X. ADJOURNMENT

The meeting was adjourned at 11:35 a.m.

Respectfully submitted,



DONALD C. KENDIG, CPA, Retirement Administrator

Approved,



WILLIAM W. WILSON, Chairman