

VENTURA COUNTY EMPLOYEES' RETIREMENT ASSOCIATION

BOARD OF RETIREMENT

DISABILITY MEETING

May 6, 2013

MINUTES

DIRECTORS William W. Wilson, Chair, Public Member
PRESENT: 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
Chris Johnston, Alternate Employee Member
Will Hoag, Alternate Retiree Member

DIRECTORS Tracy Towner, Vice Chair, Safety Employee Member
ABSENT: Vacant, Public Member

STAFF
PRESENT: Donald C. Kendig, Retirement Administrator
Henry Solis, Chief Financial Officer
Lori Nemiroff, Assistant County Counsel
Glenda Jackson, Program Assistant
Angie Tolentino, Retirement Benefits Specialist
Julie Stallings, Retirement Operations Manager

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

Chairman Wilson called the Disability Meeting of May 6, 2013, to order at 9:00 a.m.

II. APPROVAL OF AGENDA

Mr. Goulet requested that Agenda item VI.A. Private Equity Fee Comparison be continued to the next Board Meeting.

Staff requested that Agenda item VII.A. Disability Process Review and Educational Presentation be continued to the Disability Meeting of June 3.

Staff requested that the Minutes Master Pages 5-12 be replaced with those in the Trustee folders.

III. APPROVAL OF MINUTES

A. Business Meeting of April 15, 2013.

Staff noted the following corrections to the April 15, 2013 Business Meeting Minutes:

Master Page 8, item VII.B. Pensionable Compensation, Mr. Goulet voted "no."

Master Page 9, item VI.G. Investment Information GTAA and Risk Parity Funding Decision, "Mr. Goulet and Mr. Henderson absent for this item. Mr. Hoag voting."

Master Page 10, item VI.G. move "Mr. Goulet left the meeting at 10:25 a.m." to before item VI.D. GTAA Finalist Presentation, PIMCO.

Master Page 10, item VI.G. "delete second item VI.G. and move the discussion and motion after PIMCO presentation."

MOTION: Mr. Goulet moved, seconded by Ms. McCormick, to approve item II. Approval of Agenda and item III approval of Minutes as amended.

Motion passed unanimously. Mr. Towner absent. Mr. C. Johnston voting.

IV. PENDING DISABILITY APPLICATION STATUS REPORT

Mr. Goulet commented on a number of overdue reports from Risk Management.

MOTION: Mr. Henderson moved, seconded by Mr. T. Johnston, to receive and file the pending disability application status report.

Motion passed unanimously. Mr. Towner absent. Mr. C. Johnston voting.

V. APPLICATIONS FOR DISABILITY RETIREMENT

A. Application for Non-Service Connected Disability Retirement; Andrea C. De Vera, Case No. 12-023.

1. Application for Non-Service Connected Disability Retirement and Supporting Documentation.

2. Hearing Notice.

Paul Hilbun was present representing the County of Ventura Risk Management. The applicant, Andrea C. De Vera, was present. Both parties declined to comment.

The following motion was made:

MOTION: Mr. Goulet moved, seconded by Mr. T. Johnston, to grant a nonservice-connected disability retirement.

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

Motion passed unanimously. Mr. Towner absent. Mr. C. Johnston voting.

B. Application for Non-Service, and Service Connected Disability Retirement; Steven P. Lengyel, Case No. 12-021.

1. Application for Non-Service, and Service Connected Disability Retirement and Supporting Documentation.

2. Hearing Notice.

Paul Hilbun was present representing the County of Ventura Risk Management. Mark E. Singer, Attorney at law, was present representing the applicant. The applicant, Steven P. Lengyel, was present.

Following statements by both parties, and discussion, the following motion was made:

MOTION: Mr. C. Johnston moved, seconded by Judge Hintz, to grant a service-connected disability retirement.

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

Motion passed unanimously. Mr. Towner absent. Mr. C. Johnston voting.

V. APPLICATIONS FOR DISABILITY RETIREMENT (continued)

C. Application for Non-Service Connected Disability Retirement; Luz Martinez, Case No. 12-041.

1. Application for Non-Service Connected Disability Retirement and Supporting Documentation.

2. Hearing Notice.

Paul Hilbun was present representing the County of Ventura Risk Management. Javier Martinez, the applicant's surviving spouse, was present. Both parties declined to comment.

The following motion was made:

MOTION: Mr. C. Johnston moved, seconded by Mr. T. Johnston, to grant a nonservice-connected disability retirement.

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

Motion passed unanimously. Mr. Towner absent. Mr. C. Johnston voting.

D. Application for Non-Service, and Service Connected Disability Retirement; Michael Wheat, Case No. 11-017.

1. Petition for Reconsideration, Submitted by Steven R. Pingel, Attorney at Law, dated March 28, 2013.

2. Respondent's Objection to the Petition for Reconsideration, Submitted by B. Derek Straatsma, Attorney at Law, dated March 29, 2013.

3. Hearing Notice.

B. Derek Straatsma, Attorney at Law, was present representing the County of Ventura Risk Management. Steven R. Pingel, Attorney at Law, was present representing the applicant. The applicant, Michael Wheat, was not present.

Following statements by both parties, and discussion, the following motion was made:

MOTION: Mr. Goulet moved, seconded by Mr. Foy, to deny the petition for reconsideration.

Motion passed. Mr. Towner absent. Mr. C. Johnston voting no.

V. APPLICATIONS FOR DISABILITY RETIREMENT (continued)

E. Application for Service Connected Disability Retirement; Gregory Danko, Case No. 10-019.

1. Petition for Reconsideration, Submitted by Gregory Danko, March 11, 2013.
2. Respondent's Objection to the Petition for Reconsideration, Submitted by Stephen D. Roberson, Attorney at Law, dated March 19, 2013.
3. Applicant's Response to Respondent's Objection to the Petition for Reconsideration, Submitted by Gregory Danko, dated March 29, 2013.
4. Respondent's Opposition to Applicant's Petition for Reconsideration, Submitted by Stephen D. Roberson, Attorney at Law, dated April 10, 2013.
5. Hearing Notice.

Stephen D. Roberson, Attorney at Law, was present representing the County of Ventura Risk Management. The applicant, Gregory Danko, was present.

After statements by both parties, and discussion, the following motion was made:

MOTION: Judge Hintz moved, seconded by Mr. C. Johnston, to grant the petition for reconsideration.

Motion failed. Judge Hintz, Mr. C. Johnston, Mr. T. Johnston and Ms. McCormick voting yes. Mr. Foy, Mr. Goulet, Mr. Henderson and Mr. Wilson voting no. Mr. Towner absent.

After further discussion, the following motion was made:

MOTION: Mr. Goulet moved, seconded by Mr. Henderson, to deny the petition for reconsideration.

Motion failed. Mr. Foy, Mr. Goulet, Mr. Henderson and Mr. Wilson voting yes. Judge Hintz, Mr. C. Johnston, Mr. T. Johnston and Ms. McCormick voting no. Mr. Towner absent.

VI. INVESTMENT INFORMATION

A. Private Equity Fee Comparison – Hewitt EnnisKnupp.

1. Fee Comparison.

Item continued to Board meeting of May 20, 2013.

B. Bridgewater Allocation Update – Staff.

Joel Whidden was present on behalf of Bridgewater and provided an update.

After discussion, the following motion was made:

MOTION: Mr. Foy moved, seconded by Judge Hintz, to authorize the Retirement Administrator to engage the services of Manatt, Phelps and Phillips for the review of the Bridgewater All Weather Fund documents.

Motion passed unanimously. Mr. Towner absent. Mr. C. Johnston voting.

C. Loomis Sayles Strategic Alpha Update – Staff.

1. Side Letter.

After discussion, the following motion was made:

MOTION: Mr. Henderson moved, seconded by Mr. C. Johnston, to authorize the Chair to execute the side letter as modified for the change of Henry Solis from Interim Retirement Administrator to Chief Financial Officer on Master Page No. 464.

Motion passed unanimously. Mr. Towner absent. Mr. C. Johnston voting.

D. HarbourVest Allocation Update.

After discussion, the following motion was made:

MOTION: Ms. McCormick moved, seconded by Mr. Goulet, to authorize the Retirement Administrator to engage the services of Harvey Leiderman for an educational presentation to be given at the July 1, 2013 Disability meeting on the pros and cons of the alternative investment process.

Motion passed. Mr. Foy and Mr. Henderson voting no. Mr. Towner absent. Mr. C. Johnston voting.

VI. INVESTMENT INFORMATION

D. HarbourVest Allocation Update. (continued)

After further discussion, the following motion was made:

MOTION: Judge Hintz moved, seconded by Mr. Goulet to approve the presentation of a public legal memo at its May 20, 2013 Business meeting summarizing key provisions of the side letter that will be signed by the Chair and any key findings of the legal documents review.

Motion passed unanimously. Mr. Towner absent. Mr. C. Johnston voting.

E. Summer Due Diligence Planning – Staff.

After discussion, the Chair designated Mr. Hoag, Mr. C. Johnston, Ms. McCormick, and Mr. Wilson to participate in the Summer Due Diligence trip.

VII. OLD BUSINESS

A. Disability Process Review and Educational Presentation.

1. Updated Proposed Application Packet for Disability Retirement.
2. Disability Retirement 101: Legal Standards Presentation (30 minutes).
3. Disability Procedures Proposals
 - a. Independent Medical Examination (IME) Cover Letter Template.
 - b. Board Report Template.

Item continued to Disability Meeting of June 3, 2013.

B. Board Policies Update.

1. Board of Retirement Charter.
2. Chair Charter.
3. Vice Chair Charter.
4. Retirement Administrator Charter.
5. Board Policy Development Process.
6. Service Provider Selection Policy.
7. Monitoring and Reporting Policy.

VII. **OLD BUSINESS (continued)**

B. Board Policies Update. (continued)

After discussion, the following motion was made:

MOTION: Mr. Henderson moved, seconded by Mr. T. Johnston, to approve the proposed policy revisions.

Motion passed. Mr. Towner absent. Mr. C. Johnston voting.

VIII. **NEW BUSINESS**

A. Quarterly PAS (VCERIS) Report.

Brian Colker, of Linea Solutions, Inc., gave the report and Mr. Colker, along with staff, answered questions.

Jeff Burgh, Assistant Auditor-Controller, and Valerie Barraza, Chief Deputy Auditor-Controller spoke before the Board and answered questions.

No Action taken.

B. Authorization to Attend Investment Trends Summit.

After discussion, the following motion was made:

MOTION: Judge Hintz moved, seconded by Mr. Henderson, to authorize interested trustees and staff to attend the Investment Trends Summit.

IX. **PUBLIC COMMENT**

Staff reported that no word has been received on the status of room reservations for the SACRS Napa Conference and that back-up options are being explored.

Staff also reminded the Board of the Investment Consultant search and quiet period and that Hewitt EnnisKnupp (HEK), Meketa, Milliman, NEPC, Pension Consulting Alliance (PCA), Russell Investments, Segal Rogers Casey, Strategic Investment Solutions (SIS) and Wurts are currently under review.

X. BOARD MEMBER COMMENT

Judge Hintz announced that he has only received four Retirement Administrator evaluation forms and reminded the Board that the evaluation forms are due May 20, 2013.

XI. ADJOURNMENT

The meeting was adjourned by 11:26 a.m.

Respectfully submitted,



DONALD C. KENDIG, Retirement Administrator

Approved,



WILLIAM W. WILSON, Chairman