

VENTURA COUNTY EMPLOYEES' RETIREMENT ASSOCIATION

BOARD OF RETIREMENT

BUSINESS MEETING

October 21, 2013

MINUTES

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

DIRECTORS Tracy Towner, Vice Chair, Safety Employee Member
ABSENT: Deanna McCormick, General Employee Member

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.

ITEM:

I. **INTRODUCTION OF MEETING**

Chairman Wilson called the Business Meeting of October 21, 2013, to order at 9:00 a.m.

II. APPROVAL OF AGENDA

The Retirement Administrator requested modification of the Agenda to include additions to Item VI.D. Approval and Execution of the NEPC Investment Consulting Agreement comprised of a legislative mark-up of proposed agreement revisions and additional proposed provisions.

MOTION: Approve the agenda as modified.

Moved by Henderson, seconded by T. Johnston.

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

III. APPROVAL OF MINUTES

Trustee Foy arrived at 9:02 a.m.

A. Investment Retreat of September 26, 2013.

MOTION: Approve the Minutes.

Moved by Hintz, seconded by Goulet.

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

B. Disability Meeting of October 7, 2013.

MOTION: Approve the Minutes.

Moved by Hintz, seconded by Goulet.

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

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 September 2013.
- B. Report of Checks Disbursed in September 2013.
- C. Asset Allocation as of September 2013.
- D. Statement of Plan Net Position, Statement of Changes in Plan Net Position, Investments & Cash Equivalents for the Months Ended July 31 and August 31, 2013.
- E. Budget Summary – Year to Date as of July and August 2013, Fiscal-Year 2013-14.
- F. Quarterly Administrator Report for July 1 to September 30, 2013.

MOTION: Approve the Consent Agenda.

Moved by Hintz, seconded by T. Johnston.

Vote: Motion carried

Yes: Foy, Goulet, Henderson, Hintz, T. Johnston, Sedell, Wilson, C. Johnston

No: -

Absent: McCormick, Towner

Abstain: -

V. STANDING ITEM

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

Received an oral report from Board Counsel on the status of CalPEPRA and AB 1380.

No action taken.

VI. INVESTMENT INFORMATION

- A. Annual Investment Presentation, Reams Asset Management – Mark M. Egan, CFA, Managing Director and Portfolio Manager. (30 Minutes).

Mark M. Egan was present on behalf of Reams Asset Management to review the firm's organization, investment results for VCERA's accounts, investment process and outlook.

No action taken.

- B. Annual Investment Presentation, Western Asset Management – Karlen Powell, Client Service Executive, Jim Flick, Head of Global Client Services & Marketing, Mark Lindbloom, Portfolio Manager. (30 Minutes).

Karlen Powell, Jim Flick and Mark Lindbloom were present on behalf of Western Asset Management to review the firm's organization, investment results for VCERA's accounts, investment process and outlook.

No action taken.

- C. Hewitt EnnisKnupp, John J. Lee, Partner, and Kevin Chen.

1. Monthly Manager Performance Report, September 2013.

MOTION: Receive and file the Report.

Moved by Hintz, seconded by Foy.

Vote: Motion carried

Yes: Foy, Goulet, Henderson, Hintz, T. Johnston, Sedell,
Wilson, C. Johnston

No: -

Absent: McCormick, Towner

Abstain: -

2. Highlights and Research, October 2013.

Bridgewater and Tortoise Investment Guidelines.

MOTION: Approve Tortoise Investment Guidelines and direct HEK to bring the Bridgewater Investment Guidelines back to the November 18, 2013 Business meeting.

Moved by Goulet, seconded by C. Johnston.

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

Western Asset Management Update.

MOTION: Not finalize the agreement with Western Asset Management until NEPC has reviewed and made a recommendation for the TRU Investment category.

Moved by Goulet, seconded by Sedell.

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

Proxy Vote Memo.

MOTION: Receive and file the Proxy Vote Memo.

Moved by Goulet, seconded by Henderson.

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

Market Environment, Government Shutdown & Debt Ceiling, US Growth vs. Value, Medium Term Views.

MOTION: Receive and file.

Moved by Hintz, seconded by T. Johnston.

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

D. Approval and Execution of the NEPC Investment Consulting Agreement.

MOTION: Continue the item to the November 4, 2013 Board meeting.

Motion by Hintz, seconded by Goulet.

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

VII. NEW BUSINESS

A. Receive and File Opal Investment Trends Summit Report - Goulet.

MOTION: Receive and file the Report.

Motion by Goulet, seconded by T. Johnston.

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

B. Travel Authorization Request for Henry Solis.

MOTION: Approve the Travel Authorization Request.

Motion by Foy, seconded by Sedell.

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

C. Request for Approval of Lease Amendment.

MOTION: Approve the Lease Amendment with changes noted to include a provision under 1.b. that no further rental payments are due or owing for Suite 106 as of the date of vacation.

Motion by Hintz, seconded by T. Johnston.

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

VIII. CLOSED SESSION

1. CONFERENCE WITH LEGAL COUNSEL - ANTICIPATED LITIGATION

Significant exposure to litigation pursuant to subdivision (b) of section 54956.9: 1 Potential Case. CLAIMANT: MICHAEL KOEVENIG.

No reportable action.

IX. PUBLIC COMMENT

Don C. Stracke, NEPC, Inc. commented they have not downgraded Western Asset and have them as a "hold." NEPC will prepare a report and present it at the Board meeting of December 16, 2013.

X. BOARD MEMBER COMMENT

Board members commented on new configuration of the Board Room.

Bill Bartels, GreenSource, Inc. answered questions from Board members about the new configuration of the Board Room.

XI. ADJOURNMENT

The meeting was adjourned at 11:24 a.m.

Respectfully submitted,



DONALD C. KENDIG, Retirement Administrator

Approved,



WILLIAM W. WILSON, Chairman