

**VENTURA COUNTY EMPLOYEES' RETIREMENT ASSOCIATION**

**BOARD OF RETIREMENT**

**BUSINESS MEETING**

**November 18, 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  
Mike Sedell, 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** 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.

**ITEM:**

**I. INTRODUCTION OF MEETING**

Chairman Wilson called the Business Meeting of November 18, 2013, to order at 9:01 a.m.

**II. APPROVAL OF AGENDA**

MOTION: Approve the Agenda.

Moved by Henderson, seconded by T. Johnston.

Vote: Motion carried

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

No: -

Absent: -

Abstain: -

**III. APPROVAL OF MINUTES**

A. Disability Meeting of November 4, 2013.

MOTION: Approve the Minutes.

Moved by T. Johnston, seconded by Hintz.

Vote: Motion carried

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

No: -

Absent: -

Abstain: -

**IV. CONSENT AGENDA**

A. Approve Regular and Deferred Retirements and Survivors Continuances for the Month of October 2013.

B. Receive and File Report of Checks Disbursed in October 2013.

C. Receive and File Asset Allocation as of October 31, 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 September 30, 2013.

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

- F. Receive and File Budget Summary for FY 2013-14 Month ending October 2013.

MOTION: Approve the Consent Agenda.

Moved by Henderson, seconded by T. Johnston.

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

**END OF CONSENT AGENDA**

**V. STANDING ITEM**

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

Received an oral report from Board Counsel on the status of CALPERS Regulations and AB 197 litigation and from the Retirement Administrator on AB 431.

No action taken.

**VI. INVESTMENT INFORMATION**

- A. Hewitt EnnisKnupp - John J. Lee, and Kevin Chen.

1. Receive and File Third Quarter 2013 Performance Report.

After presentation by HEK and discussion by the Board, the following Motion was made:

MOTION: Receive and file the Report.

Moved by Goulet, seconded by McCormick.

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

2. Receive and File Monthly Manager Performance Report, October 2013.

After presentation by HEK and discussion by the Board, the following Motion was made:

MOTION: Receive and file the Report.

Moved by Henderson, seconded by Goulet.

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

**B. Consider Approval of Custodial Fee Proposal.**

1. Custodial Fee Proposal – Yolanda Diaz, State Street Bank and Trust.
2. Consultant Memo – Allan Martin, Don Stracke, CFA, CAIA, and Anthony Ferrara, NEPC, Inc.
3. Consultant Memo – Joel Brightfield, Trust Services & John J. Lee, Hewitt EnnisKnupp.
4. Supporting Data: a. Custodial Fee Survey, b. 2002 Fee, c. 1997 Contract.

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

MOTION: Continue the item to the December 16 Business meeting.

Moved by Towner, seconded by T. Johnston.

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

- C. Oral Discussion of PIMCO Credit Default Swap and Redemption Activity – Trustee Chris Johnston.

Heard oral discussion from Trustee Johnston, Don Stracke of NEPC and the Board.

- D. The 5<sup>th</sup> Annual NEPC Public Fund Workshop, January 27-28, 2014, Tempe, Arizona and Authorization for Up to Three Trustees to Attend.

After discussion by the Board and Don Stracke of NEPC, the following Motion was made:

MOTION: Authorize Trustee Chris Johnston to attend the Workshop.

Moved by Hintz, seconded by Sedell.

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

**VII. NEW BUSINESS**

- A. Receive and File Quarterly PAS (VCERIS) Report – Brian Colker, Linea Solutions.

After presentation by Staff and Linea, and discussion by the Board, the following Motion was made:

MOTION: Receive and file the Report.

Moved by Hintz, seconded by T. Johnston.

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

Staff will return to the Board with an answer to questions about the quarterly expense details.

- B. Review and Approval of 2014 Board Meeting Dates & Investment Manager Presentations.

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

MOTION: Approve the Board Meeting Dates & Investment Manager Presentations.

Moved by Henderson, seconded by McCormick.

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

- C. Review and Approval of Due Diligence Calendar for 2014.

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

MOTION: Approve the Calendar.

Moved by Henderson, seconded by T. Johnston.

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

The Chair designated Trustees Goulet, C. Johnston, McCormick and Sedell as participants for the Spring 2014 Due Diligence Trip.

- D. Receive and File Walter Scott Due Diligence Report – Trustees McCormick and Towner.

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

MOTION: Receive and file the Report.

Moved by Hintz, seconded by T. Johnston.

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

E. Receive Fall 2013 SACRS Conference Oral Reports.

Heard comments from Trustees.

**VIII. PUBLIC COMMENT**

The Retirement Administrator commented about:

- Staff will bring forward a new Agenda format to better align with requirements of the Brown Act;
- The Bylaws are under review by staff and Board Counsel and will come to the Board for review and approval at a future Board meeting; and
- Staff will bring an IRS Tax Determination Update to the Board in the near future.

**IX. BOARD MEMBER COMMENT**

None.

**X. ADJOURNMENT**

The meeting was adjourned at 10:59 a.m.

Respectfully submitted,



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DONALD C. KENDIG, Retirement Administrator

Approved,



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WILLIAM W. WILSON, Chairman