

VENTURA COUNTY EMPLOYEES' RETIREMENT ASSOCIATION

BOARD OF RETIREMENT

BUSINESS MEETING

NOVEMBER 20, 2006

MINUTES

DIRECTORS
PRESENT: William W. Wilson, Chair, Public Member
Tracy Towner, Vice Chair, Safety Employee Member
Lawrence L. Matheney, Treasurer, Ex-officio Member
Karen Becker, General Employee Member
Arthur E. Goulet, Retiree Member
Joseph Henderson, Public Member
Chris Johnston, Alternate Employee Member
Will Hoag, Alternate Retiree Member

DIRECTORS
ABSENT: Robert Hansen, General Employee Member
Albert G. Harris, Public Member
Judy Mikels, Public Member

STAFF
PRESENT: Tim Thonis, Retirement Administrator
Lori Nemiroff, Assistant County Counsel

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 20, 2006, to order at 9:00a.m.

II. APPROVAL OF AGENDA

Mr. Matheney moved, seconded by Mr. Henderson, to approve the Agenda.

Motion passed.

III. APPROVAL OF MINUTES

- A. Disability Meeting of November 6, 2006.

Mr. Henderson moved, seconded by Mr. Goulet, to approve the Minutes for the Disability Meeting of November 6, 2006.

Motion passed.

IV. CONSENT AGENDA

- A. Regular and Deferred Retirements and Survivors Continuances for the Month of October 2006.
- B. Statement of Plan Assets, Statement of Changes in Plan Net Assets, Summary of Investments and Cash Equivalents and Statement of Reserves for the Month Ended September 30, 2006.
- C. Report of Checks Disbursed in October 2006.
- D. Budget Summary for the Month Ended October 31, 2006, Fiscal-Year 2006-07.
- E. Barclays Global Investors Report for the U.S. Equity Index Fund, Extended Equity Market Fund, U.S. Debt Index Fund for the Month Ended October 31, 2006.

Mr. Towner moved, seconded by Mr. Goulet, to approve the Consent Agenda.

Mr. Goulet questioned and received an explanation regarding the duplicate entries contained in the Report of Checks Disbursed in October 2006.

Motion passed.

V. INVESTMENT INFORMATION

A. EnnisKnupp Materials.

1. Monthly Investment Performance Update.

Staff provided the Board with a revised investment report for the month of October containing an additional column detailing the fund's performance for the first four months of the fiscal year. In addition, staff reviewed the fund's investment performance for the month of October and for the first four months of the fiscal year.

Mr. Goulet moved, seconded by Mr. Matheney to receive and file the Monthly Investment Report.

Motion Passed.

2. Monthly Manager Updates/Summary, October 2006.

- a) Delta
- b) LSV
- c) Wasatch
- d) Sprucegrove
- e) Capital Guardian
- f) GMO
- g) Wellington
- h) Western
- i) Reams
- j) Loomis Sayles

Staff reviewed the organizational changes involving Capital Guardian and Loomis Sayles. Additionally, staff reported EnnisKnupp's observation that the changes would have minimal impact on Capital Guardian and Loomis Sayles.

Mr. Henderson moved, seconded by Mr. Goulet, to receive and file the Monthly Manager Updates/Summary.

Motion Passed.

B. Third Quarter Performance Report, Prudential Real Estate Investors.

C. Third Quarter Performance Report, UBS Realty Investors.

V. INVESTMENT INFORMATION (Continued)

D. Third Quarter Performance Report, Guggenheim Partners Real Estate.

Staff reviewed the Third Quarter Investment Performance Reports from Prudential, UBS, and Guggenheim.

Mr. Goulet questioned the acquisition totals in the Prudential Report and the performance summaries in the UBS report.

Mr. Wilson commented on Dr. Miles' observations regard cap rates in the Guggenheim report.

Mr. Matheney moved, seconded by Mr. Goulet, to receive and file the Third Quarter Performance Reports from Prudential, UBS and Guggenheim.

Motion Passed.

VI. NEW BUSINESS

A. Letter from Staff Regarding Review of Board Policies.

Staff reviewed the Board's Business Planning Policy, Service Provider Selection Policy, and Trustee Communication Policy and suggested the following changes:

Business Planning Policy: Section II, Item 5, amend the first sentence to read "At the beginning of each fiscal year" due to the fact the annual Business Plan is adopted in conjunction with the Board's annual fiscal year budget.

Service Provider Selection Policy: Section V, Item 17, amend the section to direct the Retirement Administrator to prepare an annual performance summary for the service providers and place the matter on the Board's agenda for review and discussion.

Trustee Communication Policy: deletion of the references to the Assistant Retirement Administrator found in sections 9(a & b), 10 and 20.

Mr. Goulet recommended that Item IV, section 15 of the Service Provider Selection Policy be amended to reflect that the Board does not negotiate service provider contracts and recommended to replace the word "negotiate" with "provide direction". Additionally, Mr. Goulet recommended linking the quiet period sections of the Trustee Communication Policy and the Service Provider Policy by including in section III, item 13 the phrase "in

VI. **NEW BUSINESS** (continued)

- A. Letter from Staff Regarding Review of Board Policies. (continued)

conjunction with the Service Provider Policy". Further, Mr. Goulet recommended that within the Service Provider Policy references to "named service providers" be changed to "retained service providers".

Mr. Matheney moved, seconded by Mr. Goulet, to approve the Board's policies as amended.

Motion Passed.

The Board scheduled the future review of the Business Planning Policy, Service Provider Selection Policy, and Trustee Communication Policy in three years.

- B. Request from Roxanne Wilson for Reinstatement to Active Membership Pursuant to Government Code Sections 31680.4 and 31680.5.

Staff reviewed the requirements for reinstatement to active membership pursuant to Government Code Sections 31680.4 and 31680.5, and recommended Ms. Wilson's reinstatement given that she had met the requirements as outlined in the law.

Ms. Becker moved, seconded by Mr. Matheney, to approve the reinstatement of Ms. Wilson to active membership.

Motion Passed.

- C. Letter from Staff Requesting Approval for Board Member Travel.

Mr. Goulet moved, seconded by Mr. Matheney, to approve the attendance of any trustee wishing to attend the Pension Bridge Conference in San Francisco.

Motion Passed.

- D. 2007 SACRS Legislative Platform.

No action taken.

VII. INFORMATIONAL

A. Publications (Available in Retirement Office)

1. Institutional Investor
2. Pensions and Investments

B. General Member Election Notice.

No action taken.

C. Letter from Stephen Cummings, President, EnnisKnupp & Associates.

No action taken.

D. Invitation from Western Asset Management for 2007 Rose Parade.

No action taken.

VIII. PUBLIC COMMENT

None.

IX. BOARD MEMBER COMMENT

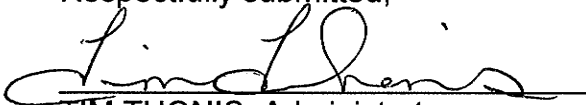
Mr. Goulet commented on the benefits of the SACRS Fall Conference and expressed regret that the conference schedule did not allow him to attend more sessions.

Mr. Hoag commented that defined benefit plans still remain targets for elimination.

X. ADJOURNMENT

There being no further items of business before the Board, Chairman Wilson adjourned the meeting at 9:45 a.m.

Respectfully submitted,


TIM THONIS, Administrator

Approved,



WILLIAM W. WILSON, Chair