

VENTURA COUNTY EMPLOYEES' RETIREMENT ASSOCIATION

BOARD OF RETIREMENT

BUSINESS MEETING

July 21, 2014

MINUTES

DIRECTORS Tracy Towner, Chair, Safety Employee Member
PRESENT: William W. Wilson, Vice Chair, Public Member
Steven Hintz, Treasurer-Tax Collector
Joseph Henderson, Public Member
Mike Sedell, Public Member
Deanna McCormick, General Employee Member
Arthur E. Goulet, Retiree Member
Will Hoag, Alternate Retiree Member
Chris Johnston, Alternate Employee Member

DIRECTORS Tom Johnston, General Employee Member
ABSENT: Peter C. Foy, Public Member

STAFF Tim Thonis, Interim Retirement Administrator
PRESENT: Henry Solis, Chief Financial Officer
Lori Nemiroff, Assistant County Counsel
Stephanie Caiazza, 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. CALL TO ORDER

Chair Tracy Towner, called the Business Meeting of July 21, 2014, to order at 9:00 a.m.

II. APPROVAL OF AGENDA

MOTION: Approve the Agenda.

Moved by Henderson, seconded by C. Johnston.

Vote: Motion carried.

Yes: Goulet, Henderson, McCormick, Sedell, C. Johnston, Wilson, Towner

No: -

Absent: T. Johnston, Foy, Hintz

III. APPROVAL OF MINUTES

A. Disability Meeting of July 7, 2014.

Mr. Goulet requested that the minutes be revised on Master Page 7 to show that Mr. Hintz was not absent for the vote approving the proposed recruitment schedule.

MOTION: Approve the Minutes, with correction.

Moved by Goulet, seconded by Henderson.

Vote: Motion carried.

Yes: Goulet, Henderson, McCormick, Sedell, C. Johnston, Wilson, Towner

No: -

Absent: T. Johnston, Foy, Hintz

IV. CONSENT AGENDA

- A. Approve Regular and Deferred Retirements and Survivors Continuances for the Month of June 2014.**
- B. Receive and File Report of Checks Disbursed in June 2014.**
- C. Receive and File Preliminary Budget Summary for FY 2013-14 Month Ending June 2014.**

- D. Receive and File Statements of Fiduciary Net Position, Statements of Changes in Fiduciary Net Position, Investments & Cash Equivalents, and Schedules of Investment Management Fees for the Period Ending May 31, 2014.
- E. Trustee Educational Report, December 31, 2013.

MOTION: Approve the Consent Agenda.

Moved by Henderson, seconded by C. Johnston.

Vote: Motion carried.

Yes: Goulet, Henderson, McCormick, Sedell, C. Johnston, Wilson, Towner

No: -

Absent: T. Johnston, Foy, Hintz

END OF CONSENT AGENDA

V. STANDING ITEM

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

Ms. Nemiroff informed the Board that there will be a public hearing regarding the proposed regulations on pensionable compensation on August 19, 2014, at 9:30 a.m. in the CalPERS auditorium. In the proposed regulations, CalPERS is recommending the exclusion of bonus pay, employer paid pickups, management incentive pay, off salary scheduled pay and uniform allowance.

Mr. Hintz arrived at 9:06 a.m.

VI. ANNUAL INVESTMENT PRESENTATIONS

- A. Receive Annual Investment Presentation, Walter Scott & Partners Limited, Margaret Foley, CFA, Global Portfolio Specialist, Investment Review (30 Minutes).

Margaret Foley was present on behalf of Walter Scott & Partners Limited to provide an organizational and investment performance update.

- B. Receive Annual Investment Presentation, Hexavest Inc., Nadia Cesaratto, Vice President (30 Minutes).

Nadia Cesaratto was present on behalf of Hexavest Inc. to provide an organizational and investment performance update.

VII. INVESTMENT INFORMATION

A. NEPC – Don Stracke, Senior Consultant.

1. Receive and File Preliminary Performance Report Month Ending June 30, 2014.
2. Asset Allocation Update/Workplan Discussion.
3. Review of NEPC Investment Manager Search Process.
4. Global Multi-Strategy Fixed Income Presentation.

MOTION: Receive and File Items 1 – 4.

Moved by Henderson, seconded by Wilson.

Vote: Motion carried.

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

No: -

Absent: T. Johnston, Foy

Mr. Towner and Mr. Stracke agreed that during the month of August they will discuss topics for the Investment Retreat Agenda, including discussions of the Asset/Liability Study, Mix A. and Alternative Mix A.

5. Pyramis Global Advisors Educational Presentation, Multi-Sector Fixed Income Overview, Christian Pariseault, CFA and Kristin V. Shofner, SVP, Business Development.

MOTION: Receive and File.

Moved by Hintz, seconded by Wilson.

Vote: Motion carried.

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

No: -

Absent: T. Johnston, Foy

Mr. Wilson left the meeting at 11:30 a.m.

VIII. OLD BUSINESS

- A. Consideration of Requested Modifications to VCERIS Change Orders.

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

MOTION: Delegate authority to Mr. Goulet to review the VCERIS change orders with Brian Colker of Linea Solutions, and approve any requisite modifications.

Moved by Henderson, seconded by C. Johnston.

Vote: Motion carried.

Yes: Goulet, Hintz, Henderson, McCormick, Sedell, C. Johnston,
Towner

No: -

Absent: T. Johnston, Foy, Wilson

IX. NEW BUSINESS

A. Recommendations from Personnel Review Committee – VCERA Staffing.

After discussion by the Board and staff, the following motion was made:

MOTION: Approve.

Moved by Sedell, seconded by McCormick.

Vote: Motion carried.

Yes: Goulet, Hintz, Henderson, McCormick, Sedell, C. Johnston,
Towner

No: -

Absent: T. Johnston, Foy, Wilson

B. Recommendation to Approve Ms. McCormick's Participation at PIMCO Institute, October 16 – 17 and October 20 – 24, 2014.

MOTION: Approve.

Moved by Sedell, seconded by Henderson.

Vote: Motion carried.

Yes: Goulet, Hintz, Henderson, McCormick, Sedell, C. Johnston,
Towner

No: -

Absent: T. Johnston, Foy, Wilson

C. Recommendation to Approve Payment for Wavier of Recourse, Fiduciary Liability Insurance, FY 2014/2015.

MOTION: Approve.

Moved by Goulet, seconded by Henderson.

Vote: Motion carried.

Yes: Goulet, Hintz, Henderson, McCormick, Sedell, C. Johnston,
Towner

No: -

Absent: T. Johnston, Foy, Wilson

- D. Review of Ventura County Employees' Retirement Information System (VCERIS) Project Status Report, Month Ending June 2014.

MOTION: Receive and File.

Moved by Henderson, seconded by McCormick.

Vote: Motion carried.

Yes: Goulet, Hintz, Henderson, McCormick, Sedell, C. Johnston,
Towner

No: -

Absent: T. Johnston, Foy, Wilson

X. INFORMATIONAL

- A. San Diego County Employees' Retirement Association's Request for Leave to File Brief As Amicus Curiae; [Proposed] Order.
- B. San Diego County Employees' Retirement Association's Amicus Curiae Brief.
- C. Board of Retirement of the Ventura County Employees' Retirement Association's Joinder in Section V of Amicus Curiae Brief Submitted by San Diego County Employees' Retirement Association.
- D. Letter from T. Bondurant French, Chief Executive Officer, Adams Street Partners.
- E. Wall Street Journal Article – "Big Investors Missed Stock Rally".
- F. Wall Street Journal Article – "Broad Gains Power Historic Rally".

XI. PUBLIC COMMENT

None.

XII. STAFF COMMENT

Ms. Caiazza informed the Board that copies of the 2014 edition of the Retirement Law Book are available for the Board's reference.

Mr. Thonis stated that VCERA received \$160 million in prefunded employer contributions for FY 2014-15 on July 1, 2014. The prefunded contributions were invested in accordance with VCERA's investment policy.

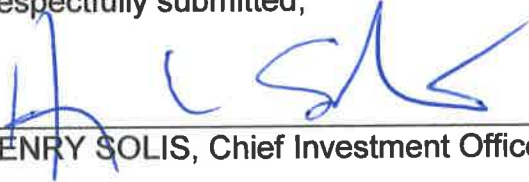
XIII. BOARD MEMBER COMMENT

None.

XIV. ADJOURNMENT

The meeting was adjourned at 11:56 a.m.

Respectfully submitted,



HENRY SOLIS, Chief Investment Officer

Approved,



William Wilson, Vice Chairman