

VENTURA COUNTY EMPLOYEES' RETIREMENT ASSOCIATION

BOARD OF RETIREMENT

BUSINESS MEETING

September 15, 2014

MINUTES

DIRECTORS Tracy Towner, Chair, Safety Employee Member
PRESENT: William W. Wilson, Vice Chair, Public Member
Joseph Henderson, Public Member
Mike Sedell, Public Member
Peter C. Foy, Public Member
Deanna McCormick, General Employee Member
Arthur E. Goulet, Retiree Member
Will Hoag, Alternate Retiree Member
Chris Johnston, Alternate Employee Member

DIRECTORS Steven Hintz, Treasurer-Tax Collector
ABSENT: Vacant, General Employee Member

STAFF Henry Solis, Chief Financial Officer
PRESENT: Lori Nemiroff, Assistant County Counsel
Stephanie Caiazza, Program Assistant
Chantell Garcia, Retirement Benefits Specialist

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 September 15, 2014, to order at 9:02 a.m.

II. APPROVAL OF AGENDA

Chairman Towner announced that Tom Johnston, General Employee Member, resigned from the Board effective September 2, 2014.

Chairman Towner stated that any Board members who wanted to tour Suite 204 could do so after the meeting.

MOTION: Approve the Agenda.

Moved by Henderson, seconded by C. Johnston.

Vote: Motion carried.

Yes: Goulet, Henderson, McCormick, Foy, Sedell, Johnston, Wilson, Towner

No: -

Absent: Hintz

III. APPROVAL OF MINUTES

A. Disability Meeting of September 8, 2014.

Mr. Goulet requested a revision to his comment on Master Page 7 under item V.C., because the phrasing could lead to the misconception that Mr. Henderson was included in Mr. Goulet and Mr. Sedell's explanation for their votes.

Mr. Henderson stated that he agreed to the proposed correction to the minutes.

MOTION: Approve the Minutes, with correction.

Moved by Johnston, seconded by Goulet.

Vote: Motion carried.

Yes: Goulet, Henderson, McCormick, Foy, Sedell, Johnston, Wilson, Towner

No: -

Absent: Hintz

IV. CONSENT AGENDA

- A. Approve Regular and Deferred Retirements and Survivors Continuances for the Months of July and August 2014.
- B. Receive and File Report of Checks Disbursed in July and August 2014.
- C. Receive and File Final Budget Summary for FY 2013-14 Month Ending June 30, 2014.
- D. Receive and File Budget Summary for FY 2014-15 Month Ending July 31, 2014.
- E. 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 June 30, 2014.

MOTION: Approve the Consent Agenda.

Moved by Wilson, seconded by Johnston.

Vote: Motion carried.

Yes: Goulet, Henderson, McCormick, Foy, Sedell, Johnston, Wilson, Towner

No: -

Absent: Hintz

END OF CONSENT AGENDA

V. CLOSED SESSION

Pursuant to Government Code Section 54957(b)(1), the Board of Retirement met in closed session, to discuss the following item:

- A. Public Employee Appointment.
Title: Acting Retirement Administrator

No reportable action. (Upon returning to Open Session, the Chairman announced there was no reportable action taken.)

VI. STANDING ITEM

- A. Receive an Oral Update on Pensionable Compensation and PEPRA.
 - 1. CalPERS Proposed Regulations for Reportable Compensation Under PEPRA.

Ms. Nemiroff offered a summary of recent efforts of the CalPERS Board of Administration to define "Pensionable Compensation" for PEPRAs members. Briefly, Ms. Nemiroff discussed how CalPERS identified approximately 100 different additional pay items for inclusion in "Pensionable Compensation" under PEPRAs. The additional pay items were broadly categorized into incentive pay items, educational pay items, premium pay items, special assignment pay items and other additional pay items.

Ms. Nemiroff also sought direction from the Board in terms of having VCERA staff and counsel begin assessing the County of Ventura's additional pay items against the "Pensionable Compensation" objectives outlined in PEPRAs. Chairman Towner recommended the preparation of a memorandum seeking authority to begin analyzing the County of Ventura's payroll codes for discussion at the October 6, 2014 disability meeting.

VII. VENTURA COUNTY EMPLOYEES' RETIREMENT INFORMATION SYSTEM (VCERIS) PENSION ADMINISTRATION PROJECT

Brian Colker was present on behalf of Linea Solutions, Inc. to provide an update on the VCERIS project.

Mr. Colker noted that the project was currently at its point of maximum risk given that all aspects of the plan were being developed simultaneously. At this time, the project is 63% complete and the critical elements of retirement payroll, COLA and account adjustments were recently completed. Mr. Colker stated that the last two major pieces of functionality, death benefits and disability, were scheduled to be developed by January 15, 2015. At that point, VCERA will enter into the User Acceptance Testing phase of the Project. Mr. Colker identified and discussed the risks associated with County of Ventura's payroll interface file, including the potential for delays due to the untimely delivery of the file.

- A. Monthly Report – July 2014.
- B. VCERIS Project Quarterly Status Report.

MOTION: Receive and File Items VII.A. & B.

Moved by Wilson, seconded by McCormick.

Vote: Motion carried.

Yes: Goulet, Henderson, McCormick, Foy, Sedell, Johnston, Wilson, Towner

No: -

Absent: Hintz

Chairman Towner left the meeting at 10:23 a.m. Mr. Wilson served as Chair for the remainder of the meeting.

VIII. ANNUAL INVESTMENT PRESENTATIONS

- A. Receive Annual Investment Presentation, Loomis Sayles, Stephanie S. Lord, Vice President.

Stephanie S. Lord was present on behalf of Loomis Sayles to provide an organizational and investment performance update.

- B. Receive Annual Investment Presentation, PIMCO, David J. Blair, Senior Vice President, and Sasha Talcott, Vice President.

David J. Blair and Sasha Talcott were present on behalf of PIMCO to provide an organizational and investment performance update.

Mr. Foy left the meeting at 11:25 a.m.

IX. INVESTMENT INFORMATION

- A. NEPC – Don Stracke, Senior Consultant.

1. Receive and File Preliminary Performance Report Month Ending August 31, 2014.

MOTION: Receive and File.

Moved by Henderson, seconded by Johnston.

Vote: Motion carried.

Yes: Goulet, Henderson, McCormick, Sedell, Johnston, Wilson

No: -

Absent: Hintz, Foy, Towner

2. Receive and File Investment Summary – Quarter Ending June 30, 2014.

MOTION: Receive and File.

Moved by Henderson, seconded by Goulet.

Vote: Motion carried.

Yes: Goulet, Henderson, McCormick, Sedell, Johnston, Wilson

No: -

Absent: Hintz, Foy, Towner

3. Due Diligence Meetings.

MOTION: Receive and File.

Moved by Goulet, seconded by McCormick.

Vote: Motion carried.

Yes: Goulet, Henderson, McCormick, Sedell, Johnston, Wilson

No: -

Absent: Hintz, Foy, Towner

4. Sprucegrove Memo.

After discussion by the Board and Mr. Stracke, the following motion was made:

MOTION: Place Sprucegrove on "Watch List", with no quiet period, and receive monthly updates in accordance with the Investment Policy Statement.

Moved by Johnston, seconded by Goulet.

Vote: Motion carried.

Yes: Goulet, Henderson, McCormick, Sedell, Johnston, Wilson

No: -

Absent: Hintz, Foy, Towner

5. 2014 Board Retreat.

Mr. Stracke informed the Board that the retreat is scheduled for Wednesday, October 29, 2014, at the Crowne Plaza in Ventura. Mr. Stracke explained that the first half of the day will be focused on investments, including tactical asset allocation systems, asset allocation in a low return environment, and a governance discussion. The second half of the day will be devoted to strategic planning.

X. OLD BUSINESS

A. Personnel Review Committee Recommendations.

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

MOTION: Appoint Ms. McCormick, Mr. Goulet and Mr. Henderson to an Ad Hoc Committee to review the previously drafted Disability Hearing Procedures.

Moved by Johnston, seconded by McCormick.

Vote: Motion carried.

Yes: Goulet, Henderson, McCormick, Sedell, Johnston, Wilson

No: -

Absent: Hintz, Foy, Towner

Discussion of the Chief Investment Officer position was tabled to a future meeting.

XI. NEW BUSINESS

A. Appointment of Voting Delegate and Alternate Voting Delegate.

Ms. McCormick and Mr. Hoag volunteered to represent VCERA at the SACRS Fall Business Meeting.

B. Authorization for Staff to Attend Public Pension Financial Forum, October 26-29, 2014, Nashville, TN.

MOTION: Approve.

Moved by Henderson, seconded by McCormick.

Vote: Motion carried.

Yes: Goulet, Henderson, McCormick, Sedell, Johnston, Wilson

No: -

Absent: Hintz, Foy, Towner

C. 2014 Public Funds Forum Report, Deanna McCormick, General Employee Member.

MOTION: Receive and File.

Moved by Henderson, seconded by Johnston.

Vote: Motion carried.

Yes: Goulet, Henderson, McCormick, Sedell, Johnston, Wilson

No: -

Absent: Hintz, Foy, Towner

XII. INFORMATIONAL

A. SACRS Fall 2014 Information.

B. Advanced Principles of Pension Management for Trustees – CALAPRS,
January 28-30, 2015, UCLA.

XIII. PUBLIC COMMENT

None.

XIV. STAFF COMMENT

Mr. Solis reminded the Board of the upcoming SACRS conference and requested interested trustees contact Ms. Caiazza for registration and hotel reservations. Mr. Solis also reminded the Board that Suite 204 was open for those trustees interested in viewing the office space. Finally, Mr. Solis noted that the Retirement Administrator interviews were scheduled for October 6, 2014.

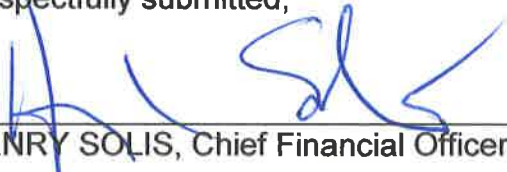
XV. BOARD MEMBER COMMENT

None.

XVI. ADJOURNMENT

The meeting was adjourned at 12:21 p.m.

Respectfully submitted,



HENRY SOLIS, Chief Financial Officer

Approved,



TRACY TOWNER, Chairman