

VENTURA COUNTY EMPLOYEES' RETIREMENT ASSOCIATION

BOARD OF RETIREMENT

BUSINESS MEETING

JUNE 19, 2017

MINUTES

DIRECTORS Tracy Towner, Chair, Alternate Safety Employee Member
PRESENT: William W. Wilson, Vice Chair, Public Member
Steven Hintz, Treasurer-Tax Collector¹
Peter Foy, Public Member
Mike Sedell, Public Member
Maeve Fox, General Employee Member
Craig Winter, General Employee Member
Arthur E. Goulet, Retiree Member
Will Hoag, Alternate Retiree Member

DIRECTORS Robert Bianchi, Public Member
ABSENT: Ed McCombs, Alternate Public Member

STAFF Linda Webb, Retirement Administrator
PRESENT: Lori Nemiroff, County Counsel
Henry Solis, Chief Financial Officer
Julie Stallings, Chief Operations Officer
Dan Gallagher, Chief Investment Officer
Vickie Williams, Retirement Benefits Manager
Stephanie Berkley, Retirement Benefits Specialist
Chris Ayala, Program Assistant

PLACE: Ventura County Employees' Retirement Association
Second Floor Boardroom
1190 South Victoria Avenue
Ventura, CA 93003

TIME: 9:00 a.m.

¹ Arrived at 9:04 a.m.

ITEM:

I. CALL TO ORDER

Chair Towner called the Business Meeting of June 19, 2017, to order at 9:02 a.m., by welcoming the new Board of Retirement trustee, Maeve Fox.

Chair Towner stated that the agenda will be amended to table items VII.A. and VII.B until the Disability Meeting of September 11, 2017.

II. APPROVAL OF AGENDA

MOTION: Approve with Amendments.

Moved by Wilson, seconded by Winter.

Vote: Motion carried

Yes: Fox, Foy, Goulet, Johnston, Sedell, Wilson, Winter

No: -

Absent: Bianchi, Hintz, McCombs

III. APPROVAL OF MINUTES

A. Business Minutes of June 5, 2017.

Ms. Webb stated that item V.A.1. was incorrect and should have read, "Application for Service-Connected Disability Retirement – Jerardo Gomez; Case No. 16-035" and item V.A.3., "Hearing Notice, dated May 25, 2017", was not listed. She also said that Chair Towner should have been listed as voting yes on the same item, because the applicant is a member of the Sherriff's Department.

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

MOTION: Approve with Corrections.

Moved by Goulet, seconded by Johnston.

Vote: Motion carried

Yes: Fox, Goulet, Johnston, Wilson, Winter

No: -

Abstain: Foy, Sedell

Absent: Bianchi, Hintz, McCombs

IV. CONSENT AGENDA

A. Approve Regular and Deferred Retirements and Survivors Continuances for the Month of May 2017.

B. Receive and File Report of Checks Disbursed in May 2017.

- C. Receive and File Budget Summary for FY 2016-17 Month Ending May 31, 2017.
- D. Receive and File Statement of Fiduciary Net Position, Statement of Changes in Fiduciary Net Position, Schedule of Investments and Cash Equivalents, and Schedule of Investment Management Fees for the Period Ending April 30, 2017.

MOTION: Receive and File.

Moved by Wilson, seconded by Johnston.

Vote: Motion carried

Yes: Fox, Foy, Goulet, Johnston, Sedell, Wilson, Winter

No: -

Absent: Bianchi, Hintz, McCombs

V. INVESTMENT MANAGER PRESENTATIONS

- A. Receive Annual Investment Presentation, Parametric, Justin Henne and Ben Lazarus.

Justin Henne and Ben Lazarus were present on behalf of Parametric to provide an organizational and investment performance update.

Trustee Hintz arrived at 9:04 a.m.

- B. Proposed Private Equity Investment Policy and Proposed Private Equity Investment Annual Plan – Abbott Capital Management: Charles Van Horne and Matthew Smith; VCERA – Dan Gallagher

- 1. Staff Letter.
- 2. Abbott Capital Management Presentation.
- 3. Proposed Private Equity Investment Policy.
RECOMMENDED ACTION: Approve and Adopt.

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

MOTION: Approve and Adopt Proposed Private Equity Investment Policy.

Moved by Hintz, seconded by Johnston.

Vote: Motion carried

Yes: Fox, Foy, Goulet, Hintz, Johnston, Sedell, Wilson, Winter

No: -

Absent: Bianchi, McCombs

- 4. Proposed Private Equity Investment Annual Plan.
RECOMMENDED ACTION: Approve and Adopt.

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

MOTION: Approve and Adopt Proposed Private Equity Investment Annual Plan.

Moved by Wilson, seconded by Sedell.

Vote: Motion carried

Yes: Fox, Foy, Goulet, Hintz, Johnston, Sedell, Wilson, Winter

No: -

Absent: Bianchi, McCombs

Chair Towner requested a 10-minute break at 9:50 a.m.

The Board returned from break at 10:00 a.m.

VI. INVESTMENT INFORMATION

A. NEPC – Allan Martin and Tony Ferrera.
VCERA – Dan Gallagher, Chief Investment Officer.

1. Preliminary Performance Report Month Ending May 31, 2017.
RECOMMENDED ACTION: Receive and file.

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

MOTION: Receive and file.

Moved by Wilson, seconded by Winter.

Vote: Motion carried

Yes: Fox, Foy, Goulet, Hintz, Johnston, Sedell, Wilson, Winter

No: -

Absent: Bianchi, McCombs

2. Fourth Quarter 2016 Private Markets Review – Private Equity.
RECOMMENDED ACTION: Receive and file.

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

MOTION: Receive and file.

Moved by Goulet, seconded by Winter.

Vote: Motion carried

Yes: Fox, Foy, Goulet, Hintz, Johnston, Sedell, Wilson, Winter

No: -

Absent: Bianchi, McCombs

VII. OLD BUSINESS

- A. Determine Compliance of County's Proposed Publicly-Available Pay Schedule for Market-Based Premium Pay (MBPP) and Determine Pensionability of MBPP under PEPRA.

RECOMMENDED ACTION: EXCLUDE MBPP FROM PENSIONABLE COMPENSATION DUE TO DEFICIENCY IN MEETING PEPRA CRITERIA.

Time: 10:30 a.m.

1. Staff Letter with Attachments.

This Item has been tabled to the September 11, 2017 Business Meeting.

- B. Determine Pensionability of HCA Fiscal Premium Pay.

RECOMMENDED ACTION: EXCLUDE HCA FISCAL PREMIUM PAY FROM PENSIONABLE COMPENSATION DUE TO DEFICIENCY IN MEETING PEPRA CRITERIA.

1. Staff Letter with Attachments.

This Item has been tabled to the September 11, 2017 Business Meeting.

VIII. NEW BUSINESS

- A. Renewal of Hearing Officer Contracts.
RECOMMENDED ACTION: Approve.

1. Staff Letter
2. Proposed Contract.

Ms. Webb pointed out a typo in the staff letter, and that 10 hearing officers were being recommended rather than 11. She also stated that the Hearing Officer contract terms had remained unchanged from the previous year.

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

MOTION: Approve.

Moved by Wilson, seconded by Winter.

Vote: Motion carried

Yes: Fox, Foy, Goulet, Hintz, Johnston, Sedell, Wilson, Winter

No: -

Absent: Bianchi, McCombs

- B. Annual Review of Education and Travel Policy.

1. Staff Letter

2. Education and Travel Policy Proposed (Redline).

Ms. Webb said Trustee Goulet had two suggested changes to the proposed updates. The first was to the Travel Authorization section on page 2, to substitute the recommended redline language with, *"If the Board has approved a staff member's membership on an investment managers advisory board or committee, and the cost of related travel is included in the fees paid to such investment managers, the cost of such travel is not a gift, and VCERA need not pay additional for it."* The second was on page 3, in the second paragraph where he suggested the addition of the phrase, *"or where permissible by law"*, after administration cost. Ms. Webb said that staff agreed with the suggested changes and additions.

Trustee Johnston requested that the Institutional Limited Partners Association (ILPA) be added to the list of Recommended Public Retirement System Meetings.

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

MOTION: Approve with Inclusion of the Changes from Staff, and from Trustees Goulet and Johnston.

Moved by Goulet, seconded by Wilson.

Vote: Motion carried

Yes: Fox, Foy, Goulet, Hintz, Johnston, Sedell, Wilson, Winter

No: -

Absent: Bianchi, McCombs

IX. INFORMATIONAL

A. Tortoise Exploring Alternatives with Mariner.

X. PUBLIC COMMENT

None.

XI. STAFF COMMENT

None.

XII. BOARD MEMBER COMMENT

Trustee Wilson said that he believed that in regard to the tabled item of market-based premium pay (MBPP), a great deal of time, energy and money has been spent trying to fit a square peg into a round hole. He said could understand why MBPP is desirable from a management perspective, but it does not work with a CERL pension plan and he would encourage the County to abandon attempts to force the pay item as pensionable because it does not fit. He said, for example, the County might consider using a deferred compensation plan to make the contributions which would otherwise be made to VCERA if MBPP were pensionable.

Trustee Johnston said that he believed that certain rules were obstacles, but could be overcome.

Trustee Foy asked what rules could be changed to make it work.

Trustee Winter said that market-based premium pay had been voted in, and his impression was that the only remaining piece was a publicly available pay schedule.

Chair Towner said the item had been pulled from the agenda, so the discussion should be revisited on Sept. 11th. He said he asked parties to email any questions in anticipation of that meeting.

XIII. ADJOURNMENT

The meeting was adjourned at 10:28 a.m.

Respectfully submitted,



LINDA WEBB, Retirement Administrator

Approved,



TRACY TOWNER, Chairman