

# VENTURA COUNTY EMPLOYEES' RETIREMENT ASSOCIATION

## BOARD OF RETIREMENT

### BOARD RETREAT & BUSINESS MEETING

SEPTEMBER 24, 2018

#### MINUTES

**TRUSTEES**  
**PRESENT:** William W. Wilson, Vice Chair, Public Member  
Steven Hintz, Treasurer-Tax Collector  
Robert Bianchi, Public Member  
Craig Winter, General Employee Member  
Maeve Fox, General Employee Member  
Arthur E. Goulet, Retiree Member  
Will Hoag, Alternate Retiree Member  
Ed McCombs, Alternate Public Member

**TRUSTEES**  
**ABSENT:** Peter Foy, Public Member  
Mike Sedell, Public Member  
Chris Johnston, Safety Employee Member

**STAFF**  
**PRESENT:** Linda Webb, Retirement Administrator  
Lori Nemiroff, County Counsel  
Henry Solis, Chief Investment Officer  
Dan Gallagher, Chief Investment Officer  
Julie Stallings, Chief Operations Officer  
Shalini Nunna, Retirement Benefits Manager  
Vickie Williams, Retirement Benefits Manager  
Karen Scanlan, Accounting Manager I  
Josiah Vencel, Communications Officer  
Chris Ayala, Program Assistant

**PLACE:** Crowne Plaza Ventura Beach  
Bayview Room  
560 E. Harbor Blvd.  
Ventura, CA 93001

**TIME:** 9:00 a.m.

ITEM:

**I.     INTRODUCTION & APPROVAL OF AGENDA**

Vice-Chair Wilson called the Board Retreat & Business Meeting of September 24, 2018, to order at 9:00 a.m.

Trustee Bianchi suggested a correction to agenda items, III.F. and III.G. He said that the two items should state that the Fiscal Year was 2018-19, instead of 2017-18.

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

MOTION: Approve with Corrections.

Moved by Bianchi, seconded by McCombs.

Vote: Motion carried

Yes: Bianchi, Fox, Goulet, McCombs, Wilson, Winter

No: -

Absent: Foy, Johnston, Sedell

Abstain:

Following the vote on this item, the Board advanced to agenda item III., "Consent Agenda".

**II.    APPROVAL OF MINUTES**

A.    Disability Minutes of September 10, 2018.

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

MOTION: Approve.

Moved by Bianchi, seconded by Fox.

Trustee Goulet submitted the following corrections to the minutes: Master Page 8, last line should insert, "indicated" after "Ms. Welch"; on Master Page 11, second sentence of second paragraph, "Ms. Welch" should be possessive; Master Page 13, second sentence of first paragraph should read, "suggestions did **not** proceed past the draft stage".

Following discussion by the Board, Trustee Bianchi withdrew his motion. The following motion was made:

MOTION: Approve as Amended.

Moved by Fox, seconded by Winter.

Vote: Motion carried

Yes: Bianchi, Fox, Goulet, McCombs, Wilson, Winter

No: -

Absent: Foy, Johnston, Sedell

Abstain:

Following the vote on this item, the Board returned to agenda item I., because the approval of the agenda had been overlooked.

**III. CONSENT AGENDA**

- A. Approve Regular and Deferred Retirements and Survivors Continuances for the Month of July 2018.
- B. Approve Regular and Deferred Retirements and Survivors Continuances for the Month of August 2018.
- C. Receive and File Report of Checks Disbursed in July 2018.
- D. Receive and File Report of Checks Disbursed in August 2018.
- E. Receive and File Budget Summary for FY 2017-18 Month Ending June 30, 2018 (Final).
- F. Receive and File Budget Summary for FY 2018-19 Month Ending July 31, 2018.
- G. Receive and File Budget Summary for FY 2018-19 Month Ending August 31, 2018.
- H. 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 June 30, 2018.
- I. Receive and File Statement of Fiduciary Net Position, Statement of Changes in Fiduciary Net Position, and Schedule of Investments and Cash Equivalents for the Period Ending July 31, 2018.
- J. Receive and File Statement of Reserves as of June 30, 2018.

MOTION: Receive and File.

Moved by Goulet, seconded by Bianchi.

Vote: Motion carried

Yes: Bianchi, Fox, Goulet, McCombs, Wilson, Winter

No: -

Absent: Foy, Johnston, Sedell

Abstain:

**IV. PRESENTATION: "DISRUPTIVE INNOVATION: BIG IDEAS OF 2018"**

Catherine D. Wood, CEO/CIO, Ark Investment Management LLC.

9:15 a.m. to 10:15 a.m.

Mr. Gallagher introduced Ms. Catherine Wood, CEO and CIO of Ark Investment Management LLC, to the Board as the day's first speaker.

After the presentation by Ms. Wood , the Board took a break at 10:15 a.m.

The Board returned from break at 10:30 a.m.

**V.      PRESENTATION: “MY DATA IS BIGGER THAN YOURS”**

Bryan Kelly, Vice-President, AQR Global Alternative Premia Group.  
10:30 a.m. to 11:30 a.m.

Mr. Gallagher introduced Dr. Bryan Kelly, Professor of Finance from Yale University, Vice-President of AQR Global Alternative Premia Group.

After the presentation by Dr. Kelly, the Board took a break at 11:30 a.m.

The Board then went to lunch at 11:45 a.m.

**VI.     LUNCH PRESENTATION: “GAVIN SCOTT: THE AGE OF EXODUS”**

Gavin Scott, Novelist, Broadcaster, Writer.  
*Lunch from 11:45 a.m. to 1:00 p.m. for Trustees, Staff and Speakers.*  
Speaker to begin at 12:15 p.m.

Mr. Gallagher introduced Mr. Gavin Scott, Novelist, Broadcaster, and Writer.

After the presentation by Mr. Scott, the Board took a break at 1:00 p.m.

The Board returned from break at 1:10 a.m.

**VII.    PRESENTATION: “BOARD & STAFF ROLES & RESPONSIBILITIES FOLLOWING AB 1291: CHARTING A PATH FORWARD” - TO BE PROVIDED.**

Ashley Dunning, Partner, Nossaman LLP.  
1:30 p.m. – 2:15 p.m.

Ms. Webb introduced Ms. Dunning, Partner at Nossaman LLP.

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

**MOTION:** For Staff to Provide a List of Action Items Based on the Presentation from Ms. Dunning to Bring Back to the Board for Review.

Moved by Fox, seconded by Bianchi.

Vote: Motion carried

Yes: Bianchi, Fox, Goulet, McCombs, Wilson, Winter

No: -

Absent: Foy, Johnston, Sedell

Abstain:

**VIII.   NEW BUSINESS**

A.    SACRS Fall Voting Proxy.

1.    Staff Letter.

Ms. Webb reminded the Board that the next item was traditional delegate designation in advance of SACRS 2018 Fall Conference.

Vice-Chair Wilson appointed Trustee Hoag to serve as the voting delegate, with Retirement Administrator, Linda Webb as the alternate voting delegate.

B. Recommendation to Authorization for C.I.O., Dan Gallagher to Attend 2018 ILPA Summit in New York, NY, November 6 – 8, 2018.

**RECOMMENDED ACTION: Approve.**

1. Staff Letter.
2. 2018 ILPA Summit Agenda.

MOTION: Approve.

Moved by Bianchi, seconded by Fox.

Vote: Motion carried

Yes: Bianchi, Fox, Goulet, McCombs, Wilson, Winter

No: -

Absent: Foy, Johnston, Sedell

Abstain:

C. Report on Due Diligence Visit to Sprucegrove Submitted by Trustee Hoag, and CIO Dan Gallagher.

**RECOMMENDED ACTION: Receive and file.**

D. Report on Due Diligence Visit to Hexavest Submitted by Trustee Hoag, and CIO Dan Gallagher.

**RECOMMENDED ACTION: Receive and file.**

MOTION: Receive and File the Due Diligence Reports for Sprucegrove and Hexavest.

Moved by Goulet, seconded by Winter.

Vote: Motion carried

Yes: Bianchi, Fox, Goulet, McCombs, Wilson, Winter

No: -

Absent: Foy, Johnston, Sedell

Abstain:

**IX. INVESTMENT INFORMATION**

NEPC – Allan Martin and Tony Ferrara.

VCERA – Dan Gallagher, Chief Investment Officer.

A. Performance Report Quarter Ending June 30, 2018.

**RECOMMENDED ACTION: Receive and file.**

B. Preliminary Performance Report Month Ending July 31, 2018.

**RECOMMENDED ACTION: Receive and file.**



- C. Preliminary Performance Report Month Ending August 31, 2018.  
**RECOMMENDED ACTION: Receive and file.**

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

MOTION: Receive and File Performance Report for Quarter Ending June 30, 2018 and Preliminary Performance Reports for Month Ending July 31<sup>st</sup> and August 31<sup>st</sup>, 2018.

Moved by Bianchi, seconded by Fox.

Vote: Motion carried

Yes: Bianchi, Fox, Goulet, McCombs, Wilson, Winter

No: -

Absent: Foy, Johnston, Sedell

Abstain:

Trustee Bianchi left at 2:30 p.m., after the vote on this item.

**X. INFORMATIONAL**

- A. CALAPRS Trustees' Roundtable.
- B. 10<sup>th</sup> Annual NEPC, LLC Public Fund Workshop.
- C. Western Asset Client Seminar for 2018.
- D. Response from Tortoise Regarding the Article, "California Jury Finds Plains Guilty in 2015 Oil Spill".

**XI. PUBLIC COMMENT**

The Board received Public Comment from Michael Pineschi from Unite Here as well as Vikas Mohite, and Gopi Alaparathi, employees of the Baltimore Marriott Waterfront Hotel, who were advocating for the employees of the Baltimore Marriott Waterfront hotel. They requested that the Board urge UBS to come to an amicable labor agreement with the employees of the hotel.

Trustee Winter asked if the Board could send some kind of correspondence to UBS to urge them to seek a labor agreement with the employees of the Baltimore Marriott Waterfront hotel.

Mr. Gallagher said that he had spoken to UBS regarding this issue, and had asked them to see if they could resolve the issue with the employees.

Trustee Winter then asked Mr. Pineschi to keep Mr. Gallagher informed so that he could keep the Board informed of the matter.

**XII. STAFF COMMENT**

Ms. Webb updated the Board regarding office location negotiations. She informed the Board that Mr. Towner's Civil Service Commission hearing started that day. She then said that the Board may recall that when staff had submitted the Business Plan for 2018, it included a supplemental risk assessment that described the large backlog of data corrections at the Auditor-Controllers Office. She said that she had recently met with the Auditor-Controller and his staff to stress the need for a plan to address the backlog and to request assigned resources to work directly on the issue. The Auditor-Controller's Office indicated that they are willing to develop a plan to work with VCERA to resolve the matter.

**XIII. BOARD MEMBER COMMENT**

Trustee Goulet said that he would like to move that the Board adjourn in memory of former Board member, Judy Mikels, who had recently passed away.

MOTION: To Adjourn the Board Meeting in Memory of Former Board of Retirement Trustee, Judy Mikels.

Moved by Goulet, seconded by Winter.

Vote: Motion carried

Yes: Fox, Goulet, McCombs, Wilson, Winter

No: -

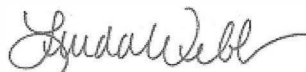
Absent: Bianchi, Foy, Johnston, Sedell

Abstain:

**XIV. ADJOURNMENT**

At 2:48 p.m., Vice-Chair Wilson adjourned the meeting in memory of former Trustee, Judy Mikels.

Respectfully submitted,



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LINDA WEBB, Retirement Administrator

Approved,



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WILLIAM WILSON, Vice-Chairman