

VENTURA COUNTY EMPLOYEES' RETIREMENT ASSOCIATION

BOARD OF RETIREMENT

BUSINESS MEETING

MARCH 26, 2018

MINUTES

DIRECTORS Tracy Towner, Chair, Alternate Safety Employee Member
PRESENT: William W. Wilson, Vice Chair, Public Member
Steven Hintz, Treasurer-Tax Collector
Mike Sedell, Public Member
Robert Bianchi, Public Member
Craig Winter, General Employee Member
Maeve Fox, General Employee Member
Arthur E. Goulet, Retiree Member
Will Hoag, Alternate Retiree Member
Chris Johnston, Safety Employee Member
Ed McCombs, Alternate Public Member

DIRECTORS Peter Foy, Public Member
ABSENT:

STAFF Linda Webb, Retirement Administrator
PRESENT: Lori Nemiroff, County Counsel
Henry Solis, Chief Financial Officer
Dan Gallagher, Chief Investment Officer
Karen Scanlan, Accounting Manager I
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.

ITEM:

I. CALL TO ORDER

Chair Towner called the Business Meeting of March 26, 2018, to order at 9:02 a.m.

II. APPROVAL OF AGENDA

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

MOTION: Approve.

Moved by Hintz, seconded by Fox.

Vote: Motion carried

Yes: Bianchi, Fox, Goulet, Hintz, Johnston, McCombs, Sedell, Wilson, Winter

No: -

Absent: Foy

Abstain: -

III. APPROVAL OF MINUTES

A. Disability Meeting Minutes of March 12, 2018.

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

MOTION: Approve.

Moved by Hintz, seconded by Bianchi.

Vote: Motion carried

Yes: Bianchi, Fox, Goulet, Hintz, Johnston, McCombs, Sedell, Wilson, Winter

No: -

Absent: Foy

Abstain: -

IV. CONSENT AGENDA

A. Approve Regular and Deferred Retirements and Survivors Continuances for the Month of February 2018.

B. Receive and File Report of Checks Disbursed in February 2018.

C. Receive and File Budget Summary for FY 2017-18 Month Ending January 31, 2018.

D. Receive and File Budget Summary for FY 2017-18 Month Ending February 28, 2018.

E. Receive and File Statement of Fiduciary Net Position, Statement of Changes in Fiduciary Net Position, Schedule of Investments, Cash, and Cash Equivalents, and Schedule of Investment Management Fees for the Period Ending January 31, 2018.

- F. Receive and File Statement of Fiduciary Net Position, Statement of Changes in Fiduciary Net Position, Schedule of Investments, Cash, and Cash Equivalents, and Schedule of Investment Management Fees for the Period Ending February 28, 2018.

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

MOTION: Receive and File.

Moved by Goulet, seconded by Fox.

Vote: Motion carried

Yes: Bianchi, Fox, Goulet, Hintz, Johnston, McCombs, Sedell, Wilson, Winter

No: -

Absent: Foy

Abstain: -

V. INVESTMENT MANAGER PRESENTATIONS

- A. Receive Annual Investment Presentation, HarbourVest, Brett Gordon, Alex Rogers, and Mark Radville.

Alex Rogers, Mark Radville, and Michael Pugatch were present on behalf of HarbourVest to provide an organizational and investment performance update.

- B. Receive Annual Investment Presentation, Pantheon, Matt Garfunkle, Kevin Dunwoodie, and Iain Jones.

Matt Garfunkle, Kevin Dunwoodie, and Iain Jones were present on behalf of Pantheon to provide an organizational and investment performance update.

VI. INVESTMENT INFORMATION

- A. NEPC – Allan Martin
VCERA – Dan Gallagher, Chief Investment Officer

1. February 2018 Monthly Performance Report.
RECOMMENDED ACTION: Receive and file.

After reviewing the report from NEPC, the Board took a break at 10:02 a.m.

The Board returned from break at 10:15 a.m., to vote on the item.

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

MOTION: Receive and File.

Moved by Winter, seconded by Bianchi.

Vote: Motion carried

Yes: Bianchi, Fox, Goulet, Hintz, Johnston, McCombs, Sedell, Wilson, Winter

No: -

Absent: Foy

Abstain: -

VII. OLD BUSINESS

A. Consideration and Approval of Merit Increases for Retirement Administrator, General Counsel and Chief Investment Officer.

1. Personnel Review Committee Letter.
(To be provided)

Trustee Hoag informed the Board that with respect to the top of the annual pay range for each classification, the Retirement Administrator was approximately \$9.00 below, the General Counsel was approximately \$4.00 below, and the Chief Investment Officer was approximately 16.4% below the top of each respective salary range.

After discussion by the Board, the following motions were made:

MOTION: Approve a \$4.30 Annual Merit Increase for General Counsel, to Reflect Top of Salary Range.

Moved by Sedell, seconded by Hintz.

Vote: Motion carried

Yes: Bianchi, Fox, Goulet, Hintz, Johnston, McCombs, Sedell, Wilson, Winter

No: -

Absent: Foy

Abstain: -

MOTION: Approve a \$9.33 Annual Merit Increase for the Retirement Administrator, to Reflect Top of Salary Range.

Moved by Hintz, seconded by Fox.

Vote: Motion carried

Yes: Bianchi, Fox, Goulet, Hintz, Johnston, McCombs, Sedell, Wilson, Winter

No: -

Absent: Foy

Abstain: -

MOTION: Approve a \$16.4% Annual Merit Increase for the Chief Investment Officer, to Reflect Top of Salary Range.

Moved by Hintz, seconded by Winter.

Vote: Motion carried

Yes: Bianchi, Fox, Goulet, Hintz, Johnston, McCombs, Sedell, Wilson, Winter

No: -
Absent: Foy
Abstain: -

VIII. **NEW BUSINESS**

A. SACRS Spring 2018 Voting Proxy.

1. Staff Letter.

Ms. Webb stated that the Board needed to nominate a voting delegate and alternate for the SACRS Spring Business Meeting to vote at the SACRS Spring 2018 Conference.

After discussion by the Board, Chair Towner appointed Trustee Fox to serve as the primary voting delegate, and Trustee Hoag to serve as the alternate voting delegate.

B. Recommendation for Authorization for Trustee Bianchi to Attend the Wharton Investment Program, Portfolio Concepts and Management, Philadelphia, PA, April 23 – 26, 2018.

Recommended Action: Approve.

1. Staff letter.
2. Wharton Investment Programs Brochure.

MOTION: Approve.

Moved by Wilson, seconded by Winter.

Vote: Motion carried

Yes: Bianchi, Fox, Goulet, Hintz, Johnston, McCombs, Sedell, Wilson, Winter

No: -

Absent: Foy

Abstain: -

C. Recommendation for Authorization for Up to 2 Trustees and C.I.O. to Attend the UBS Real Estate 2018 Annual Meeting, Marina Del Rey, CA, April 7 – 11, 2018.

Recommended Action: Approve.

1. Staff letter from C.I.O., Dan Gallagher.
2. UBS Annual Meeting Preliminary Agenda.

Mr. Gallagher said that trustees could attend any single day or combination of days, and requested that any trustees who would like to attend to please let him know so that he could notify UBS.

MOTION: Approve.

Moved by Winter, seconded by Bianchi.

Vote: Motion carried

Yes: Bianchi, Fox, Goulet, Hintz, Johnston, McCombs, Sedell, Wilson, Winter

No: -

Absent: Foy

Abstain: -

- D. Recommendation for Authorization for Staff and Trustee Attendance for Due Diligence Visit to Loomis Sayles & Company and NEPC in Boston.
Recommended Action: Approve.

1. Staff letter from C.I.O., Dan Gallagher.

It was recommended that Trustee Sedell, and Trustee Hoag, join the C.I.O. in conducting the due diligence visit.

MOTION: Approve.

Moved by Bianchi, seconded by Fox.

Vote: Motion carried

Yes: Bianchi, Fox, Goulet, Hintz, Johnston, McCombs, Sedell, Wilson, Winter

No: -

Absent: Foy

Abstain: -

- E. Recommendation for Authorization for V3 Pension System Administrators, Rebekah Villalobos and Michelle Hernandez to Attend the Annual Vitech Conference, Orlando FL, June 6 – 8, 2018.
Recommended Action: Approve.

1. Staff Letter.
2. V3 Users Conference Brochure.

Trustee Goulet noted the Vitech event brochure referred to, "V3's latest capabilities and features" and noted that VCERA pays Vitech \$150,000 annually for upgrades, and asked if staff could describe the upgrades VCERA receives for this payment.

Ms. Webb replied that Vitech recently indicated they would be slightly increasing the cost of the upgrade fee. Ms. Webb had asked Vitech to provide a list of what VCERA had received for this yearly upgrade fee, and Vitech was working on providing that information for VCERA.

Trustee Goulet remarked that it was troublesome to pay a fee in advance when you do not know the specific items to be received.

Ms. Webb said she agreed, and that the fee was really better described as a licensing fee for bug fixes, though Vitech had always referred to it as an "upgrade" fee.

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

MOTION: Approve.

Moved by Johnston, seconded by Fox.

Vote: Motion carried

Yes: Bianchi, Fox, Goulet, Hintz, Johnston, McCombs, Sedell, Wilson, Winter

No: -

Absent: Foy

Abstain: -

IX. INFORMATIONAL

- A. Retirement Administrator's Annual Letter to the County of Ventura, Board of Supervisors on Actuarial Valuation Results.
- B. Wall Street Journal Article, "Time to Give Pipelines Another Look".
- C. Letter from NEPC's Research Group Regarding the Federal Energy Regulatory Commission.

X. PUBLIC COMMENT

None.

XI. STAFF COMMENT

Ms. Webb informed the Board that VCERA and County Human Resources had agreed to a classification for VCERA's I.T. Director position, and that Human Resources would be posting a recruitment for this position. She also reminded the Board that next month the Disability and Business meetings were to be combined into a single meeting on April 16, 2018.

Mr. Gallagher informed the Board that at its meeting on April 16th, there would be 3 investment manager presentations. He added that he and Allan Martin would also be presenting an asset allocation draft for review and comment from the Board, so that a final version might be brought back to the Board for adoption at the May business meeting. He also reported that the Fund-of-One's anticipated second fund investment had fallen through.

XII. BOARD MEMBER COMMENT

None.

XIII. ADJOURNMENT

The Chairman adjourned the meeting at 10:23 a.m.

Respectfully submitted,



LINDA WEBB, Retirement Administrator

Approved,



TRACY TOWNER, Chairman