

# VENTURA COUNTY EMPLOYEES' RETIREMENT ASSOCIATION

## BOARD OF RETIREMENT

### BUSINESS MEETING

JUNE 18, 2018

#### MINUTES

**DIRECTORS** William W. Wilson, Vice Chair, Public Member  
**PRESENT:** Steven Hintz, Treasurer-Tax Collector  
Mike Sedell, Public Member  
Robert Bianchi, Public 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:** Craig Winter, General Employee Member

**STAFF** Linda Webb, Retirement Administrator  
**PRESENT:** Lori Nemiroff, County Counsel  
Henry Solis, Chief Investment Officer  
Dan Gallagher, Chief Investment Officer  
Julie Stallings, Chief Operations 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.

**ITEM:**

**I. CALL TO ORDER**

Vice-Chair Wilson called the Business Meeting of June 18, 2018, to order at 9:00 a.m.

**II. APPROVAL OF AGENDA**

**MOTION:** Approve.

Moved by Bianchi, seconded by Fox.

Vote: Motion carried

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

No: -

Absent: Foy, Hintz, Winter

Abstain:

**III. APPROVAL OF MINUTES**

A. Disability Meeting Minutes of June 4, 2018.

Ms. Webb offered a few corrections to the agenda, saying on the fourth paragraph of Master Page 8, the word "but" should be changed to the word "before". Also, a motion by Trustee Goulet at the bottom of Master Page 11, "Approve the Salary Increases and Flexible Benefit Increases, in Conjunction with the County of Ventura," should be inserted.

**MOTION:** Approve with Corrections.

Moved by Bianchi, seconded by Johnston.

Vote: Motion carried

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

No: -

Absent: Foy, Hintz, Winter

Abstain: Fox, Sedell

Trustees Fox and Sedell abstained from the vote as they had been absent from the meeting of May 7, 2018.

**IV. CONSENT AGENDA**

- A. Approve Regular and Deferred Retirements and Survivors Continuances for the Month of May 2018.
- B. Receive and File Report of Checks Disbursed in May 2018.
- C. Receive and File Budget Summary for FY 2017-18 Month Ending May 31, 2018.

- 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 May 31, 2018.

MOTION: Receive and File.

Moved by Goulet, seconded by McCombs.

Vote: Motion carried

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

No: -

Absent: Foy, Hintz, Winter

Abstain:

Trustee Hintz arrived at 9:04 a.m., after the vote on this item.

**V. INVESTMENT MANAGER PRESENTATIONS**

- A. Receive Annual Investment Presentation, Parametric, Justin Henne.

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

**VI. INVESTMENT INFORMATION**

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

1. Preliminary Performance Report Month Ending May 31, 2018.

**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 Bianchi.

Vote: Motion carried

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

No: -

Absent: Foy, Winter

Abstain:

- B. Recommendation to Approve Asset Allocation Implementation Strategy.  
**RECOMMENDED ACTION: Approve.**

1. C.I.O. and NEPC Recommendation for Asset Allocation Implementation Strategy.



Mr. Gallagher said the item was presented to allow the Board to consider two items for Board approval and adoption. The first was an update of asset class ranges and benchmarks, and the second item was an asset allocation implementation plan.

After discussion by the Board, staff, and consultant, the following motions were made:

MOTION: Approve the Revised Asset Class Ranges and Benchmarks.

Moved by Johnston, seconded by Sedell.

Vote: Motion carried

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

No: -

Absent: Foy, Winter

Abstain:

MOTION: Approve the Proposed Asset Allocation Implementation Plan.

Moved by McCombs, seconded by Johnston.

Vote: Motion carried

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

No: -

Absent: Foy, Winter

Abstain:

## VII. OLD BUSINESS

### A. Update from Real Estate Committee.

Ms. Webb informed the Board that the RFPs for the office properties had been sent out, which yielded proposals from the VCCU and M.F. Daily Corporation. The committee would soon be reviewing both proposals, and then make a recommendation to the Board.

## VIII. NEW BUSINESS

### A. Renewal of Hearing Officer Contracts. **RECOMMENDED ACTION: Approve.**

1. Staff Letter.
2. Proposed Contract.

Ms. Webb said that the current roster of Hearing Officers was reflected in the staff letter, and the terms of the contract including the fees had not changed.

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

MOTION: Approve.

Moved by Goulet, seconded by Fox.

Vote: Motion carried

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

No: -

Absent: Foy, Winter

Abstain:

B. Periodic Review of Board Policy: Education & Travel.

**RECOMMENDED ACTION: Approve.**

1. Staff Letter.
2. Education and Travel Policy Proposed (Redline).

Ms. Webb noted several proposed revisions were to align the due diligence visits with the other types of business related travel by the Board, with the goal of eliminating ambiguity and making processing of travel claims more efficient. She noted a proposed addition of Sexual Harassment Prevention training to the recommended list of appropriate subjects of board education. There was also a proposed clarification of payment, and calculation for group meals of VCERA Board & staff only.

Trustee Goulet noted page 2 of the proposed policy stated, "staff members may accept fee waivers for training conferences or seminars if offered by governmental trade organizations", and asked for the definition of a governmental trade organization.

Ms. Webb replied that the proposed language was in response to an offer by the Government Finance Officers Association (GFOA), to allow two of VCERA's financial staff members to attend a training, unlike an investment manager offering to pay for a fee in an effort to get VCERA business.

Trustee Goulet said that his concern was the ambiguity of the word "staff" because he believed that this revision should only apply to the executive staff of VCERA, and the Board does not accept waivers, neither should upper management accept fee waivers.

Ms. Webb said the Board could choose to leave the proposed revision out of the policy or change it to, "the Retirement Administrator may accept fee waivers on behalf of upper management staff", so each circumstance would be considered individually.

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

MOTION: Approve with Correction to Fee Waiver Wording.

Moved by Goulet, seconded by Sedell.

Vote: Motion carried

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

No: -

Absent: Foy, Winter

Abstain:



- C. Recommendation to Amend Pensionable Compensation Resolution Addendum to Further Clarify Inclusion of Scheduled Overtime for Eligible Members, in Compliance with PEPRA.

**RECOMMENDED ACTION: Approve.**

1. Staff Letter.
2. Sheriff Service Technician (SST) Job Description.

Robert Bravo, Management Analyst II for County of Ventura, CEO, was present to discuss this item with the Retirement Board and staff.

Ms. Webb reminded the Board that in January 2018, staff had presented a proposed amendment to Addendum I of the Pensionable Compensation Resolution Addendum, pertaining to pay codes used to report scheduled overtime. She said that while overtime generally is not pensionable for PEPRA members, there is an exception for certain employees who participate in fire suppression and law enforcement. Therefore, the wording staff proposed in January described the exception for "eligible safety members only"; however, staff now believed it should be more accurately worded as "eligible 207(k) of the U.S. Code members". This was because a classification of employees had been identified as 207(k) eligible but were General VCERA members rather than Safety members. Therefore, staff recommended the wording change to clarify this, and to also reinstate scheduled overtime pay codes that apply to the aforementioned classification.

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

MOTION: Approve.

Moved by Johnston, seconded by Bianchi.

Vote: Motion carried

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

No: -

Absent: Foy, Winter

Abstain:

**IX. INFORMATIONAL**

**X. PUBLIC COMMENT**

**XI. STAFF COMMENT**

Mr. Gallagher informed the Board that the Board's private equity consultant, Abbott Capital Management, had identified and was currently evaluating a possible private equity secondary investment opportunity that would be new to VCERA.

**XII. BOARD MEMBER COMMENT**

None.

XIII. ADJOURNMENT

The Vice-Chairman adjourned the meeting at 10:16 a.m.

Respectfully submitted,



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LINDA WEBB, Retirement Administrator

Approved,



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WILLIAM WILSON, Vice-Chairman