

VENTURA COUNTY EMPLOYEES' RETIREMENT ASSOCIATION

BOARD OF RETIREMENT

BUSINESS MEETING

MAY 21, 2018

MINUTES

DIRECTORS
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
ABSENT: Peter Foy, Public Member

STAFF
PRESENT: Linda Webb, Retirement Administrator
Lori Nemiroff, County Counsel
Henry Solis, Chief Investment 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

Vice-Chair Wilson called the Business Meeting of May 21, 2018, to order at 9:00 a.m.

II. APPROVAL OF AGENDA

Trustee Goulet requested that the Board amend the agenda to include adjourning the meeting in memory of former Board of Retirement Trustee, Joseph Henderson.

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

MOTION: Approve as Amended.

Moved by Goulet, seconded by Bianchi.

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 May 7, 2018.

MOTION: Approve.

Moved by Bianchi, seconded by McCombs.

Vote: Motion carried

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

No: -

Absent: Foy

Abstain: Sedell

Trustee Sedell abstained from the vote as he 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 April 2018.

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

C. Receive and File Budget Summary for FY 2016-17 Month Ending April 30, 2018.

- D. 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 March 31, 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 April 30, 2018.

Trustee Goulet asked staff for more information about a payment that was made to Vitech in April.

Ms. Webb replied that it was regarding an annual upgrade fee for the V3 system, and that she would be happy to provide details via email or at the next meeting.

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

MOTION: Receive and File.

Moved by Hintz, seconded by Bianchi.

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, Tortoise Capital Advisors, Andrew Goldsmith and Gregory Murphy.

Andrew Goldsmith and Gregory Murphy were present on behalf of Tortoise Capital Advisors to provide an organizational and investment performance update.

- B. Receive Annual Investment Presentation, Bridgewater, Pam Tholen and Patrick Dimick.

Pam Tholen and Patrick Dimick were present on behalf of Bridgewater to provide an organizational and investment performance update.

After hearing this presentation, the Board took a break at 9:55 a.m.

The Board returned from break at 10:05 a.m.

VI. INVESTMENT INFORMATION

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

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

MOTION: Receive and File the April 2018 Monthly Preliminary Performance Report.

Moved by Bianchi, seconded by Johnston.

Vote: Motion carried

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

No: -

Absent: Foy

Abstain:

2. Quarterly Investment Performance Report for Period Ending March 31, 2018.

RECOMMENDED ACTION: Receive and file.

MOTION: Receive and File the Quarterly Investment Performance Report for Period Ending March 31, 2018.

Moved by Bianchi, seconded by McCombs.

Vote: Motion carried

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

No: -

Absent: Foy

Abstain:

- B. Recommendation to Approve Investment: \$35 Million Investment in HarbourVest Partners' Co-Investment Fund V.

RECOMMENDED ACTION: Approve.

1. Staff Letter by C.I.O., Dan Gallagher.
2. Memorandum from NEPC.
3. HarbourVest Co-Investment Presentation.

Mr. Gallagher said that he and NEPC are recommending a \$35 Million investment in Harbourvest Partners' Co-Investment Fund V. He noted that co-investments are invested faster than primary investments, and fees are lower than those in primary or secondary investments.

He stated that NEPC had completed a detailed due diligence review and had provided a report on this proposed investment opportunity. He also noted that Alex Rogers and Mark Radville from Harbourvest were available to make a brief presentation and to answer any questions the Board may have.

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

MOTION: Approve \$35 Million Investment in HarbourVest Partners' Co-Investment Fund V.

Moved by Goulet, seconded by Bianchi.

Vote: Motion carried

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

No: -
Absent: Foy
Abstain:

C. Recommendation to Approve Proposed Asset Allocation.
RECOMMENDED ACTION: Approve.

1. Staff Letter by C.I.O., Dan Gallagher.
2. NEPC Asset Allocation Report.

Mr. Gallagher noted that at the Board meeting on April 16th, he and Mr. Martin had presented to the Board several proposed asset allocation mixes for Board consideration and discussion, and based on the feedback from that meeting, they were now presenting a proposed asset allocation for recommended Board adoption.

He continued that subject to Board approval and adoption, he and Mr. Martin would bring back a proposed implementation plan to the Board at the June business meeting.

Mr. Martin then presented the NEPC Asset Allocation Report to the Board.

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

MOTION: Approve.

Moved by Sedell, seconded by Bianchi.

Vote: Motion carried

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

No: -

Absent: Foy

Abstain:

VII. OLD BUSINESS

A. VCERA Office Location Update.

Ms. Webb provided an update to the Board on VCERA's Real Estate Committee's office location search, and a recent property tour. She said the committee would report back when it was prepared to make a presentation.

VIII. NEW BUSINESS

A. Request from Trustee Bianchi to Attend the Wharton Alternative Investment Strategies Program in San Francisco, CA, July 30 – August 1, 2018.
Recommended Action: Approve.

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

MOTION: Approve.

Moved by Goulet, seconded by Johnston.

Vote: Motion carried

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

No: -

Absent: Foy

Abstain:

IX. INFORMATIONAL

A. CALAPRS Trustees' Roundtable.

X. PUBLIC COMMENT

None.

XI. STAFF COMMENT

Ms. Webb remarked on Trustee Goulet's earlier question related to the annual Vitech upgrade fee, which was paid in April. She said it included software patches and updates, and though staff had a few remaining questions regarding helpdesk coverage and long-term support, she had approved the payment to avoid missing vital patches or updates while the conversation with Vitech continued. She offered to send additional information to Trustee Goulet after the meeting.

Ms. Webb also said that staff was expecting a preliminary report for the 3-year experience study from Segal Consulting, which would incorporate the asset allocation that was approved as an earlier agenda item.

XII. BOARD MEMBER COMMENT

None.

XIII. ADJOURNMENT

The Vice-Chairman adjourned the meeting at 11:16 a.m., in memory of former Trustee Joseph Henderson.

Respectfully submitted,



LINDA WEBB, Retirement Administrator

Approved,



WILLIAM WILSON, Vice-Chairman