

VENTURA COUNTY EMPLOYEES' RETIREMENT ASSOCIATION

BOARD OF RETIREMENT

BUSINESS MEETING

OCTOBER 22, 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
Chris Johnston, Safety Employee Member
Ed McCombs, Alternate Public Member

TRUSTEES
ABSENT:

Peter Foy, Public Member
Mike Sedell, Public Member

STAFF
PRESENT:

Linda Webb, Retirement Administrator
Lori Nemiroff, County Counsel
Dan Gallagher, Chief Investment Officer
Julie Stallings, Chief Operations Officer
Shalini Nunna, Retirement Benefits Manager
Karen Scanlan, Accounting Manager I
Donna Edwards, Retirement Benefits Specialist
Nancy Jensen, Retirement Benefits Specialist
Chris Ayala, Program Assistant
Shalaine Nolan, Office Assistant III-C

PLACE:

Ventura County Employees' Retirement Association
Second Floor Boardroom
1190 S. Victoria Avenue
Ventura, CA 93003

TIME:

9:00 a.m.

ITEM:

I. CALL TO ORDER

Vice-Chair Wilson called the Business Meeting of October 22, 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, Hintz, Johnston, McCombs, Wilson, Winter

No: -

Absent: Foy, Sedell

Abstain:

III. APPROVAL OF MINUTES

A. Disability Minutes of October 8, 2018.

Ms. Webb said there were some suggested corrections to that minutes that were submitted after posting, therefore staff recommends that the minutes be tabled to the next meeting.

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

MOTION: Table the Disability Minutes of October 8, 2018 to the Disability Meeting of November 5, 2018.

Moved by Goulet, seconded by Bianchi.

Vote: Motion carried

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

No: -

Absent: Foy, Sedell

Abstain:

IV. CONSENT AGENDA

- A. Approve Regular and Deferred Retirements and Survivors Continuances for the Month of September 2018.
- B. Receive and File Report of Checks Disbursed in September 2018.
- C. Receive and File Budget Summary for FY 2018-19 Month Ending September 30, 2018.
- D. Receive and File Statement of Fiduciary Net Position, Statement of Changes in Fiduciary Net Position, Statement of Investments, Cash, and Cash Equivalents, and Schedule of Investment Management Fees for the Period Ending September 30, 2018.

MOTION: Receive and File.

Moved by Goulet, seconded by Fox.

Vote: Motion carried

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

No: -

Absent: Foy, Sedell

Abstain:

V. INVESTMENT MANAGER PRESENTATIONS

- A. Receive Annual Presentation from Abbott Capital Management, Young Lee and Matthew M. Smith.

Young Lee and Matthew M. Smith reviewed Abbott Capital Management's organizational changes, and discussed the firm's investment outlook, portfolio strategy, composition and performance.

- B. Receive Annual Investment Presentation from Reams Asset Management, Clark W. Holland.

Clark W. Holland reviewed Reams Asset Management's organizational changes, and discussed the firm's investment outlook, portfolio strategy, composition and performance.

The Board took a break at 10:10 a.m., after the presentation by Reams Asset Management.

The Board returned from break at 10:21 a.m.

- C. Receive Annual Presentation from Western Asset Management, Travis Carr, and Veronica A. Amici.

Travis Carr and Veronica Amici reviewed Western Asset Management's organizational changes, and discussed the firm's investment outlook, portfolio strategy, composition and performance.

Following this presentation, the Board advanced to agenda item, VI.A.2. "Preliminary Performance Report Month Ending September 30, 2018".

VI. INVESTMENT INFORMATION

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

1. CA Govt. Code Section 7514.7 Annual Report.
RECOMMENDED ACTION: Receive and file.

MOTION: Receive and File CA Govt. Code Section 7514.7 Annual Report.

Moved by Goulet, seconded by Fox.

Vote: Motion carried

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

No: -

Absent: Foy, Sedell

Abstain:

Following the vote on this item, the Board advanced to agenda item, VII.A. "Review of Draft Amendments to Bylaws for Submission to the County for Review and Discussion".

2. Preliminary Performance Report Month Ending September 30, 2018.

RECOMMENDED ACTION: Receive and file.

Mr. Gallagher presented the Preliminary Performance Report for September 2018 to the Board, in absence of Mr. Martin from NEPC.

Trustee Johnston expressed his disappointment with Hexavest's performance.

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

MOTION: Receive and File the Preliminary Performance Report Month Ending September 30, 2018.

Moved by Winter, seconded by Bianchi.

Vote: Motion carried

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

No: -

Absent: Foy, Sedell

Abstain:

Following the vote on this item, the Board returned to agenda item, VI.A.1. "CA Govt. Code Section 7514.7 Annual Report".

VII. OLD BUSINESS

- A. Review of Draft Amendments to Bylaws for Submission to the County for Review and Discussion.

RECOMMENDED ACTION: Approve.

1. Staff Letter.
2. Attachment A.
3. Proposed Bylaws (Redline).

Ms. Webb said the VCERA's bylaws had not changed significantly for many years; however, there had been discussions regarding overdue updates recently. Staff, with input from Trustee Goulet, had worked on proposed revisions based on those discussions, one of which being the dropping of the disability procedures addendum to make changes to the procedures easier and more efficient. Staff requested Board feedback on the proposed

revisions before sending them to the County for any discussion. After that, staff would return to the Board for final approval before submission to the Board of Supervisors.

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

MOTION: Approve Authorization to Transmit the Approved Draft to the Ventura County CEO's Office.

Moved by Goulet, seconded by McCombs.

Vote: Motion carried

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

No: -

Absent: Foy, Sedell

Abstain:

VIII. NEW BUSINESS

A. Recommendation to Approve Application for Reinstatement to Active Membership Pursuant to GC 31680 & 31680.5 – McGrath, Monica J.

RECOMMENDED ACTION: Approve.

1. Staff Letter.
2. Request from Ms. McGrath.
3. Offer of Employment.
4. Medical Clearance.

MOTION: Approve Application of Reinstatement to Active Membership for Monica J. McGrath.

Moved by Bianchi, seconded by Johnston.

Vote: Motion carried

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

No: -

Absent: Foy, Sedell

Abstain:

B. Report & Recommendation on PEPRA Pensionable Compensation Analysis for Pay Codes Implemented Since January 23, 2017.

RECOMMENDED ACTION: Approve.

1. Staff Letter, with Pay Code Analysis.

Ms. Webb said that since the last time the Board reviewed pay codes in January 2017, the County of Ventura and Ventura Regional Sanitation District (VRSD), have created several new pay codes. Staff was in agreement with the County regarding pensionability under PEPRA and the Board's Resolution. If the Board were to approve the proposed

amendments, the addendums to the Pensionable Compensation Resolution would be updated to add those meeting the criteria.

Trustee Johnston left at 11:09 a.m., prior to the vote on this item.

MOTION: Approve and Adopt Recommendation of Pay Codes to be Included and Excluded from Pensionable Compensation Under PEPRA and Board Resolution.

Moved by McCombs, seconded by Fox.

Vote: Motion carried

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

No: -

Absent: Foy, Johnston, Sedell

Abstain:

C. SACRS Business Meeting Agenda Items.

RECOMMENDED ACTION: Give Direction to Voting Delegate.

1. Legislative Proposal Materials for the November 17, 2018 SACRS Business Meeting.

Ms. Webb informed the Board that the legislation previously proposed by the Orange County Employees' Retirement system had been withdrawn, and the voting delegates would simply be voting on consent agenda items.

D. Proposed Board of Retirement Meetings Calendar.

RECOMMENDED ACTION: Approve.

1. Staff Letter.
2. Proposed Board Meeting Calendar for 2019.

Ms. Webb said the proposed 2019 Board of Retirement Meeting Calendar was created in accordance with the VCERA bylaws and past tradition, with meetings to be held on the 1st and 3rd Mondays of the month, avoiding holidays and consecutive Mondays. Also, combined meetings in April and December and traditional break in August were also incorporated.

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

MOTION: Approve Proposed Board of Retirement Meetings Calendar for 2019.

Moved by Hintz, seconded by Bianchi.

Vote: Motion carried

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

No: -

Absent: Foy, Johnston, Sedell

Abstain:

- E. Quarterly Retirement Administrator's Report for July – September 2018.
RECOMMENDED ACTION: Receive and file.

MOTION: Receive and File the Quarterly Retirement Administrator's Report for July – September 2018.

Moved by Winter, seconded by Bianchi.

Vote: Motion carried

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

No: -

Absent: Foy, Johnston, Sedell

Abstain:

- F. Quarterly Chief Investment Officers Report for July – September 2018.
RECOMMENDED ACTION: Receive and file.

MOTION: Receive and File the Quarterly Chief Investment Officers Report for July – September 2018.

Moved by Goulet, seconded by Winter.

Vote: Motion carried

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

No: -

Absent: Foy, Johnston, Sedell

Abstain:

IX. INFORMATIONAL

None.

X. PUBLIC COMMENT

The Board received public comment from Michael C. Pineschi, Ganga Regmi, and Vikas Mohite from Unite Here, who were present to update the Board regarding the labor agreement between the Baltimore Marriott Waterfront hotel and its employees, and their request for unionization.

XI. STAFF COMMENT

None.

XII. BOARD MEMBER COMMENT

None.

XIII. ADJOURNMENT

The meeting was adjourned at 11:27 a.m.

Respectfully submitted,



LINDA WEBB, Retirement Administrator

Approved,



WILLIAM WILSON, Vice-Chairman