

# VENTURA COUNTY EMPLOYEES' RETIREMENT ASSOCIATION

## BOARD OF RETIREMENT

### DISABILITY & BUSINESS MEETING

APRIL 16, 2018

#### MINUTES

**DIRECTORS** Tracy Towner, Chair, Alternate Safety Employee Member  
**PRESENT:** William W. Wilson, Vice Chair, Public Member  
Mike Sedell, Public Member  
Craig Winter, General Employee Member  
Arthur E. Goulet, Retiree Member  
Will Hoag, Alternate Retiree Member  
Chris Johnston, Safety Employee Member  
Ed McCombs, Alternate Public Member

**DIRECTORS** Steven Hintz, Treasurer-Tax Collector  
**ABSENT:** Peter C. Foy, Public Member  
Robert Bianchi, Public Member  
Maeve Fox, General Member

**STAFF** Linda Webb, Retirement Administrator  
**PRESENT:** Lori Nemiroff, General 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 Disability & Business Meeting of April 16, 2018 to order at 9:00 a.m.

II. APPROVAL OF AGENDA

MOTION: Approve.

Moved by Goulet, seconded by Johnston.

Vote: Motion carried

Yes: Goulet, Johnston, McCombs, Sedell, Towner, Wilson, Winter

No: -

Absent: Bianchi, Foy, Fox, Hintz

Abstain: -

III. APPROVAL OF MINUTES

A. Business Meeting of March 26, 2018.

MOTION: Approve.

Moved by Goulet, seconded by McCombs.

Vote: Motion carried

Yes: Goulet, Johnston, McCombs, Sedell, Towner, Wilson, Winter

No: -

Absent: Bianchi, Foy, Fox, Hintz

Abstain: -

IV. CONSENT AGENDA

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

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

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

MOTION: Receive and File.

Moved by Wilson, seconded by Winter.

Vote: Motion carried

Yes: Goulet, Johnston, McCombs, Sedell, Towner, Wilson, Winter

No: -

Absent: Bianchi, Foy, Fox, Hintz

Abstain: -

V. INVESTMENT MANAGER PRESENTATIONS

- A. Receive Annual Investment Presentation, Sprucegrove Investment Management, Tasleem Jamal and Arjun Kumar.

Tasleem Jamal and Arjun Kumar were present on behalf of Sprucegrove Investment Management to provide an organizational and investment performance update.

- B. Receive Annual Investment Presentation from State Street, John Muir and Julianna Frank.

Tonya Cordray, John Muir, and Julianna Frank were present on behalf of State Street to provide an organizational and investment performance update.

After receiving the presentation from State Street, the Board took a break at 9:52 a.m.

The Board returned from break at 10:02 a.m., to receive the presentation from Abbott Capital Management.

- C. Receive Annual Investment Presentation from Abbott Capital Management, Jonathan Roth, Matthew Smith, and Mary Hornby.

Jonathan Roth, Matthew Smith, and Mary Hornby were present on behalf of Abbott Capital Management to provide an organizational and investment performance update.

- D. Recommendation to Adopt the VCERA 2018 Private Equity Annual Plan from Abbott Capital Management.

**RECOMMENDED ACTION: Approve and Adopt.**

1. Staff Letter by C.I.O., Dan Gallagher.

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

MOTION: Approve and Adopt.

Moved by Sedell, seconded by Winter.

Vote: Motion carried

Yes: Goulet, Johnston, McCombs, Sedell, Towner, Wilson, Winter

No: -

Absent: Bianchi, Foy, Fox, Hintz

Abstain: -

VI. INVESTMENT INFORMATION

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

1. March 2018 Monthly Performance Report.  
**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 Winter.

Vote: Motion carried

Yes: Goulet, Johnston, McCombs, Sedell, Towner, Wilson, Winter

No: -

Absent: Bianchi, Foy, Fox, Hintz

Abstain: -

**B. NEPC 2018 Asset Allocation Review and Discussion.**

Mr. Martin reminded the Board that in February he had presented a report of NEPC's assessment of market and economic conditions, and project returns across 40 asset classes.

Mr. Martin said in today's presentation, NEPC was submitting different models of asset mixes, several of which were included in the Board presentation booklet.

Mr. Gallagher noted that the purpose of the presentation was to offer several asset allocation options to begin a Board discussion, which in turn, would provide feedback. The feedback would form the basis for tailored alternatives for subsequent Board consideration and adoption, followed by a proposed plan for implementation.

After discussion by the Board, staff, and consultant, they advanced to the next agenda item.

**VII. OLD BUSINESS**

**A. VCERA Office Location Update.**

Ms. Webb provided a verbal update, saying that the Real Estate Committee had recently visited possible locations for a new office location.

She stated that the committee also wanted to consider staying at the current location, with the possibility of acquiring additional space on the 2<sup>nd</sup> floor. She also said she had engaged an architect to submit a proposal to best utilize the existing location's available space.

She then informed the Board that the Real Estate Committee would be meeting with CBRE later in the week to review some analyses and projections.

Trustee Goulet said he hoped that part of the architect's proposal would include options to make the Board Room more user friendly.

Ms. Webb replied that they had discussed that in the meeting with the architect.

After discussion by the Board, they advanced to the next agenda item.

**VIII. NEW BUSINESS**

- A. Recommendation to Approve Application for Reinstatement to Active Membership Pursuant to GC 31680.4 & 31680.5 – Marilyn Miller  
**RECOMMENDED ACTION: Approve.**

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

MOTION: Approve.

Moved by Goulet, seconded by McCombs.

Vote: Motion carried

Yes: Goulet, Johnston, McCombs, Sedell, Towner, Wilson, Winter

No: -

Absent: Bianchi, Foy, Fox, Hintz

Abstain: -

- B. SACRS Board of Directors 2018-19 Elections - Recommended Ballot.

Ms. Webb said the recommended Board of Directors ballot from SACRS was provided, and asked the Board to provide direction to their designee, who would be voting at the SACRS Spring conference.

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

MOTION: Instruct Designee to Vote for the Recommended Slate.

Moved by Sedell, seconded by Winter.

Vote: Motion carried

Yes: Goulet, Johnston, McCombs, Sedell, Towner, Wilson, Winter

No: -

Absent: Bianchi, Foy, Fox, Hintz

Abstain: -

- C. Quarterly Administrator's Report for January - March 2018.  
**RECOMMENDED ACTION: Receive and file.**

MOTION: Receive & File.

Moved by Wilson, seconded by Goulet.

Vote: Motion carried

Yes: Goulet, Johnston, McCombs, Sedell, Towner, Wilson, Winter

No: -

Absent: Bianchi, Foy, Fox, Hintz

Abstain: -

- D. Recommendation to Approve Trustee McCombs Attendance at SACRS/UC Berkeley, Modern Investment Theory & Practice for Retirement Systems, Berkeley, CA, July 15 - 18, 2018.

**RECOMMENDED ACTION: Approve.**

1. Staff Letter.
2. SACRS/UC Berkeley Program Mailer.

MOTION: Approve.

Moved by Johnston, seconded by Goulet.

Vote: Motion carried

Yes: Goulet, Johnston, McCombs, Sedell, Towner, Wilson, Winter

No: -

Absent: Bianchi, Foy, Fox, Hintz

Abstain: -

- E. Recommendation for Authorization for General Counsel to Attend the NAPPA 2018 Legal Education Conference, Savannah, GA, June 26 – June 29, 2018

**RECOMMENDED ACTION: Approve.**

1. Staff Letter.
2. NAPPA 2018 Legal Education Brochure.

MOTION: Approve.

Moved by Winter, seconded by Johnston.

Vote: Motion carried

Yes: Goulet, Johnston, McCombs, Sedell, Towner, Wilson, Winter

No: -

Absent: Bianchi, Foy, Fox, Hintz

Abstain: -

- F. Recommendation for Authorization for C.I.O. to Attend Abbott Capital Management's 2018 ASO Advisory Board Meeting, New York, NY, June 12, 2018.

**RECOMMENDED ACTION: Approve.**

1. Staff Letter by C.I.O., Dan Gallagher.

MOTION: Approve.

Moved by Sedell, seconded by Johnston.

Vote: Motion carried

Yes: Goulet, Johnston, McCombs, Sedell, Towner, Wilson, Winter

No: -

Absent: Bianchi, Foy, Fox, Hintz

Abstain: -

**IX. INFORMATIONAL**

A. UBS News Flash Article, "TPF and TPG Fund Updates".

**X. PUBLIC COMMENT**

None.

**XI. STAFF COMMENT**

Mr. Gallagher distributed a quarterly staff staff report summarizing investment results including steps taken to mitigate risk.

**XII. BOARD MEMBER COMMENT**

None.

**XIII. ADJOURNMENT**

The meeting was adjourned at 11:20 a.m.

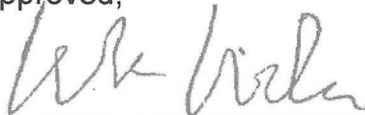
Respectfully submitted,



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LINDA WEBB, Retirement Administrator

Approved,



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Bill Wilson, Vice-Chairman