

VENTURA COUNTY EMPLOYEES' RETIREMENT ASSOCIATION

BOARD OF RETIREMENT

BUSINESS MEETING

February 24, 2014

MINUTES

DIRECTORS Tracy Towner, Chair, Safety Employee Member
PRESENT: William W. Wilson, Vice Chair, Public Member
Steven Hintz, Treasurer-Tax Collector
Peter C. Foy, Public Member
Joseph Henderson, Public Member
Mike Sedell, Public Member
Tom Johnston, General Employee Member
Deanna McCormick, General Employee Member
Arthur E. Goulet, Retiree Member
Will Hoag, Alternate Retiree Member
Chris Johnston, Alternate Employee Member

DIRECTORS None.
ABSENT:

STAFF Tim Thonis, Interim Retirement Administrator
PRESENT: Henry Solis, Chief Financial Officer
Lori Nemiroff, Assistant County Counsel
Glenda Jackson, Program Assistant
Chantell Garcia, Retirement Benefits Specialist

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

Chairman Towner called the Business Meeting of February 24, 2014, to order at 9:02 a.m.

Mark Lunn, County Clerk & Recorder, administered the Oath of Office to Joseph Henderson and Mike Sedell.

II. APPROVAL OF AGENDA

MOTION: Approve the Agenda.

Moved by T. Johnston, seconded by Wilson.

Vote: Motion carried.

Yes: Foy, Goulet, Henderson, T. Johnston, McCormick, Sedell, Towner, Wilson

No: -

Absent: Hintz

III. APPROVAL OF MINUTES

A. Disability Meeting of February 3, 2014.

MOTION: Approve the Minutes.

Moved by Goulet, seconded by Henderson.

Vote: Motion carried.

Yes: Foy, Goulet, Henderson, T. Johnston, McCormick, Sedell, Towner, Wilson

No: -

Absent: Hintz

IV. CONSENT AGENDA

A. Approve Regular and Deferred Retirements and Survivors Continuances for the Month of January 2014.

B. Receive and File Report of Checks Disbursed in January 2014.

- C. Receive and File Statement of Fiduciary Net Position, Statement of Changes in Fiduciary Net Position, Investments & Cash Equivalents, and Schedule of Investment Management Fees December 2013.
- D. Receive and File Statement of Fiduciary Net Position, Statement of Changes in Fiduciary Net Position, Investments & Cash Equivalents, and Schedule of Investment Management Fees January 2014.
- E. Receive and File Budget Summary for FY 2013-14 Month ending January 2014.

MOTION: Approve the Consent Agenda.

Moved by Wilson, seconded by Henderson.

Vote: Motion carried.

Yes: Foy, Goulet, Henderson, T. Johnston, McCormick, Sedell, Towner, Wilson

No: -

Absent: Hintz

END OF CONSENT AGENDA

V. STANDING ITEM

Mr. Hintz arrived at 9:08 a.m.

- A. Receive an Oral Update on Pensionable Compensation and PEPRA.

Lori Nemiroff informed the Board that there is no new information to report.

VI. ANNUAL INVESTMENT PRESENTATIONS

- A. Annual Investment Presentation, UBS Realty Investors – Ron Lanier, Executive Director (30 Minutes).

Ron Lanier was present on behalf of UBS Realty Investors to discuss their annual investment results.

No Action Taken.

- B. Annual Investment Presentation, Prudential Real Estate Investors – Frank E. Garcia, Managing Director and Mark Oczkus, Principal (30 Minutes).

Frank E. Garcia and Mark Oczkus were present on behalf of Prudential Real Estate Investors to discuss their annual investment results.

No Action Taken.

VII. ACTUARIAL INFORMATION

- A. Discussion of Adjustment to Exclude Administrative Expenses in Developing Investment Return Assumption per GASB Financial Liability Reporting – Paul Angelo and John Monroe – The Segal Company.

Paul Angelo was present on behalf of The Segal Company to provide background and options regarding potential changes to Financial Liability Reporting.

After discussion by the Board, Staff and The Segal Company, the following motion was made:

MOTION: The Segal Company will submit to the Board additional written information on an alternative option, to be discussed by the Board, Brown Armstrong, and The Segal Company at the April 21, 2014 Disability Meeting.

Moved by Sedell, seconded by McCormick.

Vote: Motion carried.

Yes: Foy, Goulet, Henderson, Hintz, T. Johnston, McCormick, Sedell, Towner, Wilson

No: -

Henry Solis entered the meeting.

VIII. INVESTMENT INFORMATION

- A. NEPC – Don Stracke, Senior Consultant.
1. Receive and File Investment Summary – Quarter Ending December 31, 2013.
 2. Receive and File Preliminary Performance Report, Month Ending January 31, 2014.
 3. Receive and File Fixed Income Overview.
 4. Receive and File Real Estate Market Update.

MOTION: Receive and File Items 1 – 4.

Moved by Henderson, seconded by Wilson.

Vote: Motion carried.

Yes: Foy, Goulet, Henderson, Hintz, T. Johnston, McCormick,
Sedell, Towner, Wilson

No: -

5. Review Change to Bridgewater All Weather Benchmark.

Don Stracke, present on behalf of NEPC, corrected an error in the
1st sentence, 2nd paragraph of the letter to “does not match”.

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

MOTION: Approve the recommended change to Bridgewater
All Weather Benchmark.

Moved by Wilson, seconded by Goulet.

Vote: Motion carried.

Yes: Foy, Goulet, Henderson, Hintz, T. Johnston, McCormick,
Sedell, Towner, Wilson

No: -

6. Asset Allocation Workshop.

Don Stracke presented the Asset Allocation Workshop to the Board.

MOTION: Receive and File the Asset Allocation Workshop.

Moved by Henderson, seconded by T. Johnston.

Vote: Motion carried.

Yes: Foy, Goulet, Henderson, Hintz, T. Johnston, McCormick,
Sedell, Towner, Wilson

No: -

IX. OLD BUSINESS

A. IRS Tax Determination Letter Update – Interim Retirement Administrator.

The Interim Retirement Administrator updated the Board on the IRS Tax
Determination Letter.

After discussion by the Board and Interim Retirement Administrator, the
following motion was made:

MOTION: Receive and File.

Moved by Henderson, seconded by T. Johnston.

Vote: Motion carried.

Yes: Foy, Goulet, Henderson, Hintz, T. Johnston, McCormick, Sedell,
Towner, Wilson

No: -

X. NEW BUSINESS

- A. GMO Investment Presentation Report – Trustee Goulet.

MOTION: Receive and File.

Moved by Goulet, seconded by Henderson.

Vote: Motion carried.

Yes: Foy, Goulet, Henderson, Hintz, T. Johnston, McCormick, Sedell,
Towner, Wilson

No: -

- B. Authorization for Trustee McCormick to Attend Pension Bridge Conference.

Staff recommended authorization for Ms. McCormick to join Mr. Goulet at the conference.

MOTION: Approve.

Moved by T. Johnston, seconded by Goulet.

Vote: Motion carried.

Yes: Foy, Goulet, Henderson, Hintz, T. Johnston, McCormick, Sedell,
Towner, Wilson

No: -

- C. Authorization to Attend Manatt 2014 Public Pension Fiduciary Forum.

Staff recommended approval of the authorization, noting that due diligence visits were designated to take place in conjunction with the Manatt Conference, and that the Prudential and UBS locations are client service offices, not company headquarters.

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

MOTION: Approve.

Moved by T. Johnston, seconded by Sedell.

Vote: Motion carried.

Yes: Foy, Goulet, Henderson, Hintz, T. Johnston, McCormick, Sedell,
Towner, Wilson

No: -

D. Mid-Year Budget Projections.

Staff recommended approval, noting that projected amounts are within the original budget of appropriations and Staff is not seeking any change to the budget at this time.

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

MOTION: Approve.

Moved by Wilson, seconded by Henderson.

Vote: Motion carried.

Yes: Foy, Goulet, Henderson, Hintz, T. Johnston, McCormick, Sedell,
Towner, Wilson

No: -

E. Review and Discussion of Brown Armstrong Contract.

After discussion by the Board and Interim Retirement Administrator, the following motion was made:

MOTION: Approve the contract and authorize Interim Retirement Administrator to sign documents after Board Counsel Review.

Moved by Foy, seconded by McCormick.

Vote: Motion carried.

Yes: Foy, Goulet, Henderson, Hintz, T. Johnston, McCormick, Sedell,
Towner, Wilson

No: -

XI. INFORMATIONAL

- A. Western Asset Update SEC and DOL Settlements.
- B. SACRS Spring 2014 Conference.

C. Loomis Sayles Conference.

D. Pantheon Conference.

XII. PUBLIC COMMENT

None.

XIII. STAFF COMMENT

Interim Retirement Administrator informed the Board that Form 700's will need to be submitted soon.

Interim Retirement Administrator announced Glenda Jackson's retirement from the County, and the Board joined him in thanking her for her work with the Department and the Board.

Glenda Jackson reminded the Board that the deadline for the SACRS conference is approaching. She thanked everyone and said that it had been a pleasure.

XIV. BOARD MEMBER COMMENT

Mr. Hoag suggested that the Board may want to consider obtaining an estimate of the associated costs for changing employees to 401k plans.

Mr. Goulet stated that the Board of Supervisors will consider obtaining a cost analysis on February 25, 2014.

Chair Towner commented that the April 21, 2014 Board Meeting will likely be a long meeting.

Chair Towner noted that the work of Dr. Brigitte Madrian on the topics of 401k and pension may be of interest to the Board.

XV. ADJOURNMENT

The meeting was adjourned at 11:52 p.m.

Respectfully submitted,



JIM THONIS, Interim Retirement Administrator

Approved,



TRACY TOWNER, Chairman