

# VENTURA COUNTY EMPLOYEES' RETIREMENT ASSOCIATION

## BOARD OF RETIREMENT

### BUSINESS MEETING

January 27, 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  
Tom Johnston, General Employee Member  
Deanna McCormick, General Employee Member  
Arthur E. Goulet, Retiree Member  
Will Hoag, Alternate Retiree Member

**DIRECTORS** Joseph Henderson, Public Member  
**ABSENT:** Mike Sedell, Public Member  
Chris Johnston, Alternate Employee Member

**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 January 27, 2014, to order at 9:00 a.m.

**II. APPROVAL OF AGENDA**

MOTION: Approve the Agenda.

Moved by McCormick, seconded by Hintz.

Vote: Motion carried  
Yes: Goulet, Hintz, T. Johnston, McCormick, Towner, Wilson  
No: -  
Absent: Henderson, Sedell  
Abstain: -

**III. APPROVAL OF MINUTES**

A. Disability Meeting of January 6, 2014.

MOTION: Approve the Minutes.

Moved by McCormick, seconded by Wilson.

Vote: Motion carried  
Yes: Goulet, Hintz, T. Johnston, McCormick, Towner, Wilson  
No: -  
Absent: Henderson, Sedell  
Abstain: -

**IV. CONSENT AGENDA**

The Interim Administrator commented on Item C. Asset Allocation and stated a minor correction was needed to the Total Column.

- A. Approve Regular and Deferred Retirements and Survivors Continuances for the Month of December 2014.
- B. Receive and File Report of Checks Disbursed in December 2013.
- C. Receive and File Asset Allocation as of December 31, 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 November 30, 2013.

- E. Receive and File Budget Summary for FY 2013-14 Month ending December 2013.

MOTION: Approve the Consent Agenda with correction to Item C.

Moved by Hintz, seconded by T. Johnston.

Vote: Motion carried  
Yes: Goulet, Hintz, T. Johnston, McCormick, Towner, Wilson  
No: -  
Absent: Henderson, Sedell  
Abstain: -

**END OF CONSENT AGENDA**

**V. STANDING ITEM**

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

Board Counsel attended the CALAPRS Roundtable in Burbank on Friday and learned from CALPERS representatives that regulations on pensionable compensation were scheduled to be presented to the CALPERS Board in March. Board Counsel further provided an update on the ruling issued related to litigation on AB197.

No action taken.

**VI. ACTUARIAL INFORMATION**

- A. Review and Approval of Annual Actuarial Report as of June 30, 2013; The Segal Company; Paul Angelo and John Monroe.
1. June 30, 2013 Actuarial Valuation Report.
  2. Three-year Phase-in of Employer Contribution Rates.
  3. Options for Allocating the Cost Associated with Cessation of Member Contributions After 30 Years of Service for Non-PEPRA Tiers.

Paul Angelo and John Monroe of The Segal Company to review the June 30, 2013 Actuarial Valuation Report and address questions.

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

MOTION: Approve Item VI.A.1. June 30, 2013 Actuarial Valuation Report and Exhibit A of Item VI.A.2. in the Three-Year Phase-in Memorandum of Employer Contribution Rates.

Moved by Goulet, seconded by Foy.

Vote: Motion carried  
Yes: Goulet, Hintz, T. Johnston, McCormick, Towner, Wilson  
No: -  
Absent: Henderson, Sedell  
Abstain: -

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

MOTION: Receive and File Item VI.A.3. Options for Allocating the Cost Associated with Cessation of Member Contributions After 30 Years of Service for Non-PEPRA Tiers.

Moved by Goulet, seconded by Hintz.

Vote: Motion carried  
Yes: Goulet, Hintz, T. Johnston, McCormick, Towner, Wilson  
No: -  
Absent: Henderson, Sedell  
Abstain: -

**VI. INVESTMENT INFORMATION**

**A. NEPC – Don Stracke, Senior Consultant.**

1. Receive and File 2014 Assumptions & Actions.
2. Receive and File Investment Summary – Quarter Ending December 31, 2013.
3. Receive and File Work Plan Update.

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

MOTION: Receive and file Items VII.A.1, VII.A.2, and VII.A.3.

Moved by Wilson, seconded by T. Johnston.

Vote: Motion carried  
Yes: Goulet, Hintz, T. Johnston, McCormick, Towner, Wilson  
No: -  
Absent: Henderson, Sedell  
Abstain: -

4. Provide Guidance to NEPC and Staff Regarding Preferred Strategy for Tactical Rebalancing.

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

MOTION: Consider Option One - Conduct a search to identify and retain a tactical rebalancing vendor to provide direction to Parametric Clifton regarding tactical tilts for the portfolio.

Moved by Foy, seconded by T. Johnston.

Vote: Motion carried  
Yes: Hintz, T. Johnston, McCormick, Towner, Wilson  
No: Goulet  
Absent: Henderson, Sedell  
Abstain: -

5. Review Investment Policy Manual – Redline Version.

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

MOTION: Receive and File the Policy Manual.

Moved by T. Johnston, seconded by Wilson.

Vote: Motion carried  
Yes: Goulet, Hintz, T. Johnston, McCormick, Towner, Wilson  
No: -  
Absent: Henderson, Sedell  
Abstain: -

Mr. Goulet and Ms. McCormick will work with NEPC to review the Investment Policy.

6. Adoption of New Liquid Alternatives Benchmark.

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

MOTION: Adopt the recommendation of NEPC to change the benchmark of the Liquid Alternatives asset class from the Wells Fargo MLP Index to CPI +4%.

Moved by Wilson, seconded by Hintz.

Vote: Motion carried  
Yes: Goulet, Hintz, T. Johnston, McCormick, Towner, Wilson  
No: -  
Absent: Henderson, Sedell  
Abstain: -

7. Receive and File Walter Scott & Partners Limited – Ian Clark Retirement Memo.

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

MOTION: Receive and File the Memo.

Moved by Goulet, seconded by Hintz.

Vote: Motion carried  
Yes: Goulet, Hintz, T. Johnston, McCormick, Towner, Wilson  
No: -  
Absent: Henderson, Sedell  
Abstain: -

8. Discussion of Executive Management Transition –Pacific Management Company (PIMCO).

No action taken.

## VIII. OLD BUSINESS

- A. Approval of Appointments to Personnel Committee.

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

MOTION: Approve the appointments of Will Hoag, Chris Johnston and Mike Sedell to the Personnel Committee.

Moved by Wilson, seconded by T. Johnston.

Vote: Motion carried

Yes: Goulet, Hintz, T. Johnston, McCormick, Towner, Wilson  
No: -  
Absent: Henderson, Sedell  
Abstain: -

**IX. NEW BUSINESS**

**A. Approval of Business Objectives; January – June 2014.**

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

MOTION: Approve the Business Objectives.

Moved by Goulet, seconded by McCormick.

Vote: Motion carried  
Yes: Goulet, Hintz, T. Johnston, McCormick, Towner, Wilson  
No: -  
Absent: Henderson, Sedell  
Abstain: -

**B. Discussion Regarding Board of Retirement Alternate Public Member.**

Richard Shimmel, Executive Director, Ventura County Deputy Sheriff's Association addressed the Board on behalf of the Coalition of Ventura County Unions regarding Items IX.B. and X.A.

After Board discussion, the following motion was made:

MOTION: Recommend that the Ventura County Board of Supervisors consider legislation to add an alternate Public Member to the Board of Retirement, and if interested, VCERA's Board of Retirement may provide sample legislation.

Moved by Wilson, seconded by Hintz.

Vote: Motion carried  
Yes: Foy, Goulet, Hintz, McCormick, Towner, Wilson  
No: T. Johnston  
Absent: Henderson, Sedell  
Abstain: -

X. INFORMATIONAL

- A. Notice of Intention to Circulate Petition – Committee for Pension Fairness.
- B. SACRS Board of Director Elections.
- C. Pension Bridge Annual Conference; April 22-23, 2014
- D. Walter Scott Travel Lecture Series.
- E. Walter Scott Change Notice – Ian Clark.

No action taken.

IX. PUBLIC COMMENT

None.

X. STAFF COMMENT

None.

XI. BOARD MEMBER COMMENT

Chair Towner updated the Board on the status of the recruitment for a new Retirement Administrator.

Mr. Goulet requested that a Request for Authorization to attend the Pension Bridget Annual Conference be placed on the next Board meeting agenda.

XII. ADJOURNMENT

The meeting was adjourned at 12:02 p.m.

Respectfully submitted,

  
TIM THONIS, Interim Retirement Administrator

Approved,

  
TRACY TOWNER, Chairman