

VENTURA COUNTY EMPLOYEES' RETIREMENT ASSOCIATION

BOARD OF RETIREMENT

BUSINESS MEETING

May 19, 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
Chantell Garcia, Retirement Benefits Specialist
Stephanie Caiazza, Program Assistant
Julie Stallings, Retirement Operations Manager

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 Tracy Towner, called the Business Meeting of May 19, 2014, to order at 9:01 a.m.

II. APPROVAL OF AGENDA

Mr. Towner recommended the agenda be amended in order to move New Business Item "IX.C. Review and Adoption of the Fiscal Year 2014/15 Proposed Budget" to the Disability Meeting of June 2nd, 2014.

MOTION: Approve the Agenda, as amended.

Moved by Henderson, seconded by Goulet.

Vote: Motion carried.

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

No: -

Absent: Foy

Mr. Foy arrived at 9:02 a.m.

III. APPROVAL OF MINUTES

A. Disability Meeting of May 5, 2014.

MOTION: Approve the Minutes.

Moved by Goulet, seconded by Henderson.

Vote: Motion carried.

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

No: -

Absent: -

Abstain: Foy

IV. CONSENT AGENDA

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

- B. Receive and File Report of Checks Disbursed in April 2014.
- C. Receive and File Budget Summary for FY 2013-14 Month Ending April 2014.
- D. Receive and File Statements of Fiduciary Net Position, Statements of Changes in Fiduciary Net Position, Investments & Cash Equivalents, and Schedules of Investment Management Fees for the Periods Ending March 31, 2014, and April 30, 2014.

MOTION: Approve the Consent Agenda.

Moved by Henderson, seconded by T. Johnston.

Vote: Motion carried.

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

No: -

Absent: -

END OF CONSENT AGENDA

V. STANDING ITEM

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

Ms. Nemiroff updated the Board regarding the recent development of draft compensation earnable regulations by CalPERS and that a judgment was entered in the AB 197 cases. Ms. Nemiroff further offered to expect future appeals in the AB 197 cases.

VI. ANNUAL INVESTMENT PRESENTATIONS

- A. Receive Annual Investment Presentation, Bridgewater Associates LP, Joel Whidden, Senior Relationship Manager, and David Greely, Senior Research Associate (30 Minutes).

Joel Whidden and David Greely were present on behalf of Bridgewater Associates LP to discuss their annual investment results.

- B. Receive Annual Investment Presentation, Tortoise Capital Advisors LLC, Ken Malvey, Managing Director, and Andy Goldsmith, Head of Institutional Sales and Consultant Relations (30 Minutes).

Ken Malvey and Andy Goldsmith were present on behalf of Tortoise Capital Advisors LLC to discuss their annual investment results.

VII. INVESTMENT INFORMATION

A. NEPC – Don Stracke, Senior Consultant, and Chris Hill, Research Consultant.

1. Receive and File Performance Report Month Ending April 30, 2014.

MOTION: Receive and file.

Moved by Henderson, seconded by Wilson.

Vote: Motion carried.

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

No: -

Absent: -

2. Receive and File Investment Summary – Quarter Ending March 31, 2014.

MOTION: Receive and file.

Moved by Hintz, seconded by T. Johnston.

Vote: Motion carried.

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

No: -

Absent: -

3. Receive and File PIMCO Watch Status Update.

MOTION: Receive and file.

Moved by Goulet, seconded by Wilson.

Vote: Motion carried.

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

No: -

Absent: -

Mr. Towner asked if there were any volunteers for a due diligence trip to PIMCO in late July. Mr. Wilson, Ms. McCormick, and Mr. Goulet volunteered to participate.

4. Receive and File RREEF America III Quarterly Conference Call – Report from Staff.

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

MOTION: Receive and file.

Moved by Henderson, seconded by Sedell.

Vote: Motion carried.

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

No: -

Absent: -

5. VCERA Liquidity Study
RECOMMENDED ACTION: Receive and File.

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

MOTION: Receive and file.

Moved by Hintz, seconded by Wilson.

Vote: Motion carried.

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

No: -

Absent: -

6. Credit Overview – Direct Lending/Private Debt Review.
RECOMMENDED ACTION: Receive and File.

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

MOTION: Receive and file, and direct NEPC to make arrangements for an investment manager, specializing in credit strategies, to provide an educational presentation at a future Board meeting.

Moved by Goulet, seconded by Sedell.

Vote: Motion carried.

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

No: -

Absent: -

Mr. C. Johnston left the meeting at 11:14 a.m.

7. Private Equity Program Review & 2014 Strategic Investment Plan
RECOMMENDED ACTION: Approve.

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

MOTION: Receive and file.

Moved by Henderson, seconded by T. Johnston.

Vote: Motion carried.

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

No: -

Absent: -

The Board requested NEPC adhere to the following schedule in terms of work priorities: Completion of Asset Liability Study, Review of Tactical Rebalancing Managers and Potential Funding of a Private Equity Investment in 2014.

VIII. VCERIS (Pension Administration Project)

- A. V-3 System Presentation – Nicholas Christoffersen, Douglas Arnett, Tim Thonis

No action taken.

- B. Interim Retirement Administrator Quarterly Project Risk Assessment- Oral Report

No action taken.

Mr. Sedell left the meeting at 1:00 p.m. Mr. Goulet left the meeting at 1:15 p.m.

C. VCERIS Project Summary – Linea Solutions

1. Recommendation from Linea Solutions and Staff.
 - a. Attachment A.- VCERIS Quarterly Status Report
 - b. Attachment B.- Vitech Change Order #4 – PEPRA
 - c. Attachment C.- Linea Change Order #5 – Vitech/PEPRA
 - d. Attachment D.- Vitech Change Order #5 – Interfaces
 - e. Attachment E.- Linea Change Order #6 – Project Resources

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

MOTION: Approve Vitech Change Order #4 – PEPRA, Linea Change Order #5 – Vitech/PEPRA, Vitech Change Order #5 – Interfaces, and Linea Change Order #6 – Project Resources.

Moved by Foy, seconded by Hintz.

Vote: Motion carried.

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

No: -

Absent: Sedell, Goulet

IX. NEW BUSINESS

- A. Authorization to Attend 2014 Public Funds Forum- The Future of Corporate Reform Conference, September 2nd – 4th, 2014, San Diego.

1. Letter from Staff.

MOTION: Approve authorization for Ms. McCormick to attend the 2014 Public Funds Forum- The Future of Corporate Reform Conference, September 2nd – 4th, 2014, in San Diego, CA.

Moved by Hintz, seconded by Henderson.

Vote: Motion carried.

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

No: -
Absent: Sedell, Goulet

B. 2014/15 Business Plan.

Mr. Towner recommended that the Board discuss this item in conjunction with the 2014/15 Proposed Budget. After discussion by the Board and Staff, the following motion was made:

MOTION: Move New Business Item "IX.B. 2014/15 Business Plan" to the Disability Meeting on June 2, 2014.

Moved by Hintz, seconded by Foy.

Vote: Motion carried.

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

No: -

Absent: Sedell, Goulet

C. Review and Adoption of the Fiscal Year 2014/15 Proposed Budget.

This item will be considered by the Board at the Disability Meeting on June 2nd, 2014.

X. INFORMATIONAL

- A. Opal Financial Group – Investment Trends Summit, September 8th – 10th, 2014, Santa Barbara
- B. SACRS Public Pension Investment Manager Program 2014 – Modern Investment Theory & Practice for Retirement Systems, July 20th – 23rd, 2014, UC Berkeley
- C. Adams Street Partners- 2014 Client Conference, June 4th – 5th, Chicago, IL
- D. Letter from Grand Jury

XI. PUBLIC COMMENT

None.

XII. STAFF COMMENT

The Interim Retirement Administrator informed the Board that he has approximately 25 hours remaining under his service contract.

XIII. BOARD MEMBER COMMENT

None.

XIV. ADJOURNMENT

The meeting was adjourned at 1:50 p.m.

Respectfully submitted,



TIM THONIS, Interim Retirement Administrator

Approved,



TRACY TOWNER, Chairman