

# VENTURA COUNTY EMPLOYEES' RETIREMENT ASSOCIATION

## BOARD OF RETIREMENT

### DISABILITY MEETING

**FEBRUARY 10, 2020**

### AGENDA

**PLACE:** Ventura County Government Center  
Hall of Administration Building, Multi-Purpose Room  
800 S. Victoria Avenue  
Ventura, CA 93009

**TIME:** 9:00 a.m.

*Members of the public may comment on any item under the Board's jurisdiction by filling out a speaker form and presenting it to the Clerk. Unless otherwise directed by the Chair, comments related to items on the agenda will be heard when the Board considers that item. Comments related to items not on the agenda will generally be heard at the time designated for Public Comment.*

### **ITEM:**

- |   |                 |
|---|-----------------|
| <b>I.     <u>CALL TO ORDER</u></b>  | Master Page No. |
| <b>II.    <u>APPROVAL OF AGENDA</u></b>   | 1 – 2           |
| <b>III.   <u>APPROVAL OF MINUTES</u></b>  |                 |
| A.   Business Meeting of January 27, 2020.  | 3 – 11          |
| <b>IV.    <u>RECEIVE AND FILE PENDING DISABILITY APPLICATION STATUS REPORT</u></b>  | 12 – 49         |
| <b>V.     <u>APPLICATIONS FOR DISABILITY RETIREMENT</u></b>   |                 |
| A.   Application for Nonservice-connected Disability Retirement - Hart-Ramos, Susan<br>A.; Case No. 19-020.   | 50 – 143        |
| 1.   Application for Nonservice-connected Disability Retirement filed, April 26,<br>2019.   |                 |
| 2.   Medical Analysis and Employer's Statement of Position, including<br>Supporting Medical Documentation, submitted by County of Ventura-Risk<br>Management, in support of the Application for Nonservice-connected<br>Disability Retirement, dated December 19, 2019. |                 |
| 3.   Hearing Notice dated, January 30, 2020.  |                 |

**BOARD OF RETIREMENT  
DISABILITY MEETING****FEBRUARY 10, 2020****AGENDA  
PAGE 2****V. APPLICATIONS FOR DISABILITY RETIREMENT (continued)**

- B. Application for Service-connected Disability Retirement - Myers, Christopher M.; Case No. 18-015. 144 – 172
1. Request from Jane Oatman, Attorney for Applicant, to move this matter to hearing, dated December 23, 2019.
  2. Response from Respondent, County of Ventura-Risk Management, filed by Stephen Roberson, Attorney for Respondent, dated January 2, 2020 and January 17, 2020.
  3. IDR Medical Examination reported by Gary Brazina, M.D., dated March 5, 2019
  4. Hearing Notice dated, January 30, 2020.

**VI. OLD BUSINESS**

None.

**VII. NEW BUSINESS**

- A. Recommendation to Solicit Plan Sponsor Comment Regarding Actuary's Letter Regarding Possible Adjustment to UAAL Amortization Periods to Manage Tail Volatility.

**RECOMMENDED ACTION: Approve.**

1. Staff Letter. 173
  2. Letter from Segal Consulting. 174 – 181
- B. Request for Trustee Ashby to Attend the CALAPRS Advanced Principles of Pension Management for Trustees in Los Angeles, March 30 – April 1, 2020.
- RECOMMENDED ACTION: Approve.**
1. Staff Letter. 182
  2. CALAPRS Training Brochure. 183 – 186

**VIII. INFORMATIONAL**

- A. SACRS Spring Conference 2020 – Conference Information. 187 – 190

**IX. PUBLIC COMMENT****X. STAFF COMMENT****XI. BOARD MEMBER COMMENT****XII. ADJOURNMENT**

# **VENTURA COUNTY EMPLOYEES' RETIREMENT ASSOCIATION**

## **BOARD OF RETIREMENT**

### **BUSINESS MEETING**

**JANUARY 27, 2020**

### **MINUTES**

**DIRECTORS** William W. Wilson, Chair, Public Member  
**PRESENT:** Arthur E. Goulet, Vice-Chair, Retiree Member  
Steven Hintz, Treasurer-Tax Collector  
Steve Bennett, Public Member  
Mike Sedell, Public Member  
Robert Ashby, Safety Employee Member  
Jordan Roberts, General Employee Member

**DIRECTORS** Craig Winter, General Employee Member  
**ABSENT:** Will Hoag, Alternate Retiree Member

**STAFF** Linda Webb, Retirement Administrator  
**PRESENT:** Henry Solis, Chief Investment Officer  
Dan Gallagher, Chief Investment Officer  
Lori Nemiroff, County Counsel  
Leah Oliver, Chief Technology Officer  
Chris Ayala, Program Assistant

**PLACE:** Ventura County Government Center  
Hall of Administration Building, Multi-Purpose Room  
800 S. Victoria Avenue  
Ventura, CA 93009

**TIME:** 9:00 a.m.

**BOARD OF RETIREMENT  
BUSINESS MEETING**

**JANUARY 27, 2020**

**MINUTES  
PAGE 2**

**ITEM:**

**I. CALL TO ORDER**

Chair Wilson called the Business Meeting of January 27, 2020, to order at 9:00 a.m.

**II. APPROVAL OF AGENDA**

MOTION: Approve.

Moved by Ashby, seconded by Goulet.

Vote: Motion carried

Yes: Ashby, Bennett, Goulet, Hintz, Roberts, Sedell, Wilson

No: -

Absent: Winter, Hoag

Abstain:

**III. APPROVAL OF MINUTES**

A. Disability Meeting Minutes of January 6, 2020.

Ms. Webb provided suggested corrections identified by Trustee Goulet. She said on Master Page 6, the phrase "the deposition stated" should be replaced with "the Hearing Officer quoted from the deposition in which Dr. O'Neill stated", and on Master Page 12, 4<sup>th</sup> line, the abbreviation should read "GSIs".

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

MOTION: Approve as Amended.

Moved by Goulet, seconded by Sedell.

Vote: Motion carried

Yes: Ashby, Bennett, Goulet, Hintz, Roberts, Sedell, Wilson

No: -

Absent: Winter, Hoag

Abstain:

**IV. CONSENT AGENDA**

A. Approve Regular and Deferred Retirements and Survivors Continuances for the Month of December 2019.

B. Receive and File Report of Checks Disbursed in December 2019.

C. Receive and File Budget Summary for FY 2019-20 Month Ending December 31, 2019.

D. Receive and File Statement of Fiduciary Net Position, Statement of Changes in Fiduciary Net Position, Schedule of Investments and Cash Equivalents, and Schedule of Investment Management Fees for the Period Ending November 30, 2019.

**BOARD OF RETIREMENT  
BUSINESS MEETING**

**JANUARY 27, 2020**

**MINUTES  
PAGE 3**

MOTION: Receive and File.

Moved by Hintz, seconded by Bennett.

Vote: Motion carried

Yes: Ashby, Bennett, Goulet, Hintz, Roberts, Sedell, Wilson

No: -

Absent: Winter, Hoag

Abstain:

**V. INVESTMENT MANAGER PRESENTATIONS**

- A. Receive Annual Investment Presentation, Prudential Real Estate Investors – PGIM, Frank Garcia, Lexi Woolf and Alexandra Black.

Frank Garcia, Lexi Woolf and Alexandra Black reviewed Prudential's organizational changes, and discussed the firm's investment outlook, portfolio strategy, composition and performance.

**VI. INVESTMENT INFORMATION**

NEPC – Allan Martin

VCERA – Dan Gallagher, Chief Investment Officer

- A. \$25 Million Commitment to Abbott Secondary Opportunities Fund II (ASO II).

**RECOMMENDED ACTION: Approve.**

1. Staff Letter by C.I.O., Dan Gallagher.
2. Recommendation Memorandum from NEPC.
3. Abbott Presentation by, Jonathan Roth and Meredith Rerisi.

Mr. Gallagher said the item was a joint recommendation from himself as CIO and NEPC. He said that the allocation was a recommitment from Abbott's Secondaries Opportunity Fund I (ASO I). Mr. Gallagher said that although still early in its fund life, ASO had delivered strong performance. Mr. Roth and Ms. Rerisi were present to answer any questions regarding the fund.

Trustee Goulet noted that the values quoted in Mr. Gallagher's staff letter were different from those in NEPC's memorandum.

Mr. Gallagher explained that the difference was due to timing. NEPC provided the most current information then available for the period ending December 31<sup>st</sup>, which showed 4<sup>th</sup> quarter cash flows with 3<sup>rd</sup> quarter valuations. However, this composite was preliminary as it accounted for neither 4<sup>th</sup> quarter valuation changes in cash invested nor portfolio holdings which were not yet available. Mr. Gallagher referenced the September 30<sup>th</sup> quarter-end information for the most recent period that reflected both cash flows and valuations, for a more standard view of reported performance.

Trustee Goulet also asked Mr. Gallagher and Mr. Martin to provide the Board with some explanation regarding the fees for private equity investments, particularly for the benefit of the newer Board members.

**BOARD OF RETIREMENT  
BUSINESS MEETING**

**JANUARY 27, 2020**

**MINUTES  
PAGE 4**

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

MOTION: Approve the Allocation of \$25 Million to Abbott's Secondary Opportunities Fund II, and Direct Staff and Legal Counsel to Prepare the Necessary Legal Documents; and Authorize the Board Chair or Retirement Administrator, or in the Absence of the Board Chair and Retirement Administrator the Chief Investment Officer, to Approve and Execute the Required Documentation.

Moved by Sedell, seconded by Hintz.

Vote: Motion carried

Yes: Ashby, Bennett, Goulet, Hintz, Roberts, Sedell, Wilson

No: -

Absent: Winter, Hoag

Abstain:

B. \$50 Million Commitment to PIMCO's Credit Opportunity Fund III.

**RECOMMENDED ACTION: Approve.**

1. Staff Letter by C.I.O., Dan Gallagher.
2. Recommendation Memorandum from NEPC.
3. Research Memorandum from NEPC.
4. PIMCO Presentation by, Sasha Talcott, Kevin Gray and Neal Reiner.

Mr. Gallagher explained that the investment recommendation continued the roll out of VCERA's allocation to private credit.

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

MOTION: Approve the Allocation of \$50 Million to PIMCO Credit Opportunities Fund III, and Direct Staff and Legal Counsel to Negotiate the Necessary Legal Documents; and Subject to Approval of VCERA's Legal Counsel, Authorize the Board Chair or Retirement Administrator, or if Both are Unavailable, the Chief Investment Officer to Approve and Execute the Required Documentation.

Moved by Goulet, seconded by Sedell.

Vote: Motion carried

Yes: Ashby, Bennett, Goulet, Hintz, Roberts, Sedell, Wilson

No: -

Absent: Winter, Hoag

Abstain:

C. Preliminary Performance Report Month Ending November 30, 2019.

**RECOMMENDED ACTION: Receive and file.**

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

MOTION: Receive and File Performance Report for November 30, 2019.

**BOARD OF RETIREMENT  
BUSINESS MEETING**

**JANUARY 27, 2020**

**MINUTES  
PAGE 5**

Moved by Ashby, seconded by Roberts.

Vote: Motion carried

Yes: Ashby, Bennett, Goulet, Hintz, Roberts, Sedell, Wilson

No: -

Absent: Winter, Hoag

Abstain:

D. Preliminary Performance Report Month Ending December 31, 2019.

**RECOMMENDED ACTION: Receive and file.**

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

MOTION: Receive and File Performance Report for December 2019.

Moved by Ashby, seconded by Roberts.

Vote: Motion carried

Yes: Ashby, Bennett, Goulet, Hintz, Roberts, Sedell, Wilson

No: -

Absent: Winter, Hoag

Abstain:

The Board took a break at 10:10 a.m., after the vote on this item.

Trustee Bennett left at 10:12 a.m., during the Board's break.

The Board returned from break at 10:30 a.m.

**VII. OLD BUSINESS**

A. Staff Response Clarifying Note Disclosure Regarding Investment Concentrations in June 30, 2019 CAFR (Verbal Update) and Receive and File CAFR (Previously Provided on 1/6/2020).

**RECOMMENDED ACTION: Receive and file.**

Mr. Solis stated that at the previous board meeting there was a question regarding two separate disclosures in the CAFR related to investment concentration risk, which created some confusion. Mr. Solis stated that the two disclosures were required per GASB standards related to investment concentration risk. The first was GASB 40-Deposit and the second was Investment Risk, which pertains to credit risk concentration and specifically related to fixed income debt instrument security holdings. Mr. Solis quoted the GASB standard requirement in part, which says, "An organization should have no more than 5% of total investments in any one named fixed income security", and said but GASB excluded those organizations that are explicitly guaranteed by the U.S. government, or mutual funds and other pooled investments.

Subsequently, GASB 67-Financial Reporting for Pension Plans was issued and that disclosure requirement related to investment concentration risk is much broader, and states in part, "an organization should have no more than 5% of the net fiduciary position in any one organization". Mr. Solis explained that the 5% is applicable to any individual security holding in an organization. Mr. Solis added that Trustee Sedell had previously asked that given that VCERA had investments with BlackRock which amounted to roughly 40% of the total portfolio; Mr. Solis clarified that the standard applied to individual security holdings and did not apply to assets under management

**BOARD OF RETIREMENT  
BUSINESS MEETING****JANUARY 27, 2020****MINUTES  
PAGE 6**

with a specific investment manager. He continued that the majority of VCERA's investment holdings are in co-mingled, mutual funds or pooled investments, which are specifically excluded from the 5% requirement. Mr. Solis confirmed that Brown Armstrong concurred with disclosure requirements and had agreed to work with staff to make the note disclosures clearer in future CAFRs.

Trustee Sedell said that Mr. Solis had explained the disclosures well, and then remarked that he thought that the Board had approved the CAFR at the previous meeting.

Ms. Webb said that at the previous meeting, when the Board requested Mr. Solis to clarify the 5% item, the motion to receive and file the CAFR was missed; thus, the item was brought back for that reason.

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

**MOTION:** Receive and File.

Moved by Goulet, seconded by Hintz.

Vote: Motion carried

Yes: Ashby, Goulet, Hintz, Roberts, Sedell, Wilson

No: -

Absent: Bennett, Winter

Abstain:

**VIII. NEW BUSINESS**

- A. Recommendation to Renew Hearing Officer Contract Agreement with Robert Klepa Through June 30, 2020, Retroactive July 1, 2019.

**RECOMMENDED ACTION: Approve.**

1. Staff Letter.
2. Proposed Contract.

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

**MOTION:** Approve Recommendation to Authorize the Retirement Administrator to Execute the Fiscal Year 2019-2020 Hearing Officer Contract Agreement with Robert Klepa Through June 30, 2020, Retroactive to July 1, 2019.

Moved by Ashby, seconded by Hintz.

Vote: Motion carried

Yes: Ashby, Goulet, Hintz, Roberts, Sedell, Wilson

No: -

Absent: Bennett, Winter, Hoag

Abstain:

- B. VCERA Cost-of-Living Adjustments (COLA) as of April 1, 2020.

**RECOMMENDED ACTION: Approve.**



**BOARD OF RETIREMENT  
BUSINESS MEETING****JANUARY 27, 2020****MINUTES  
PAGE 7****1. Actuary's Annual COLA Analysis.**

Ms. Webb said that VCERA's actuary, Segal Consulting, had performed the calculations for the applicable tiers and retirees to calculate their cost of living adjustment (COLA), to be effective April 1, 2020. As in previous years and per Section 31870.1, the calculations were performed by comparing the Consumer Price Index (CPI) in December for the Los Angeles-Long Beach-Anaheim Area in each of the past two years, with the result rounded to the nearest one-half percent. This method had yielded a COLA result of 3%.

Trustee Goulet commented that he had personally calculated the COLA and Segal's calculations aligned with his, although the area which was used for the calculation seemed odd to him because it did not name Ventura County as part of the comparison, and Riverside County had been excluded from the comparison area, though it had been used in previous calculations.

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

**MOTION:** Approve.

Moved by Hintz, seconded by Ashby.

Vote: Motion carried

Yes: Ashby, Goulet, Hintz, Roberts, Sedell, Wilson

No: -

Absent: Bennett, Winter, Hoag

Abstain:

- C. Recommendation for Authorization for Chief Technology Officer, Leah Oliver to Attend the Public Retirement Information Systems Management (PRISM) 2020 Conference, Atlanta, GA, April 19 – 22, 2020.

**RECOMMENDED ACTION: Approve.**

**1. Staff Letter.**

**MOTION:** Approve the Recommendation to Authorize the Chief Technology Officer to Attend the Public Retirement Information Systems Management (PRISM) 2020 Conference in Atlanta, GA, on April 19 – 22, 2020.

Moved by Sedell, seconded by Ashby.

Vote: Motion carried

Yes: Ashby, Goulet, Hintz, Roberts, Sedell, Wilson

No: -

Absent: Bennett, Winter, Hoag

Abstain:

- D. SACRS 2020-2021 Board of Director Nominations.

Ms. Webb explained that the item would be coming up at SACRS Spring 2020 Conference and it would be one of the items on which the Board's voting proxy would vote at the conference.

- E. Quarterly Retirement Administrator's Report for October - December 2019.

**RECOMMENDED ACTION: Receive and file.**

**BOARD OF RETIREMENT  
BUSINESS MEETING****JANUARY 27, 2020****MINUTES  
PAGE 8****1. SACRS Notice.**

Ms. Webb noted that the last page of the report was a 5-year retrospective that also would be included in the upcoming newsletter. She welcomed any questions.

Trustee Goulet asked about the statement in Ms. Webb's report regarding her ongoing meetings with the Auditor-Controller regarding their outstanding corrections and transmittal issues.

Ms. Webb replied that she recently met with the Deputy Auditor-Controller, Amy Herron and they spoke in detail about the status of these issues. Ms. Herron had confirmed that more resources were available to her through contractor PRJ. Further, several corrections were in progress that, when complete, should make corrections for many members across multiple pay periods. Ms. Webb said they had discussed incorporating more written progress reports to better update the Board and the CEO's office of progress going forward.

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

MOTION: Receive and File.

Moved by Ashby, seconded by Sedell.

Vote: Motion carried

Yes: Ashby, Goulet, Hintz, Roberts, Sedell, Wilson

No: -

Absent: Bennett, Winter

Abstain:

F. Quarterly Chief Investment Officer's Report for October - December 2019.

**RECOMMENDED ACTION: Receive and file.**

MOTION: Approve and Waive the Education and Travel Policy Provision Prohibiting Complimentary Registration.

Moved by Hintz, seconded by Ashby.

Vote: Motion carried

Yes: Ashby, Goulet, Hintz, Roberts, Sedell, Wilson

No: -

Absent: Bennett, Winter

Abstain:

**IX. INFORMATIONAL**

A. CALAPRS Advance Principles of Pension Management for Trustees Notice.

**X. PUBLIC COMMENT**

None.

**XI. STAFF COMMENT**

**BOARD OF RETIREMENT  
BUSINESS MEETING**

**JANUARY 27, 2020**

**MINUTES  
PAGE 9**

None.

**XII. BOARD MEMBER COMMENT**

Trustee Ashby commented that he would like to attend the CALAPRS Advance Principles of Pension Management for Trustees, since he had attended the initial course at Pepperdine.

Ms. Webb replied that staff would have a travel recommendation for the event put on an agenda for an upcoming meeting.

**XIII. ADJOURNMENT**

The Chairman adjourned the meeting at 10:47 a.m.

Respectfully submitted,



---

LINDA WEBB, Retirement Administrator

Approved,

---

WILLIAM W. WILSON, Chairman



February 10, 2020

Board of Retirement  
Ventura County Employees' Retirement Association  
1190 South Victoria Avenue, Suite 200  
Ventura, CA 93003

**SUBJECT: RECOMMENDATION TO SOLICIT PLAN SPONSOR COMMENT REGARDING  
ACTUARY'S LETTER REGARDING POSSIBLE ADJUSTMENT TO UAAL AMORTIZATION  
PERIODS TO MANAGE TAIL VOLATILITY**

Dear Board Members:

On December 9, 2019, the Board of Retirement approved the annual Actuarial Valuation Report as of June 30, 2019. The report was presented by Paul Angelo and John Monroe of Segal Consulting, VCERA's actuary.

As part of the discussion, Mr. Angelo discussed a potential strategy for managing tail volatility through adjustment of the Unfunded Actuarial Accrued Liability (UAAL). Segal offered to explain the issue and strategy more fully in a letter to the Board. That letter, dated January 24, 2020, is provided.

Staff recommends providing this letter to the County as primary Plan Sponsor, as well as the other participating employers, for comment in advance of formal Board consideration. Staff further recommends scheduling discussion and possible action on Segal's letter for the March 30, 2020 business meeting.

Staff will be pleased to respond to any questions you may have on this matter at February 10, 2020 disability meeting.

Sincerely,

Linda Webb  
Retirement Administrator



180 Howard Street, Suite 1100  
San Francisco CA 94105-6147  
segalco.com  
T 415.263.8273 / M 415.823.1195  
pangelo@segalco.com

January 24, 2020

Ms. Linda Webb  
Retirement Administrator  
Ventura County Employees' Retirement Association  
1190 South Victoria Avenue, Suite 200  
Ventura, CA 93003

**Re: Ventura County Employees' Retirement Association (VCERA)  
Possible Adjustment to UAAL Amortization Periods to Manage Tail Volatility**

Dear Linda:

This letter provides information on a possible adjustment to the Unfunded Actuarial Accrued Liability (UAAL) "layered" amortization component of the VCERA funding policy. For the upcoming June 30, 2020 valuation, the Board could consider an adjustment to the remaining amortization periods for the UAAL layers that were established in the June 30, 2006 through 2008 valuations. This would reduce volatility in the employer contribution rates over the next few years. In addition, this action would have no impact on the June 30, 2019 valuation results, and would not change the ongoing VCERA funding policy.

**Background Information**

The following three bullets are from page 2 of the VCERA Funding Policy last approved on February 23, 2018:

- The UAAL, (i.e., the difference between the Actuarial Accrued Liability and the Valuation Value of Assets), as of June 30, 2011 shall continue to be amortized over separate 15 year period amortization layers based on the valuations during which each separate layer was previously established.
- Any new UAAL as a result of actuarial gains or losses identified in the annual valuation as of June 30 will be amortized over a period of 15 years.
- Any new UAAL as a result of change in actuarial assumptions or methods will be amortized over a period of 20 years.

**Possible Adjustment to Current "Layered" Amortization Structure**

Layered amortization allows full transparency by tracking the source of each UAAL component and when each UAAL component will be fully amortized. Exhibit A shows the schedule of current amortization balances and payments, and the remaining amortization periods for each layer, as of June 30, 2019. The restarted UAAL amortization layers established as of the

January 24, 2020  
Page 2

June 30, 2004 valuation, which accounted for more than one-third of the net annual UAAL amortization payment as of June 30, 2018, have been fully amortized as of June 30, 2019. Subsequent amortization charge or credit layers established after the June 30, 2004 valuation will begin to be fully amortized starting with the June 30, 2020 valuation. When a charge layer is fully amortized, the employer UAAL contribution will decrease in the following year. Alternatively, when a credit layer is fully amortized, the employer UAAL contribution will increase in the following year.

Exhibit B illustrates a graphical projection of the UAAL amortization payments as of June 30, 2019. There is a decrease followed by an increase in UAAL payments between the June 30, 2020 and 2023 valuations due to the full amortization of UAAL charge layers established in the June 30, 2005 and 2006 valuations followed by the full amortization of UAAL credit layers established in the June 30, 2007 and 2008 valuations. To manage this UAAL contribution rate volatility in the upcoming valuations, Segal recommends lengthening the amortization periods for layers established in the June 30, 2006 through 2008 valuations (currently ranging from 1 to 3 years remaining as of the June 30, 2020 valuation) to 4 years as of the June 30, 2020 valuation. Note that the adjustment is not intended to accelerate or decelerate the funding of the plan's UAAL but only to manage this short-term tail volatility when it is projected to occur.

Exhibit C illustrates the projected employer UAAL contributions as a percentage of total payroll under the current amortization schedule and the amortization schedule with the recommended adjustment to manage the UAAL tail volatility. The line with the recommended adjustment clearly shows a more level UAAL contribution pattern for the next few valuations and a slightly smaller net amortization payment as of the June 30, 2020 valuation. When these layers are fully amortized as of the June 30, 2024 valuation, the projected UAAL contribution rates converge to exactly the same amount.

Exhibits D and E show the projected schedule of amortization balances, payments and periods as of June 30, 2020 under the current amortization schedule and the amortization schedule with the recommended adjustment to manage the UAAL tail volatility, respectively.

### Key Assumptions and Methods

The projection is based upon the following assumptions and methods:

- All actuarial assumptions used in the June 30, 2019 Actuarial Valuation are realized.
- June 30, 2019 1937 Act statutes remain unchanged.
- UAAL amortization method remains unchanged, with the exception of the recommended adjustment to manage the UAAL tail volatility as of June 30, 2020.
- Active payroll grows at 3.25% per annum.
- The recognition of the deferred investment gains and losses as of the June 30, 2019 valuation are excluded from this projection.
- No changes are made to actuarial methodologies, such as adjusting for the contribution rate delay in advance.

January 24, 2020  
Page 3

Projections, by their nature, are not a guarantee of future results. The modeling projections are intended to serve as estimates of future financial outcomes that are based on the information available to us at the time the modeling is undertaken and completed, and the agreed-upon assumptions and methodologies described herein. Emerging results may differ significantly if the actual experience proves to be different from these assumptions or if alternative methodologies are used. Actual experience may differ due to such variables as demographic experience, the economy, stock market performance and the regulatory environment.

This study was prepared under the supervision of Eva Yum, FSA, Enrolled Actuary, who is a member of the American Academy of Actuaries and who meets the Qualification Standards of the American Academy of Actuaries to render the actuarial opinion herein.

Please let us know if you have any questions regarding this letter.

Sincerely,



Paul Angelo, FSA, MAAA, FCA, EA  
Senior Vice President & Actuary



Molly Calcagno, ASA, MAAA, EA  
Actuary

AW/bbf  
Enclosures

## EXHIBIT A

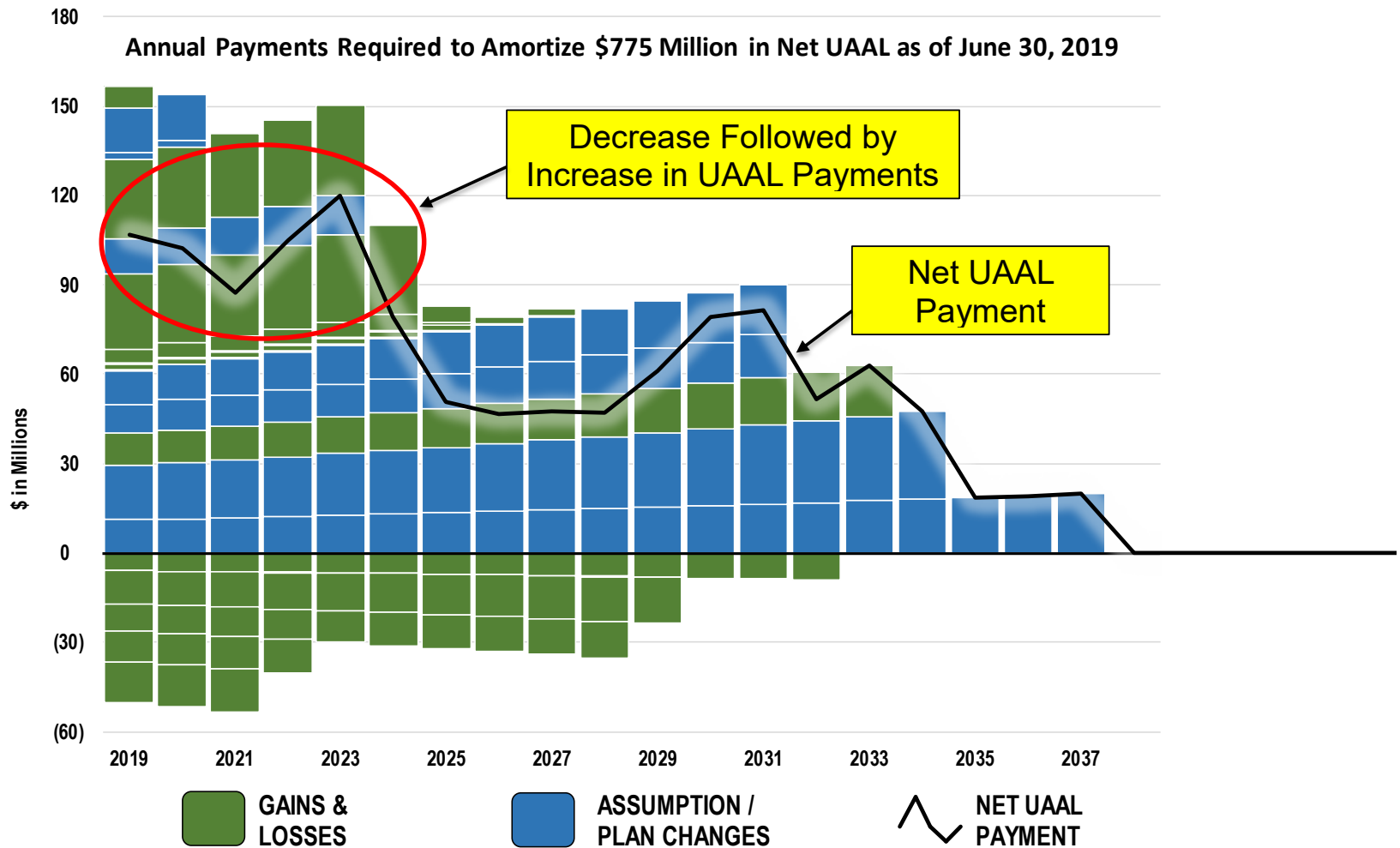
### VCERA Amortization Schedule as of June 30, 2019

Date Established	Source	Initial Amount (\$ in '000s)	Initial Period	Outstanding Balance (\$ in '000s)	Years Remaining	Amortization Amount (\$ in '000s)
<b>Total VCERA</b>						
June 30, 2004	Restart of Amortization	\$323,444	15	\$0	0	\$0
June 30, 2005	Actuarial loss	48,849	15	7,146	1	7,422
June 30, 2006	Actuarial loss	1,358	15	374	2	197
June 30, 2006	Assumption change	102,790	15	28,321	2	14,987
June 30, 2006	Plan provision change	14,731	15	4,057	2	2,147
June 30, 2007	Actuarial gain	(96,898)	15	(37,742)	3	(13,566)
June 30, 2008	Actuarial gain	(75,365)	15	(36,897)	4	(10,133)
June 30, 2009	Actuarial loss	204,600	15	118,079	5	26,426
June 30, 2009	Assumption change	91,252	15	52,654	5	11,784
June 30, 2010	Actuarial loss	206,081	15	134,565	6	25,561
June 30, 2011	Actuarial loss	38,155	15	27,412	7	4,545
June 30, 2012	Actuarial loss	4,258	15	3,305	8	488
June 30, 2012	Demographic assumption	123,037	20	115,662	13	11,490
June 30, 2012	Economic assumption	104,278	20	98,025	13	9,738
June 30, 2013	Actuarial loss	15,435	15	12,704	9	1,698
June 30, 2014	Actuarial gain	(87,484)	15	(75,697)	10	(9,273)
June 30, 2015	Actuarial gain	(109,606)	15	(98,680)	11	(11,186)
June 30, 2015	Assumption change	218,002	20	213,528	16	18,152
June 30, 2016	Actuarial gain	(453)	15	(430)	12	(46)
June 30, 2017	Actuarial loss	2,730	15	2,630	13	261
June 30, 2018	Actuarial gain	(64,335)	15	(63,081)	14	(5,922)
June 30, 2018	Assumption change	148,510	20	148,113	19	11,155
June 30, 2019	Actuarial loss	120,814	15	<u>120,814</u>	15	<u>10,769</u>
<b>Total</b>				<b>\$774,862</b>		<b>\$106,694</b>



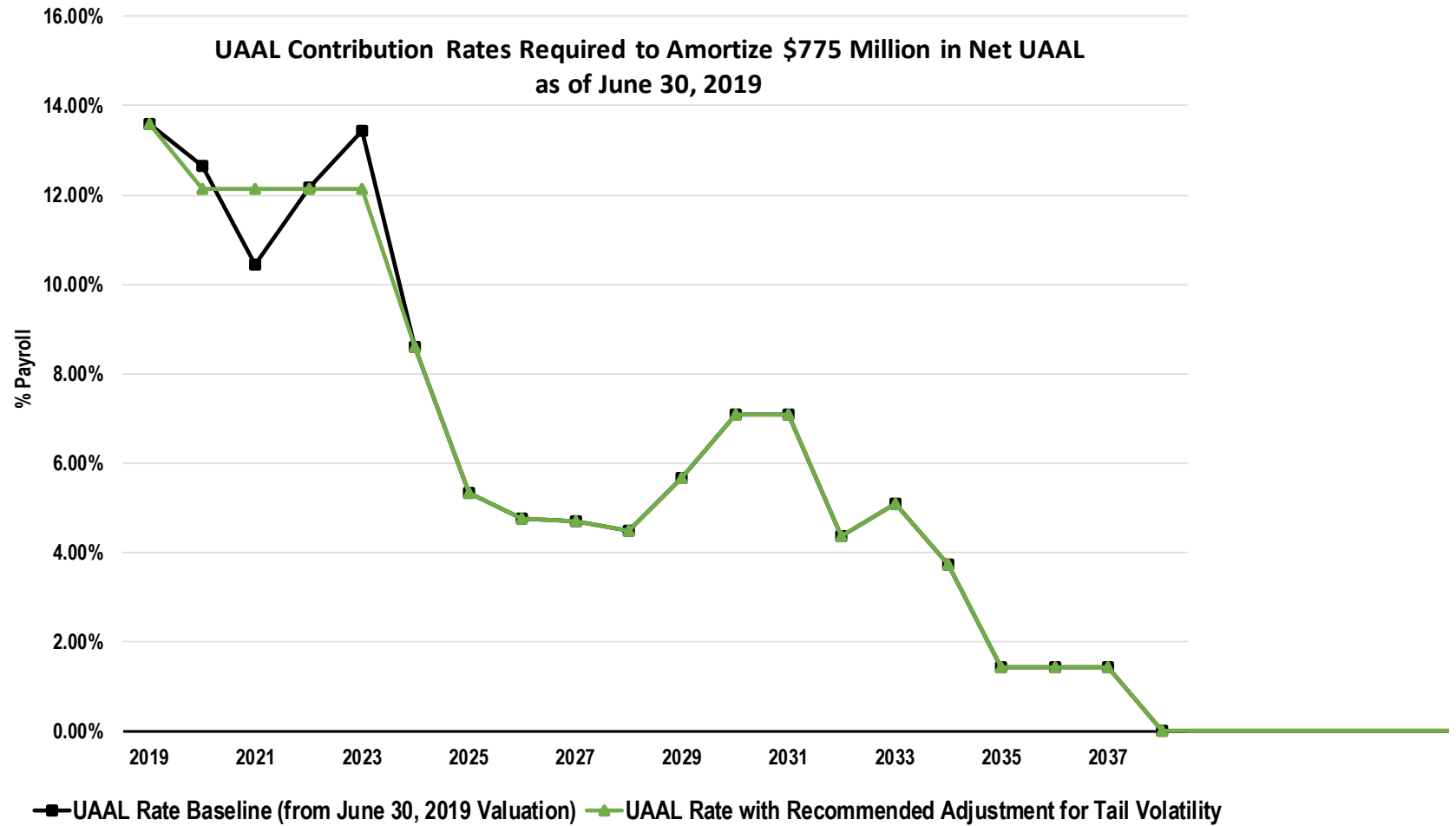
## EXHIBIT B

### VCERA Projection of UAAL Amortization Payments as of June 30, 2019



## EXHIBIT C

### VCERA Projection of UAAL Contribution Rates (% of Payroll)



**EXHIBIT D****VCERA Projected Amortization Schedule as of June 30, 2020 before  
Recommended Adjustment to Manage UAAL Tail Volatility**

Date Established	Source	Initial Amount (\$ in '000s)	Initial Period	Outstanding Balance (\$ in '000s)	Years Remaining	Amortization Amount (\$ in '000s)
<b>Total VCERA</b>						
June 30, 2004	Restart of Amortization	\$323,444	15	\$0	0	\$0
June 30, 2005	Actuarial loss	48,849	15	0	0	0
June 30, 2006	Actuarial loss	1,358	15	196	1	203
June 30, 2006	Assumption change	102,790	15	14,900	1	15,475
June 30, 2006	Plan provision change	14,731	15	2,134	1	2,216
June 30, 2007	Actuarial gain	(96,898)	15	(26,470)	2	(14,007)
June 30, 2008	Actuarial gain	(75,365)	15	(29,108)	3	(10,462)
June 30, 2009	Actuarial loss	204,600	15	99,351	4	27,285
June 30, 2009	Assumption change	91,252	15	44,304	4	12,167
June 30, 2010	Actuarial loss	206,081	15	117,927	5	26,392
June 30, 2011	Actuarial loss	38,155	15	24,705	6	4,692
June 30, 2012	Actuarial loss	4,258	15	3,039	7	504
June 30, 2012	Demographic assumption	123,037	20	112,175	12	11,864
June 30, 2012	Economic assumption	104,278	20	95,070	12	10,054
June 30, 2013	Actuarial loss	15,435	15	11,867	8	1,753
June 30, 2014	Actuarial gain	(87,484)	15	(71,610)	9	(9,574)
June 30, 2015	Actuarial gain	(109,606)	15	(94,282)	10	(11,550)
June 30, 2015	Assumption change	218,002	20	210,260	15	18,743
June 30, 2016	Actuarial gain	(453)	15	(419)	11	(47)
June 30, 2017	Actuarial loss	2,730	15	2,549	12	269
June 30, 2018	Actuarial gain	(64,335)	15	(61,546)	13	(6,115)
June 30, 2018	Assumption change	148,510	20	147,330	18	11,518
June 30, 2019	Actuarial loss	120,814	15	118,452	14	11,119
<b>Total</b>				<b>\$720,824</b>		<b>\$102,499</b>

**EXHIBIT E**  
**VCERA Projected Amortization Schedule as of June 30, 2020 after**  
**Recommended Adjustment to Manage UAAL Tail Volatility**

Date Established	Source	Initial Amount (\$ in '000s)	Initial Period	Outstanding Balance (\$ in '000s)	Years Remaining	Amortization Amount (\$ in '000s)
<b>Total VCERA</b>						
June 30, 2004	Restart of Amortization	\$323,444	15	\$0	0	\$0
June 30, 2005	Actuarial loss	48,849	15	0	0	0
June 30, 2006	Actuarial loss	1,358	15	196	4 <sup>(1)</sup>	54
June 30, 2006	Assumption change	102,790	15	14,900	4 <sup>(1)</sup>	4,093
June 30, 2006	Plan provision change	14,731	15	2,134	4 <sup>(1)</sup>	586
June 30, 2007	Actuarial gain	(96,898)	15	(26,470)	4 <sup>(1)</sup>	(7,269)
June 30, 2008	Actuarial gain	(75,365)	15	(29,108)	4 <sup>(1)</sup>	(7,993)
June 30, 2009	Actuarial loss	204,600	15	99,351	4	27,285
June 30, 2009	Assumption change	91,252	15	44,304	4	12,167
June 30, 2010	Actuarial loss	206,081	15	117,927	5	26,392
June 30, 2011	Actuarial loss	38,155	15	24,705	6	4,692
June 30, 2012	Actuarial loss	4,258	15	3,039	7	504
June 30, 2012	Demographic assumption	123,037	20	112,175	12	11,864
June 30, 2012	Economic assumption	104,278	20	95,070	12	10,054
June 30, 2013	Actuarial loss	15,435	15	11,867	8	1,753
June 30, 2014	Actuarial gain	(87,484)	15	(71,610)	9	(9,574)
June 30, 2015	Actuarial gain	(109,606)	15	(94,282)	10	(11,550)
June 30, 2015	Assumption change	218,002	20	210,260	15	18,743
June 30, 2016	Actuarial gain	(453)	15	(419)	11	(47)
June 30, 2017	Actuarial loss	2,730	15	2,549	12	269
June 30, 2018	Actuarial gain	(64,335)	15	(61,546)	13	(6,115)
June 30, 2018	Assumption change	148,510	20	147,330	18	11,518
June 30, 2019	Actuarial loss	120,814	15	118,452	14	11,119
<b>Total</b>				<b>\$720,824</b>		<b>\$98,545</b>

<sup>(1)</sup> Reflects the recommended adjustment to UAAL amortization periods effective June 30, 2020.



February 10, 2020

Board of Retirement  
Ventura County Employees' Retirement Association  
1190 South Victoria Avenue, Suite 200  
Ventura, CA 93003

**SUBJECT: AUTHORIZATION FOR TRUSTEE ASHBY TO ATTEND THE CALAPRS ADVANCED PRINCIPLES OF PENSION MANAGEMENT FOR TRUSTEES, MARCH 30 – APRIL 1, 2020 IN LOS ANGELES, CA**

Dear Board Members:

Trustee Ashby has requested authorization to attend the CALAPRS Advanced Principles of Pension Management for Trustees at the UCLA Luskin Conference Center in Los Angeles. The training and conference dates are March 30th – April 1st and the estimated cost to attend is approximately \$3200, including registration, lodging, meals and mileage.

Staff & Trustee Ashby will be pleased to respond to any questions you may have on this matter at February 10, 2020 disability meeting.

Sincerely,

Linda Webb  
Retirement Administrator



**MARCH 30-APRIL 1, 2020**

**UCLA LUSKIN CONFERENCE CENTER  
LOS ANGELES, CA**



**Advanced** Principles of Pension Management  
*for Trustees*

**FOR THE CALIFORNIA ASSOCIATION OF PUBLIC RETIREMENT SYSTEMS**

# Advanced Principles of Pension Management

## *for Trustees*

### ADVANCED PRINCIPLES OF PENSION MANAGEMENT

The Advanced course is about building trustee skills and strengthening board governance. Pension trustees have many opportunities to learn about the disciplines required to run a pension system: institutional investing, actuarial science, benefits law, etc. But another highly important area of knowledge is the business of being a trustee and of contributing to a well-functioning board. The **CALAPRS Advanced Principles of Pension Management** course exposes veteran trustees to the most effective pension management thinking to help them enhance their service to their retirement systems.

### COURSE RATINGS

**100%** of last year's participants agreed that the course would "enhance their performance and leadership abilities as a board member," and that they would, "recommend the program to their colleagues."

### THE PROGRAM

Course attendees will hear from and discuss issues with top-level presenters in the areas of board/staff roles, governance, pension law, economic forecasting and actuarial science.

### CURRICULUM | YOUR COURSE OF STUDY

Over the course of two days, attendees will be immersed in a powerful learning process—acquiring the skills they need to lead their organizations effectively.



#### The 2020 Program will cover:

- **Policy-Based Boards**
- **Effective Planning**
- **Economics Forecasting Methods and the annual forecast of the UCLA Anderson School**
- **Good Governance & the Investment Team**
- **Wearing the Right Hat at the Right Time — *The Fiduciary Duties of Public Pension System Board Members***
- **Advanced Actuarial Principles**

### PARTICIPANTS | WHO IS RIGHT FOR THE PROGRAM?

The program is designed for an experienced group of trustees. Trustees should have already acquired a basic understanding of board governance practices, actuarial and investment principles, and fiduciary responsibility. CALAPRS recommends that newer trustees first attend the trustee training course at Pepperdine University entitled: "Principles of Pension Management for Trustees" which is specifically designed for new trustees. The course was previously held at Stanford University.



## EXPERIENCE UCLA'S TRADITION OF EXCELLENCE AT THE LUSKIN CONFERENCE CENTER

In the heart of UCLA's vibrant campus, the new UCLA Meyer and Renee Luskin Conference Center is set amid iconic campus buildings and the exhilarating backdrop of daily student life. The Luskin Conference Center is a place where the best academic minds, innovators, researchers, political leaders, and societal visionaries meet to exchange ideas that help shape the world.



The UCLA Luskin Conference Center is an ideal central meeting place where California's public pension trustees can gather for a transformational academic experience that transcends the acquisition of knowledge, skills, and tools—and fosters professional, intellectual, and personal development.

**Participants will receive a Certificate of Completion for this program.**

**PROGRAM DATES**  
**March 30-April 1, 2020**

## LEARNING COMMITMENT

Active involvement in all classroom sessions, case discussions, and other program activities is expected. Participants devote considerable time and intellect to the learning experience. Therefore, they must be free of outside responsibilities during the two days of the program.

## THE FACULTY

The Advanced Principles Program is taught by a faculty of highly regarded experts and experienced professionals in the field of public pension management.

## TUITION

Program tuition is \$3,100 for CALAPRS members and \$3,400 for non-members and includes all lodging, meals, and materials. Tuition must be paid in full by March 13, 2020.

## ACCOMMODATIONS

Program tuition includes all meals and lodging on the nights of March 30 and 31 at the acclaimed UCLA Luskin Conference Center, located at 425 Westwood Plaza, Los Angeles, CA. To ensure full participation, all participants are required to stay on-site in the provided private, comfortable hotel rooms.

## REGISTRATION

**Applications must be received by February 29, 2020.** Since space is limited, CALAPRS reserves the right to limit the number of trustees accepted from each retirement system, if need be.



## Advanced Principles of Pension Management for Trustees

*March 30 – April 1, 2020 Los Angeles, CA*

### APPLICATION FOR ENROLLMENT

**Applications must be received by February 29, 2020.** Since space is limited, CALAPRS reserves the right to limit the number of trustees accepted from each retirement system, if need be. Accepted applicants will be notified via email the week of March 2-6, 2020.

**Applicant Qualifications:** *The Advanced Principles Program is designed for an experienced group of trustees. In evaluating readiness for this program, trustees should have already acquired a basic understanding of board governance practices, actuarial and investment principles, and fiduciary responsibility. CALAPRS recommends that newer trustees first attend the initial trustee training course at Pepperdine University entitled: "Principles of Pension Management for Trustees" that is specifically designed for new trustees. The course was previously held at Stanford University.*

#### Applicant Information

Trustee's Name (for certificate/name badge): \_\_\_\_\_

Retirement System: \_\_\_\_\_

Trustee Type: ☐ Elected ☐ Appointed ☐ Ex-Officio Date Became a Trustee: \_\_\_\_\_ Date Current Term Expires: \_\_\_\_\_

Trustee's Mailing Address: \_\_\_\_\_

Trustee's Phone : \_\_\_\_\_ Trustee's Email: \_\_\_\_\_

Emergency Contact (name, phone): \_\_\_\_\_

Dietary Restrictions (if any): \_\_\_\_\_

Administrative Contact (name, email): \_\_\_\_\_

☐ I have **e-mailed** this applicant's biography (≤150 words) to [register@calaprs.org](mailto:register@calaprs.org) for printing in the attendee materials.

#### Applicant Signature

*If admitted, I agree to attend the Advanced Principles program in full and acknowledge that missing one or more sessions may result in forfeiture of my Certificate of Completion, as determined by the Faculty.*

Trustee Signature (required) \_\_\_\_\_ Date: \_\_\_\_\_

#### Administrator Approval

Administrator Name: \_\_\_\_\_ Email: \_\_\_\_\_

Administrator Signature (required): \_\_\_\_\_

#### Tuition Payment

☐ \$3,100 CALAPRS Member ☐ \$3,400 Non-member

**Program tuition must be paid in full by March 13, 2020.** Tuition includes all meals, materials, and mandatory lodging for all participants for the nights of March 30 and 31 in the UCLA Luskin Conference Center. Payable by check only made out and mailed to "CALAPRS". A separate invoice will not be sent.



If, due to a disability, you have any special needs, call 415-764-4860 to let us know. We will do our best to accommodate your needs.

**CALAPRS**  
EDUCATION • COMMUNICATION • NETWORKING  
California Association of Public Retirement Systems

Mail, email or fax form and payment to  
CALAPRS  
575 Market Street, Suite 2125  
San Francisco, CA 94105  
Phone: 415-764-4860 Fax: 415-764-4915  
[register@calaprs.org](mailto:register@calaprs.org) [www.calaprs.org](http://www.calaprs.org)



To: SACRS Administrators  
From: Sulema H. Peterson, SACRS  
Re: SACRS Spring Conference 2020– Conference Information

---

Join us! Online registration is open for the State Association of County Retirement Systems (SACRS) Spring 2020 Conference. SACRS Spring Conference 2020 is being held on May 12-15 at the Paradise Point Resort and Spa in San Diego, CA. Paradise Point is on a 44-acre island tucked away in gentle Mission Bay, minutes from the heart of downtown San Diego. Paradise Point offers a secluded island escape with all the comforts of one of the top resort hotels in San Diego. Don't miss out on the opportunity to earn over 15 educational hours and network with your fellow SACRS members.

In this packet, we've provided the following information to assist your System's administrative staff with:

- Hotel Information
- Transportation Information
- Conference Registration Information
- Cancellation policy for hotel and attendance

Looking forward to seeing you in May - Please don't hesitate to contact me at [Sulema@sacrs.org](mailto:Sulema@sacrs.org) or (916) 701-5158 for questions, assistance or additional information.

Best,

*Sulema*

Sulema H. Peterson  
SACRS Executive Director



## HOTEL INFORMATION

Paradise Point Resort & Spa  
1404 Vacation Rd  
San Diego, CA 92109  
(858) 240-4913

### **SACRS CONFERENCE ROOM RATE:**

\$229 per night (not including tax & service fees)

Waived Resort Fee (regularly \$32 per day, SACRS attendees are waived)

### **PARKING:**

\$10 Overnight Parking, per car, per night

### **SPA:**

SACRS guests receive 15% discount on all services.

### **Reservations:**

To make your trustees and staff hotel reservations at the Paradise Point Resort & Spa please see the link below;

[SACRS Conference 2020 - Click Here to Book Your Reservation](#)

If you need additional assistance, please contact Paradise Point Resort & Spa at 1-855-463-3361 for reservation support.

### **Credit Card Pre-Authorization:**

If you need to pre-authorize payment via a credit card, please complete the credit card form. Please complete the form and initial the area that specifies what you are authorizing Paradise Point to charge to your card. After completion, please either scan it back to this email (reservations@paradisepoint.com) or fax to 858-851-5924.

Please do not include the full credit card number on this form- This is to keep your information secure and confidential. If you send your full cc number, our team at Paradise Point will ask you to resubmit this form. Please also note, when the completed Credit Card Authorization form is received, the credit card will be charged in full.

### **Hotel Room Block:**

The conference room block will open to all members Friday, February 7, 2020. Due to high attendance, our room block is expected to fill up fast. **Please be sure to reserve rooms between January 30 – February 6, 2020.** On February 7, the room block information will be sent to all members. Please do not reserve more rooms than needed. Many Trustees end up at overflow hotels due to over booking by member



Systems. Reservation's made after April 17, 2020 are subject to availability and at the hotel's prevailing rate.

### **HOTEL WAITING LIST**

If you are unable to reserve a room at the host hotel and want to be added to the hotel waiting list, please submit your request by completing a request via the online waitlist link. Placement on the waiting list does not guarantee a reservation. As rooms become available, we will assign to attendees on the list in the order received.

### **CHECK-IN/CHECK-OUT:**

Guest accommodations are available at 4:00 pm on arrival and reserved until Noon on departure day. Attendees wishing special consideration for early arrival/late check-out should contact the hotel prior to arrival to avoid fees.

## **TRANSPORTATION INFORMATION**

### **JUST MINUTES FROM THE SAN DIEGO AIRPORT**

Whether you need to get to and from the airport, or simply want to explore surrounding San Diego, the resort offers a variety of transportation options for guests. Located near major attractions such as SeaWorld, and the San Diego Zoo, the hotel's Guest Service department will happily assist with public transportation plans, or help arrange taxi, shuttle, limo service, or car rentals.

[The resort is located near San Diego Airport](#) – Paradise is just 15 minutes away! Taxis, shuttles and ride-sharing services are available at all airport terminal curbsides for service to the hotel. For guests using their personal vehicle or a rental car, the hotel offers reserved doorstep parking directly outside guest rooms for \$10 per car per night for added convenience and safety.

San Diego International (Lindbergh Field) Airport – 10 minutes from hotel.

Carlsbad (McClellan – Palomar) Airport – 50 minutes from hotel

For transportation planning assistance, please call Instant Service at 858-274-4630.

## **CONFERENCE REGISTRATION INFORMATION**

### **CONFERENCE REGISTRATION FEE:**

System Members (Trustees & Staff)      \$120.00 per attendee

### **CONFERENCE REGISTRATION:**

Online registration is open; please visit the [SACRS/Events/SpringConference](#) page online to register your System's attendees. Conference brochures will be e-mailed to your System; you may also complete a paper form for each attendee and mail along



with payment to SACRS, Attn: Sulema Peterson 1225 8<sup>th</sup> Street, Suite 550, Sacramento, CA 95814.

**CANCELLATIONS:**

- Conference Cancellation Policy

In order to receive a Conference Registration refund, you must cancel your registration by April 1, 2020. Please email cancellation to: [Sulema@sacrs.org](mailto:Sulema@sacrs.org)

- Hotel Cancellation Policy

Due to the high demand for rooms at the host hotel, any hotel room cancellations made after April 1 will incur a fee of \$50 per cancellation from SACRS. Many systems book more rooms than needed and cancel last minute. This late cancellation creates a shortage of rooms for Trustees and staff members. The last-minute cancellation does not guarantee that SACRS will be able to utilize the room. We are then penalized by the hotel for unfilled room nights.

Name changes between same system staff/trustees will not incur the fee nor will medically necessary cancellations. We ask that if you need to cancel prior to April 1, call SACRS office first at (916) 701-5158. We can utilize your cancellation for an attendee on the waiting list.

- The hotel has a 72-hour cancellation policy, to avoid penalties cancellation must be made 72 hours prior to check in date.

**CONFERENCE ATTIRE:**

All sessions and social functions at SACRS Spring Conference 2020 are business casual.

**WEATHER:**

The average temperature for the San Diego area in May 2020 is 69, attendees should plan on cool mornings, sunny afternoon and mild temperature drop in the evenings.

- Daytime Highs: 69F
- Evening Lows: 60F