

VENTURA COUNTY EMPLOYEES' RETIREMENT ASSOCIATION

BOARD OF RETIREMENT

DISABILITY MEETING

April 1, 2013

AGENDA

PLACE: Ventura County Employees' Retirement Association
Second Floor Boardroom
1190 South Victoria Avenue
Ventura, CA 93003

TIME: 9:00 a.m.

ITEM:

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- D. Application for Service Connected Disability Retirement; Joe Banuelos, Case 11-024. 214 - 222
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 2. Hearing Notice.
- E. Application for Service Connected Disability Retirement; Crystal Litchmore, Case No. 11-023. 223 - 246
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 3. Proposed Application for Disability Retirement Packet.
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- B. Private Equity Allocation Update. 287 - 294
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VIII. PUBLIC COMMENT

IX. BOARD MEMBER COMMENT

X. ADJOURNMENT

VENTURA COUNTY EMPLOYEES' RETIREMENT ASSOCIATION

BOARD OF RETIREMENT

BUSINESS MEETING

March 18, 2013

MINUTES

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

DIRECTORS None.
ABSENT:

STAFF Donald C. Kendig, Retirement Administrator
PRESENT: Henry Solis, Chief Financial Officer
Lori Nemiroff, Assistant County Counsel
Glenda Jackson, 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. **INTRODUCTION OF MEETING**

Chairman Wilson called the Business Meeting of March 18, 2013, to order at 9:00 a.m.

I. INTRODUCTION OF MEETING

II. APPROVAL OF AGENDA

MOTION: Mr. Harris moved, seconded by Mr. Henderson, to approve the Agenda.

Motion passed unanimously.

III. APPROVAL OF MINUTES

A. Disability Meeting of March 4, 2013.

MOTION: Mr. Goulet moved, seconded by Mr. Harris, to approve the minutes of March 4, 2013.

Motion passed unanimously.

IV. CONSENT AGENDA

THE FOLLOWING ITEMS ARE ANTICIPATED TO BE ROUTINE AND NON-CONTROVERSIAL. CONSENT ITEMS WILL BE APPROVED WITH ONE MOTION IF NO MEMBER OF THE BOARD WISHES TO COMMENT OR ASK QUESTIONS. IF COMMENT OR DISCUSSION IS DESIRED, THE ITEM WILL BE REMOVED FROM THE CONSENT AGENDA AND TRANSFERRED TO THAT SECTION OF THE AGENDA DEEMED APPROPRIATE BY THE CHAIR.

A. Regular and Deferred Retirements and Survivors Continuances for the Month of February 2013.

B. Report of Checks Disbursed in February 2013.

C. Asset Allocation as of February 2013.

D. Statement of Plan Net Assets, Statement of Changes in Plan Net Assets, and Investments & Cash Equivalents for the Month Ended December 31, 2012.

E. Budget Summary – Year to Date as of February 2013, Fiscal-Year 2012-13.

MOTION: Mr. Harris moved, seconded by Mr. Henderson, to approve the Consent Agenda.

Motion passed unanimously.

END OF CONSENT AGENDA

V. INVESTMENT INFORMATION

- A. Private Equity Market Environment. Russ Charvonia, ChFC, CFP®, Esq. and Kevin Chen.

No Action Taken.

Mr. Solis left the meeting at 9:03 a.m.

- B. Private Equity Search Presentation along with finalist profiles. Russ Charvonia, ChFC, CFP®, Esq. and Kevin Chen.

No Action Taken.

- C. Pantheon (30 minutes). Jeff Lumbard, Matt Garfunkle.

No Action Taken.

- D. HarbourVest (30 minutes). Brett Gordon, Greg Stento, Aris Hatch.

No Action Taken.

Mr. C. Johnston left the meeting at 10:25 a.m.

- E. Adams Street Partners (30 minutes). Hanneke Smits, Gary Fencik, Scott C. Hazen.

No Action Taken.

- F. Commonfund (30 minutes). Sue Carter, Greg Jansen, Will Cazalet.

No Action Taken.

- G. Portfolio Advisors (30 minutes). Paul Crotty, Gregory Garrett.

No Action Taken.

- H. Private Equity Funding Decision.

Following discussion by the Board, staff and Hewitt EnnisKnupp, the following motion was made:

MOTION: Judge Hintz moved, seconded by Mr. Henderson, to split the \$150,000,000 allocation 50/50 between core and secondary private equity fund of funds mandates.

Motion passed unanimously.

V. **INVESTMENT INFORMATION (continued)**

After further discussion, the following motion was made:

MOTION: Judge Hintz moved, seconded by Mr. T. Johnston, to award HarbourVest the \$75,000,000 secondaries mandate.

Motion passed unanimously.

The Board directed Hewitt EnnisKnupp to negotiate the fees with HarbourVest based on the larger mandate with staff reporting back at the April 1, 2013 Disability Meeting.

After further discussion, the following motion was made:

MOTION: Mr. Towner moved, seconded by Judge Hintz, to award Adams Street Partners the \$75,000,000 core mandate.

Motion passed unanimously.

The Board directed Hewitt EnnisKnupp to obtain a revised fee schedule based on the smaller mandate with staff reporting back at the April 1, 2013 Disability Meeting.

I. Hewitt EnnisKnupp, Russ Charvonja, ChFC, CFP®, Esq. and Kevin Chen.

1. Monthly Manager Performance Report, February 2013.

MOTION: Mr. Towner moved, seconded by Mr. Harris, to receive and file the Monthly Manager Performance Report, February 2013.

Motion passed unanimously.

VI. **NEW BUSINESS**

A. SACRS Board of Directors Elections 2013-2014 Recommended Ballot.

MOTION: Mr. Henderson moved, seconded by Mr. T. Johnston, to receive and file the SACRS Board of Directors Elections 2013-2014 Recommended Ballot.

Motion passed unanimously.

VII. PUBLIC COMMENT

Staff reported that the Ad Hoc RFP Committee met on March 14, 2013, and that the Request for Proposal would be posted on the VCERA website by end of the day.

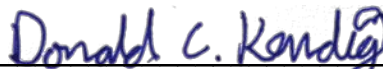
VIII. BOARD MEMBER COMMENT

Mr. Goulet verified the need for an investment attorney to review the investment materials for the private equity decisions and staff responded that it will submit a Board request to engage an investment at the April 1, 2013 Disability Meeting when the updated fee schedules are reviewed.

IX. ADJOURNMENT

The meeting was adjourned at 12:52 p.m.

Respectfully submitted,



DONALD C. KENDIG, CPA, Retirement Administrator

Approved,

WILLIAM W. WILSON, Chairman

VENTURA COUNTY EMPLOYEES' RETIREMENT ASSOCIATION

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Ventura, CA 93003-6572
(805) 339-4250 • Fax: (805) 339-4269
<http://www.ventura.org/vcera>

April 1, 2013

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

SUBJECT: DISABILITY PROCESS REVIEW AND EDUCATIONAL PRESENTATION

Dear Board Members:

Background

On February 4, 2013, the Board authorized staff to contract with Annette Paladino for the purposes of reviewing VCERA's disability processes, procedures and forms. There have been concerns about the current procedures - mainly timeline and quality. In addition, there have been concerns about trustee training.

Annette Paladino

Under this item, staff plans to formally introduce Annette Paladino at the meeting. As background, Ms. Paladino has a B.S. in biological science from the State University of New York at Albany, an M.S. in psychology from the University of Southern California, and a paralegal degree from the University of California at Santa Barbara. In 1989, following a lengthy teaching career with the Los Angeles Unified School District, Ms. Paladino joined the Santa Barbara County Employees' Retirement System (SBCERS). While at SBCERS, she held the positions of Benefits Specialist (1989-91), Disability Retirement Investigator (1992) and Disability Retirement Program Manager (1998-2010). Ms. Paladino also served for many years as a program developer/trainer for the State Association of County Retirement Systems (SACRS) and the California Association of Public Employees Retirement Systems (CALAPRS). She was also a frequent presenter and moderator on disability retirement topics at SACRS conferences from 2003-2009. Ms. Paladino retired from SBCERS in January 2010, and currently is self-employed as a pension plan consultant on disability retirement matters.

DISABILITY PROCESS REVIEW AND EDUCATIONAL PRESENTATION

April 1, 2013

Page 2 of 3

Status Report

Annette will provide an oral status report on her activities over the last two months. In summary, Annette has revamped the attached disability application providing more guidance to the applicant and soliciting questions that provide better information for Risk Management, helping to expedite the analysis and investigation of the application. Annette has reviewed current procedures and documented potential strengths and weaknesses and is formulating recommended changes to be reviewed by your Board by the end of the current fiscal year, or early next. Annette will be presenting an overview of the current program at today's Board meeting. She is facilitating process improvement discussions with County Risk Management and lastly, she has prepared a 20-minute educational presentation on the disability process as it stands now, for an executive level overview.

Disability Retirement 101: Elements of an Effective Disability Retirement Program

The attached presentation provides the four critical elements of an effective disability retirement program, which are: 1) Fulfills the Board's fiduciary responsibility to the applicant and the fund, 2) Correctly identifies qualified applicants, 3) Meets due process requirements, and 4) Is time and cost efficient. Annette will walk the Board through the details, answering questions along the way. It is estimated to take 20 minutes.

Current Program – Risk Management Disability Program

The attached program diagram outlines the staffing, work flow, and staffing roles and responsibilities (duties). Annette will also walk the Board through who does what, the advantages, and the disadvantages of the current program.

Proposed Application for Disability Retirement Packet

The attached proposed application for disability retirement packet 1) Clearly denotes each part, 2) Provides the applicable Government Code sections as guidance, 3) Separates and refines the medical questionnaire, 4) Elaborates upon and clarifies the authorization for release of records for fulfillment by multiple sources, 5) Provides the addition of a treating physician statement that can serve as a helpful filter or investigative resource, and 6) Provides the addition of a counseling acknowledgement, protecting VCERA.

**DISABILITY PROCESS REVIEW
AND EDUCATIONAL PRESENTATION**

April 1, 2013

Page 3 of 3

Conclusion

In conclusion, a wide range of possibilities exist for the Board. Micro changes or initiatives can be made reasonably easily, with major results, shortening case processing times and improving work product. Then, there are more moderate changes requiring additional effort that can bring about even further improvement in the quality of the disability case management. Lastly, a possible overhaul of the system could be undertaken, bringing the investigation of the disability cases in-house; however, staff would not recommend consideration of this action until after the completion of the new pension administration system upgrade.

It is recommended that your Board approve the proposed disability application, and receive and file the Disability 101 presentation and current process diagram. Annette will return on May 6, 2013 to provide additional education, covering the legal standards for a disability application, and to review proposed hearing officer report, staff report, and risk management medical analysis report templates.

I would be pleased to respond to any questions you may have on this matter.

Sincerely,



Donald C. Kendig, CPA
Retirement Administrator

Attachments

DISABILITY RETIREMENT

“101”



Trustee Training

ELEMENTS
of an
EFFECTIVE
DISABILITY RETIREMENT PROGRAM





CRITICAL ELEMENTS

The program must:

1. Fulfill Board's **fiduciary responsibility** to the individual member and to the fund as a whole.
2. **Correctly identify applicants** who qualify for the benefit under the CERL and applicable case law.
3. Meet the requirements of **due process** for the participants
4. Be **time and cost efficient**.



FULFILLING THE BOARD'S FIDUCIARY DUTY

- The Board must guarantee the **fairness** of the process through adequate oversight of the procedures.
- The Board must guarantee the **accuracy** of the process by designing procedures around the correct legal standards.
- The Board must retain staff, counsel, medical experts, hearing officers and other agents to carry out the process in a **lawful and competent** manner.
- The **Board must educate itself** on the applicable law to enable knowledgeable and defensible decision making.



CORRECTLY IDENTIFY QUALIFIED APPLICANTS

The program should:

- Apply only the legal standards of the CERL and the applicable case law
- Distinguish between the Disability Retirement and the Workers Compensation legal schemes
- Conduct a complete investigation of the applicant, the medical issues, the workplace, all witnesses
- Assemble a full evidentiary record, including pertinent expert medical opinion, personnel information, reasonable accommodation data, etc
- Look to counsel for guidance in applying the law and recommending Board action

DUE PROCESS

The process must:

- Adjudicate applications in a timely manner
- Take steps to avoid unreasonable delay
- Notice the parties of key events and appearances
- Conduct hearings in a courteous, professional manner and in accordance with applicable administrative law
- Provide opportunities for applicant and parties to be heard
- Provide opportunities for appeal of Board actions





TIME/COST CONSIDERATIONS

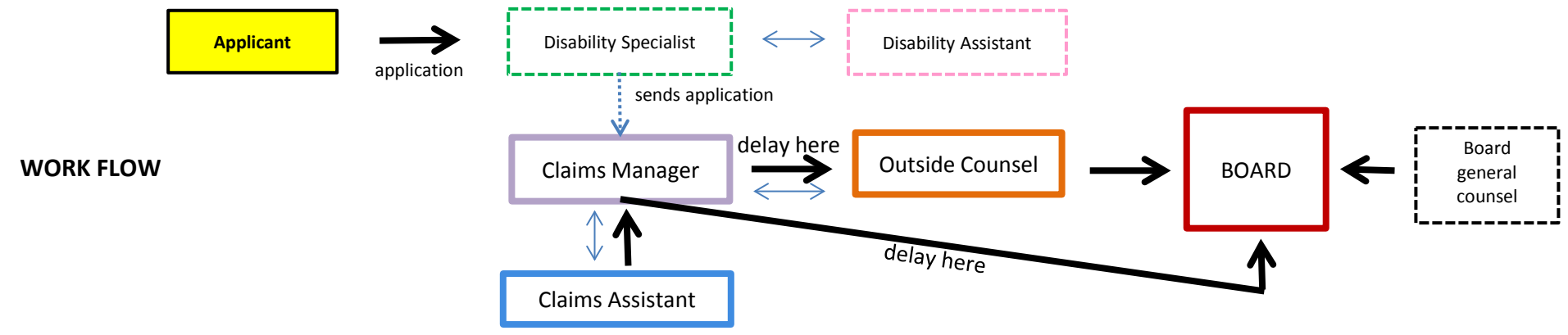
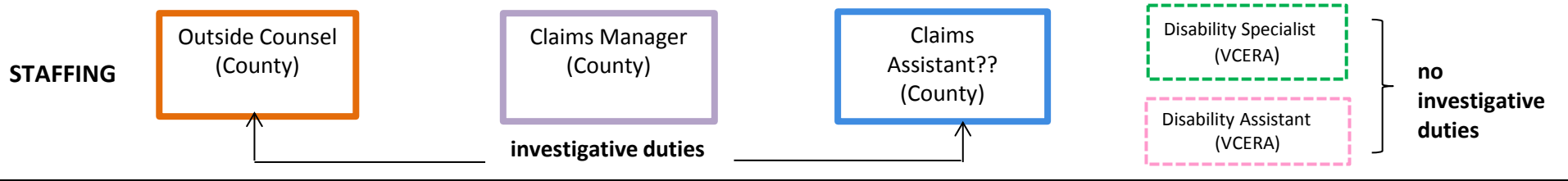


- The Board must adequately staff the program to insure that investigations are completed and recommendations brought to the Board in a timely manner.
- Procedure timelines should be periodically reviewed to identify bottlenecks that unreasonably delay adjudication of applications, and to implement effective remedies.
- The Board should evaluate whether assurance of a quality program necessitates and justifies increased use of system funds to finance additional aspects of the program, including payment for expert medical examinations, sub rosa investigations, medical records, legal counsel, etc .

QUESTIONS



CURRENT PROGRAM - RISK MANAGEMENT DISABILITY PROGRAM



- DUTIES**
- Claims Assistant:** sends out subpoenas for records; researches online record sources; copies documents; sets up medical appointments; sends records to examining doctors; follows up on record requests; arranges for copy service; assembles medical documents; prepares medical file for Claims Manager; assembles Board agenda item
 - Claims Manager:** Supervises /directs work of Claims Assistant; plans/implements investigative steps; reads medical record; culls medical records; investigates reasonable accommodation; retains professional to draft job analysis; retains AME/QME; communicates w/ examining physician; reviews AME/QME reports; analyses case; determines employer's position regarding application merits; drafts Medical Analysis; presents cases to Board; prepares Board agenda item packet; retains outside disability counsel; discusses cases with counsel; transfers case to counsel; attends hearings
 - Outside Counsel:** Reads case documents; directs additional investigation; determines need for medical exam; prepares legal analysis; discusses case w/ Claims Manager; represents employer at hearing; argues evidence at hearings; prepares hearing briefs; files objections to Hearing officer report; replies to applicant objections; makes Board appearances
 - Disability Specialist:** Counsels member; sends application to Risk M; grants extensions ; issues notices; sets hearing date; indexes evidence; maintains disability progress report; calendars deadlines; makes Board appearances
 - Disability Assistant:** Receives application; reviews for completeness; forwards application to Disability Specialist; copies documents; sends out notices; assembles Board package
 - Board General Counsel:** Responds to Writ of Mandate; compiles court record; makes Board appearances; advises Board on disability law

CURRENT PROGRAM - RISK MANAGEMENT DISABILITY PROGRAM

ADVANTAGES

1. Minimal cost

Board pays only for:

- Disability Specialist salary and benefits
- Disability Assistant salary and benefits
- Hearing Officer fees

Board does **not pay** for:

- Investigative staff salary and benefits
- Most medical examinations
- Medical records/copy services
- Outside counsel services

2. Professional Expertise

Risk Management investigative staff has experience processing personal injury claims.

3. Reasonable Accommodation

Risk Management is in a good position to investigate reasonable accommodation.

DISADVANTAGES

1. The Board has no direct oversight of the investigative process.
2. It appears that Risk Management is acting, by nature, as the employer adversarial interested party regarding the application instead of acting as a neutral agent of the Retirement Board.
3. The current process does not explicitly separate pertinent disability retirement legal standards and inquiries from those applicable to the Workers Compensation law.
4. The Board has no procedures for evaluating the quality of the investigative process.
5. The Board has limited control of the source of current delays.
6. The Board has limited control over the job performance of the investigative staff.
7. The Board has limited input into the selection of disability counsel.
8. The Board has no representation at hearing and cannot assess the hearing officer performance or the hearing environment.
9. The timeline for adjudication of the applications is too long.

APPLICATION FOR DISABILITY RETIREMENT PACKET

- Enclosed: (1) The application for disability retirement benefits
(2) The VCERA Disability Hearing Procedures.

APPLICATION

The application consists of 5 parts:

- **Part A: Applicant Information**
- **Part B: Applicant Medical Questionnaire**
- **Part C: Authorization for Release of Records**
- **Part D: Physician Statement**
- **Part E: Counseling Acknowledgement and Waiver**

Directions for completing the application:

Parts A, B, C, E: The applicant must complete Parts A, B, C, E in black/blue ink – typed or hand printed. Please answer all questions. Add additional sheets, as necessary.

Part D: The physician who is treating applicant for the medical condition that is the subject of this application must complete Part D, and attach all applicant treating records. Any fee charged for completing Part D will be borne by the applicant.

PLEASE NOTE: Applicant must submit to VCERA, *in duplicate*, the completed Parts A, B, C, D and E, and the supporting medical records.

DISABILITY RETIREMENT HEARING PROCEDURES (“Procedures”)

The attached “Procedures” explain the process the Board of Retirement uses to evaluate and determine applications for disability retirement. If you are represented by legal counsel in this matter, please provide a copy of the procedures to your attorney. The “Procedures” are also available at the VCERA website listed above.

If you have questions regarding how to complete the application or need clarification on any aspect of the disability retirement process, please contact VCERA at (805) 339-4250.



Retirement Use Only:	Case #	File Date	Hire Date	Years of Service
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APPLICATION FOR DISABILITY RETIREMENT – PART A APPLICANT INFORMATION

APPLICATION FILED BY: (G.C.§ 31721) Member Spouse: name _____
 County: department _____ District: name _____
 Other (relationship to applicant): _____

MEMBER INFORMATION

Name _____ SSN _____ Birthdate _____ Age _____
Residence _____
Street address _____ City _____ State _____ Zip code _____
Phones: Home _____ Cell _____ Work _____ Email address _____

DEPENDENTS INFORMATION

Spouse name _____ Birthdate _____ Marriage date _____
Children under 18 years old: name, birth date _____

MEMBER EMPLOYMENT INFORMATION

Employer: County department _____ District name _____ Superior Court
Job title of position for which you believe you are disabled _____ Work location _____
Work Status: Currently working: Hours per week _____ Off Work: date last worked _____
 Resigned: Date _____ Terminated: Date _____ Other _____

Check each that applies to your current pay status

<input type="checkbox"/> On sick leave	<input type="checkbox"/> Receiving County pay: sick pay, holiday, vacation	<input type="checkbox"/> Receiving no County pay	<input type="checkbox"/> Receiving SDI State disability insurance payments	<input type="checkbox"/> Receiving long term disability payments
<input type="checkbox"/> On Workers Compensation leave	<input type="checkbox"/> Receiving County pay: sick pay, holiday, vacation	<input type="checkbox"/> Receiving no County pay	<input type="checkbox"/> Receiving 4850 Safety Work Comp temporary disability pay	<input type="checkbox"/> Receiving TTD - Work Comp Total Temporary Disability pay <input type="checkbox"/> Receiving PD - Work Comp Permanent Disability payments

DISABILITY TYPE

I am applying for: Nonservice-connected disability retirement Service-connected disability retirement

A BOARD FINDING OF PERMANENT INCAPACITY, BUT NO SERVICE-CONNECTION (§ 31725.8)

Government Code § 31725.8 (**attached**) provides that if the Board of Retirement finds an applicant for service-connected disability retirement permanently incapacitated, but the incapacity is **not** due to County/District/Court employment, the Board may grant the applicant a nonservice-connected disability retirement (providing applicant has 5 years of service credit). If the applicant accepts the nonservice-connected disability retirement, the applicant will be retired, placed on the retiree payroll and may continue to appeal his/her entitlement to service-connected disability retirement. If the applicant's disability is later found to be service-connected, appropriate adjustments will be made in his/her disability retirement allowance. If the applicant's service-connected application is ultimately denied, the applicant may forfeit his reinstatement rights under the provisions of Government Code § 31725 (**attached**).

I have read the provisions of Government Code §§ 31725 and 31725.8, and I elect as follows:

- If the Board finds that I am permanently incapacitated, but that my disability is not due to my County/District/Court employment, I will accept a nonservice-connected disability retirement while appealing my entitlement to service-connected disability retirement. I understand that by accepting a nonservice-connected disability retirement, I will be ending my County/District/Court employment. I further understand that if my service-connected disability application is ultimately denied, I may forfeit my rights to return to work under Government Code § 31725.
- If the Board finds that I am permanently incapacitated, but that my disability is not due to my County/District/Court employment, I will decline a nonservice-connected disability retirement while continuing to appeal my entitlement to service-connected disability retirement.
- At this time, I am undecided; please ask me later in the process.

RE-EMPLOYMENT IN LIEU OF DISABILITY RETIREMENT (§§ 31725.5, 31725.6, 31725.65)

Government Code §§ 31725.5, 31725.6 and 31725.65 (**attached**) provide that if the Board finds an applicant permanently incapacitated, but able to perform other duties in County/District/Court service, the Board shall inform the employer. If the employer offers a position in a different job class that does not exceed applicant's functional limitations, the applicant may accept such a position in lieu of a disability retirement. If the compensation rate of the new position is less than that of applicant's former position, VCERA will pay applicant the difference. Also, safety members retain safety membership when placed in a non-safety position.

I have read the attached statutes describing the provisions of Government Code Sections 31725.5, 31725.6 and 31725.65. I understand my rights under the statute, and I make the following election.

- In the event that I am found to be permanently incapacitated from performing my usual duties, but able to perform other County/District/Court duties, **I am interested in a rehabilitation/re-employment plan** to explore placing me in another County/District/Courts job classification, in lieu of receiving a disability retirement allowance. I understand that if the pay rate of the new position is less than that of the position from which I am permanently incapacitated, VCERA will pay me the difference between the rates.
- In the event that I am determined to be permanently incapacitated from performing my usual duties, but able to perform other duties in County/District/Courts service, **I am not interested in a rehabilitation/re-employment plan to return to work** in another County/District/Court job class in lieu of receiving a disability retirement allowance.
- I am not currently interested in a rehabilitation/re-employment plan to be placed in another position within County/District/Court service in a different job classification. However, in the event I am found to be permanently incapacitated from performing my usual duties, **I would like to be contacted and provided with further information regarding my available options at that time.**

SERVICE RETIREMENT PENDING DETERMINATION OF DISABILITY APPLICATION (§ 31725.7)

Government Code § 31725.7 provides that an applicant for disability retirement who meets the age and service requirement, may retire for service at any time during the pendency of his disability application. If the applicant elects service-retirement, he/she will be retired and placed on the retiree payroll ending his/her County/District/Court employment. If his/her disability retirement application is ultimately granted, an appropriate adjustment, if applicable, to his/her retirement allowance will be made. **If his disability application is denied, the applicant shall not be entitled to return to his job as provided in Government Code Section 31725.**

I read the attached copies of Government Code §§ 31725.7 and 31725:

- I am eligible for service retirement and I wish to retire for service prior to the final determination of my disability retirement application. I understand that if my disability retirement application is ultimately denied, I am not entitled to return to work under the provisions of Government Code § 31725. I will contact my Benefits Specialist to set up a service retirement appointment.
- I am eligible for service retirement, but I **do not, at this time,** wish to retire for service prior to the final determination of my disability retirement application. If I later decide to retire for service prior to the determination of my entitlement to disability retirement, I will contact VCERA.
- I am currently not eligible for service retirement, but if I become eligible prior to the determination of my disability application, and wish to retire for service at that future time, I will contact VCERA.

I swear, under penalty of perjury, pursuant to California law, that the foregoing information that I provided is true and correct.

Name _____ executed on (Date) _____ at _____, CA.

DISABILITY RETIREMENT APPLICATION PART A - ATTACHMENT

GOVERNMENT CODE SECTIONS

Government Code § 31725: Appeal of denial; reinstatement to work

Permanent incapacity for the performance of duty shall in all cases be determined by the board.

If the medical examination and other available information do not show to the satisfaction of the board that the member is incapacitated physically or mentally for the performance of his duties in the service and the member's application is denied on this ground the board shall give notice of such denial to the employer. The employer may obtain judicial review of such action of the board by filing a petition for a writ of mandate in accordance with the Code of Civil Procedure or by joining or intervening in such action filed by the member within 30 days of the mailing of such notice.

If such petition is not filed or the court enters judgment denying the writ, whether on the petition of the employer or the member, and the employer has dismissed the member for disability **the employer shall reinstate the member to his employment** effective as of the day following the effective date of the dismissal. (*Emphasis added*)

Government Code § 31725.7: Service retirement pending determination of disability retirement

At any time after filing an application for disability retirement with the board, the member may, if eligible, apply for, and the board in its discretion may grant, a service retirement allowance pending the determination of his entitlement to disability retirement. If he is found to be eligible for disability retirement, appropriate adjustments shall be made in his retirement allowance retroactive to the effective date of his disability retirement as provided in Section 31724.

This section shall not be construed to authorize a member to receive more than one type of retirement allowance for the same period of time nor to entitle any beneficiary to receive benefits which the beneficiary would not otherwise have been entitled to receive under the type of retirement which the member is finally determined to have been entitled. **In the event a member retired for service is found not to be entitled to disability retirement he shall not be entitled to return to his job as provided in Section 31725.** (*Emphasis added*)

If the retired member should die before a final determination is made concerning entitlement to disability retirement, the rights of the beneficiary shall be as selected by the member at the time of retirement for service. The optional or unmodified type of allowance selected by the member at the time of retirement for service shall also be binding as to the type of allowance the member receives if the member is awarded a disability retirement.

Government code § 31725.5: Re-employment in lieu of NSCD retirement

If the board finds, on medical advice, that a member in county employment, although incapacitated for the performance of his duties, is capable of performing other duties in the service of the county, the member shall not be entitled to a disability retirement allowance if any competent authority in accordance with any applicable civil service or merit system procedures offers and he accepts a transfer, reassignment, or other change to a position with duties within his capacity to perform with his disability. If this new position returns to the member compensation less than that of the position from which he was disabled, the board, in lieu of a disability retirement allowance, shall pay him the difference in such compensation until the compensation of the new position equals or exceeds the compensation (including later changes) of the former position, but such amount shall not exceed the amount to which he would otherwise be entitled as a disability retirement allowance. Such payments in lieu of disability retirement allowance shall be considered as a charge against county advance reserve for current service.

If a new position cannot be arranged at the time of eligibility for disability retirement allowance, such disability retirement allowance to which the member is entitled under this article shall be paid until such time as a new position is available and accepted. If a disability retirement allowance is paid and the member later accepts such a new position, the period while on disability retirement shall not be considered as breaking the continuity of service and his rate of contributions shall be based on the same age as it was at the date of disability. The member's accumulated contributions shall be the same as at the date his disability retirement began less the amount charged to his accumulated normal contributions.

Nothing in this section shall be construed to require a member to accept reassignment or transfer in lieu of a disability retirement allowance.

The provisions of this section become effective in any county only when the board of supervisors adopts an ordinance providing for their implementation by the board of retirement which may include application to persons retired for disability before such effective date.

The provisions of this section shall only apply to members eligible to retire for nonservice-connected disability.

Government Code § 31725.6: Rehab/Re-employment in lieu of SCD retirement

(a) When the board finds, based on medical advice, that a member in county service is incapacitated for the performance of the member's duties, the board shall determine, based upon that medical advice, whether the member is capable of performing other duties. If the board determines that a member, although incapacitated for the performance of the member's duties, is capable of performing other duties, the board shall inform the appropriate agency in county service of its findings and request that the agency immediately initiate a suitable rehabilitation program for the member pursuant to Section 139.5 of the Labor Code, whereby the member could become qualified for assignment to a position in county service consistent with the rehabilitation program.

(b) When the appropriate agency in county service receives such a request from the board, the agency shall immediately refer the member to a qualified rehabilitation representative for vocational evaluation. During the course of the evaluation, the rehabilitation representative shall consult with the appropriate agency in county service to determine what position, if any, in county service would be compatible with the member's aptitudes, interests, and abilities and whether rehabilitation services will enable the member to become qualified to perform the duties of the position.

(c) Upon completion of the vocational evaluation of the member, the rehabilitation representative shall develop a suitable rehabilitation plan and submit the plan for concurrence by the member and the appropriate agency in county service and, thereafter, the agency shall forward the plan to the Division of Industrial Accidents for approval pursuant to Section 139.5 of the Labor Code.

(d) Upon receipt of approval of the rehabilitation plan, the appropriate agency in county service shall notify the board that the agency is either proceeding to implement an approved rehabilitation plan that will qualify the member for a position in county service specified in the plan or is unable to provide a position in county service compatible with the approved rehabilitation plan.

(e) Upon commencement of service by the member in the position specified in the approved rehabilitation plan, the member shall not be paid the disability retirement allowance to which the member would otherwise be entitled during the entire period that the member remains in county service. However, if the compensation rate of the position specified in the approved rehabilitation plan is less than the compensation rate of the position for which the member was incapacitated, the board shall, in lieu of the disability retirement allowance, pay to the member a supplemental disability allowance in an amount equal to the difference between the compensation rate of the position for which the member was incapacitated, applicable on the date of the commencement of service by the member in the position specified in the approved rehabilitation plan, and the compensation rate of the position specified in the plan, applicable on the same date. The supplemental disability allowance shall be adjusted annually to equal the difference between the current compensation rate of the position for which the member was incapacitated and the current compensation of the position specified in the approved rehabilitation plan. The supplemental disability allowance payments shall commence upon suspension of the disability retirement allowance and the amount of the payments shall not be greater than the disability retirement allowance to which the member would otherwise be entitled. Supplemental disability allowance payments made pursuant to this section shall be considered as a charge against the county advance reserve for current service, and all of these payments received by a member shall be considered as a part of the member's compensation within the meaning of Section 31460.

(f) From the time that the member is eligible to receive a disability retirement allowance until the appropriate agency is able to provide the position in county service specified in the approved rehabilitation plan, and the member has commenced service in that position, the disability retirement allowance to which the member is entitled under this article shall be paid. Upon commencement of service by the member in the position specified in the approved rehabilitation plan, the period during which the member was receiving disability retirement payments shall not be considered as breaking the continuity of the member's service, and the rate of the member's contributions shall continue to be based on the same age at entrance into the retirement system as the member's rates were based on prior to the date of the member's disability. The member's accumulated contributions shall not be reduced as a result of the member receiving the disability retirement payments, but shall be increased by the amount of interest that would have accrued had the member not been retired.

(g) Notwithstanding Section 31560, a member whose principal duties, while serving in the position for which the member was incapacitated, consisted of activities defined in Section 31469.3 shall, upon commencement of service by the member in the position specified in the approved rehabilitation plan, continue to be considered as satisfying the requirements of Section 31560, notwithstanding the actual duties performed during the entire period that the member remains in county service.

(h) If, within one year from the date that the member has been eligible for a disability retirement allowance, the appropriate agency in county service has offered to the member, in writing, the position specified in the rehabilitation plan which had previously been concurred, in writing, by the member and approved by the Division of Industrial Accidents pursuant to Section 139.5 of the Labor Code, the member shall, within 30 days of receipt of the notice, report for duty at the location specified in the notice. If the member refuses to report for duty within the time specified, the appropriate agency in county service may apply to the board to have the member's allowance discontinued. The board shall be authorized to discontinue the member's disability retirement allowance if based upon substantial evidence of the refusal of the member to report to work without reasonable cause. However, the board shall not be authorized to impair any other of the rights or retirement benefits to which the member would otherwise be entitled.

(i) This section shall apply only to members who were incapacitated for the performance of the member's duties prior to January 1, 2004, and who are eligible to retire for service-connected disability.

Government Code § 31725.65: Re-employment in lieu of SCD retirement

(a) When the board finds, based on medical advice, that a member in county service is incapacitated for the performance of the member's duties, the board shall determine, based upon that medical advice, whether the member may be capable of performing other duties. If the board determines that a member, although incapacitated for the performance of the member's duties, is capable of performing other duties, the board shall notify the appropriate agency in county service of its findings.

(b) When the appropriate agency in county service receives that notification from the board, the agency shall immediately inform the member of any vacant county positions that may be suitable for the member, consistent with his or her disability, and shall consult with the member in an effort to develop a reemployment plan that shall identify what position, if any, in county service would be compatible with the member's aptitudes, interests, and abilities.

(c) Upon approval by the member of the reemployment plan, the appropriate agency in county service shall notify the board that the agency is proceeding to implement the approved reemployment plan.

(d) Upon commencement of service by the member in the position specified in the approved reemployment plan, the member shall not be paid the disability retirement allowance to which the member would otherwise be entitled during the entire period that the member remains in county service. However, if the compensation rate of the position specified in the approved reemployment plan is less than the compensation rate of the position for which the member was incapacitated, the board shall, in lieu of the disability retirement allowance, pay to the member a supplemental disability allowance in an amount equal to the difference between the compensation rate of the position for which the member was incapacitated, applicable on the date of the commencement of service by the member in the position specified in the approved reemployment plan, and the compensation rate of the position specified in the plan, applicable on the same date. The supplemental disability allowance shall be adjusted annually to equal the difference between the current compensation rate of the position for which the member was incapacitated and the current compensation of the position specified in the approved reemployment plan. The supplemental disability allowance payments shall commence upon suspension of the disability retirement allowance and the amount of the payments shall not be greater than the disability retirement

allowance to which the member would otherwise be entitled. Supplemental disability allowance payments made pursuant to this section shall be considered as a charge against the county advance reserve for current service, and all of these payments received by a member shall be considered as a part of the member's compensation within the meaning of Section 31460.

(e) From the time that the member is eligible to receive a disability retirement allowance until the appropriate agency is able to provide the position in county service specified in the approved reemployment plan, and the member has commenced service in that position, the disability retirement allowance to which the member is entitled under this article shall be paid. Upon commencement of service by the member in the position specified in the approved reemployment plan, the period during which the member was receiving disability retirement payments shall not be considered as breaking the continuity of the member's service, and the rate of the member's contributions shall continue to be based on the same age at entrance into the retirement system on which the member's rates were based prior to the date of the member's disability. The member's accumulated contributions shall not be reduced as a result of the member receiving the disability retirement payments, but shall be increased by the amount of interest that would have accrued had the member not been retired.

(f) Notwithstanding Section 31560, a member whose principal duties, while serving in the position for which the member was incapacitated, consisted of activities defined in Section 31469.3 shall, upon commencement of service by the member in the position specified in the approved reemployment plan, continue to be considered as satisfying the requirements of Section 31560, notwithstanding the actual duties performed during the entire period that the member remains in county service.

(g) This section shall apply only to members who are incapacitated for the performance of the member's duties on or after January 1, 2004, and who are eligible to retire for service-connected disability.

VENTURA COUNTY EMPLOYEES' RETIREMENT ASSOCIATION
APPLICATION FOR DISABILITY RETIREMENT – PART B
MEDICAL QUESTIONNAIRE

Please complete - printed or typed in black/blue ink. Add additional sheets as necessary. Falsifying information on applications for disability retirement benefits is a crime.

1. The medical condition that is the subject of this application is

an injury an illness

If you checked "an illness" skip to question # 4.

2. Describe your injury

3. Is your **injury** the result of:

an accident? **cumulative trauma** (injury occurring gradually over time)

If you checked cumulative trauma, skip to question 3B

3. A. Did the accident occur at work? Yes No

• Date/Time of accident _____

• Location of accident _____

• Witness names/phone _____

Describe how the accident occurred _____

7. Of the usual duties that you actually performed during the period that your injury occurred or illness arose, list those duties that you **cannot now perform**, and indicate **why your present medical condition prevents you from performing those duties**.

8. List the doctors (or medical facilities) who treated you **for the injury/illness that is the subject of this application**.

Doctor/Medical Facility	Address	Phone

9. Have you ever been treated for a similar injury/illness in the **past**? [] Yes [] No

If "Yes", provide the treatment dates and the names/address of the treating doctors/facilities:

Treatment Dates	Doctor/Hospital Name	Doctor/Hospital Address	Doctor/Hospital Phone

10. Are you currently self-employed or working for an employer other than Ventura County/District/Courts? [] Yes [] No

If "yes", list all current self-employment and current employment with other employers:

Current Self-Employment Business Name/Type	Job Duties	Hours per week	Employment Dates

Other Current Employers Name/Address/Phone	Job Duties	Hours per week	Employment Dates

11. **Former Employers:** List names, addresses/phone numbers of all former employers (including other County Departments) over the past 10 years.

Former employer name, address, phone number	Employment dates

12. Have you previously applied for or received Workers Compensation benefits, disability pensions, medical awards, lawsuit settlements or compensation of any kind from **any source**, including Ventura County/ District/Courts for this injury/illness or another injury/illness? Yes No

If “yes”, explain sources, type, and dates:

13. **Effective Date:** A disability retirement generally becomes effective the later of the day the application is filed, or the day after the last day you received regular compensation (pay for work, sick pay, vacation pay, holiday pay, etc.). You may be entitled to an effective date earlier than your application date, if you were delayed in filing due to administrative oversight or inability to ascertain the permanency of your disability. However, in no case can your disability retirement be effective prior to your last day of regular compensation or prior to your last day of receiving payments under Division 4 of the Labor Code.

- I am still receiving regular compensation or Workers Compensation disability payments from my employer.
- I am no longer receiving any form of regular compensation or Workers Compensation disability payments from my employer.
- I am applying for an effective date earlier than the file date of this application because I was delayed in filing.

State the facts that you contend delayed your filing:

14. **REPRESENTATION:**

I am represented in this proceeding by legal counsel:

Counsel Name _____ Phone _____

Counsel Address _____

I am not currently represented by legal counsel. If I later retain counsel, I will notify VCERA of my counsel's name, address and phone number.

I, the undersigned, state that I have completed this application truthfully and to the best of my ability and knowledge. I was offered counseling about this process by the VCERA staff and was provided a copy of the Disability Retirement Hearing Procedures.

I declare under California perjury laws the information I provided in this application is true and correct.

Executed on (date) _____ at _____, California.

Member Signature _____

*Employer Signature _____ Title _____ Date _____

*required only if employer is applying on behalf of member

APPLICATION FOR DISABILITY RETIREMENT – PART C
AUTHORIZATION FOR RELEASE OF RECORDS

To Medical Provider: _____
(Risk Management to complete)

To Other: _____
(Risk Management to complete)

RE: Member Name _____
(Member to complete)

1. MEDICAL RECORDS

I hereby authorize all doctors/facilities from whom I have received treatment and request you to permit the County of Ventura (Risk Management) and any authorized agent thereof, to inspect and copy all records of whatever nature in your possession or under your control, without omission, pertaining to any physical or mental health care or examination I have received from any source, including (but not limited to) intake documents, personal history questionnaires, progress notes, Workers Compensation forms, job descriptions, excuse from work notes, return to work notes, all reports, diagnostic test results, correspondence, memoranda, and notes, whether typed or handwritten. If any such records pertain to my psychological condition or use of alcohol, drugs, or other substances, their release is hereby specifically authorized.

To the extent that the confidentiality of any of these records may be protected by state or federal law, I waive the same because the records may be relevant to matters that are properly the subject of this investigation. I understand and acknowledge that records disclosed pursuant to this authorization may be further disclosed to individuals assisting in the investigation to determine my entitlement to disability retirements, including interested parties, attorneys, independent medical examiners, hearing officers, court reporters and Board trustees. If an appeal of a Board action is filed with the Superior Court, I understand that such records may become part of the court file.

2. WORKERS COMPENSATION RECORDS

I hereby authorize and request you to permit "Risk Management" and any authorized agent thereof, to inspect and copy all records of whatever nature in your possession or under your control, without omission, pertaining to my Workers Compensation claims including (but not limited to), subpoenaed medical records, treating physician medical records, P & S reports, IME, QME or AME medical reports and records, fitness for duty reports, pre-employment and periodic health examinations, Workers Compensation claim forms, claimant deposition transcripts, physician deposition transcripts, witness statements, investigative reports, excuse from work notes, return to work notes, correspondence to/from physicians, job descriptions, job analysis reports, RU 91 forms, RU 94 forms, written offers of modified work or offered reasonable accommodations, vocational rehabilitation notes and reports, C & R agreements, Findings and Awards documents, etc. If any such records pertain to my psychological condition or use of alcohol, drugs, or other substances, their release is hereby specifically authorized.

To the extent that the confidentiality of any of these records may be protected by state or federal law, I waive the same because the records may be relevant to matters that are properly the subject of this investigation. I understand and acknowledge that records disclosed pursuant to this authorization may be further disclosed to individuals assisting in the investigation of my entitlement to disability retirement benefits, including attorneys, independent medical examiners, hearing officers, court reporters and Board trustees. If an appeal of a Board action is filed with the Superior Court, I understand that such records may become part of the court file.

3. EMPLOYMENT RECORDS

I hereby authorize and request you to permit "Risk Management", and any authorized agent thereof, to inspect and copy all records of whatever nature in your possession or under your control, without omission, pertaining to any employment that I have held, including (without limitation) records relating to my employment application, hire, job duties, job performance, hours worked, compensation, termination, injuries (either on the job or off), medical insurance, Workers Compensation claims, fitness for duty evaluations, leave applications, correspondence to/from my doctors, investigative reports, grievances, meeting notes, memos, correspondence to/from me, job descriptions, requests for reasonable accommodation, offers of reasonable accommodation, letters of resignation, separation documents, etc.

To the extent that the confidentiality of any of these records may be protected by state or federal law, I waive the same because the records may be relevant to matters that are properly the subject of investigation. I understand and acknowledge that records disclosed pursuant to this authorization may be further disclosed to individuals assisting in the investigation to determine my entitlement to disability retirement benefits, including attorneys, independent medical examiners, hearing officers, court reporters and Board trustees. If an appeal of a Board action is filed with the Superior Court, I understand that such records may become part of the court file.

4. ACCIDENT RECORDS

I authorize and request you to permit "Risk Management" and any authorized agent thereof, to inspect and copy all records of whatever nature in your possession or under your control, without omission, including police and other reports, pertaining to any accident or other incident in which I have been involved. If any such records pertain to my psychological condition or use of alcohol, drugs, or other substances, their release is hereby specifically authorized. To the extent that the confidentiality of any of these records may be protected by state or federal law, I waive the same.

I reserve the power to revoke this Authorization at any time, except to the extent that action has already been taken to comply with it. I understand that this Authorization shall remain valid throughout the pendency period of my application for disability retirement benefits. I understand that I have the right to request and receive a copy of this Authorization.

A photocopy of this Authorization shall be as valid as the original.

Name (print): _____

Date of Birth: _____

Date: _____ Signature: _____

VENTURA COUNTY EMPLOYEES' RETIREMENT ASSOCIATION - VCERA

APPLICATION FOR DISABILITY RETIREMENT – PART D

* PHYSICIAN STATEMENT *

NAME _____

(Applicant to complete)

To the Physician: Your patient filed an application for disability retirement benefits with VCERA. The Board of Retirement will consider the information you provide in this form and in your treating records, along with the records and opinions of other physicians, to determine your patient's entitlement to disability benefits.

Please provide to your patient this completed form and a copy of his/her complete treating record.

1. In which area of medicine do you currently practice? _____

2. Are you currently treating the applicant? yes no

If yes, please describe the condition for which you are treating the applicant.

3. Please describe those physical and/or mental activities (e.g. sitting, standing, analyzing, decision making, etc), if any, that the applicant has difficulty performing or cannot perform at all, due to the condition for which you are treating applicant.

No functional limitations

Has difficulty performing: _____

Cannot perform at all: _____

4. Please describe the likely medical consequences of the applicant exceeding his functional limitations, if any:

a fear of pain or injury

the temporary onset of some pain or discomfort

the onset of severe pain making further performance of the activity very difficult or impossible

a moderate to high risk of increased re-injury, new injury, exacerbation of pathology

a low or improbable risk of further injury or exacerbation of pathology

5. Please describe **the permanency** of the applicant's current medical condition.

Material improvement means progress that allows applicant to perform his duties with or without accommodation.

- It is probable that further conventional medical treatment (both current and/or untried treatment) will bring about a *material improvement* in the applicant's medical condition.
- It is not probable that further medical treatment (both current and/or untried treatment) will bring about a *material improvement* in the applicant's medical condition.
- At this time, I am unable to ascertain the permanency of applicant's current medical condition.

6. Please describe **the permanency** of applicant's current physical/mental functional limitations, if any.

- N/A - Applicant has no functional physical/mental limitations
- Applicant's functional limitations are temporary since it is probable that further conventional medical treatment will bring about a *material improvement* in the applicant's medical condition eliminating his functional limitations.
- Applicant's functional limitations are permanent, but it is probable the applicant can perform physical/mental activities in an alternative way that does not exceed his/her limitations with use of accommodations (**changes to the environment, use of assistive devices, modification of duties, etc**).
- Applicant's functional limitations are permanent, and so severe that he/she will not be able to extend his functional capacity with use of accommodations.
- At this time, I am unable to ascertain the permanency of applicant's physical/mental functional limitations.

7. What is your understanding of the cause of applicant's current injury, illness or condition?

- Acute injury caused/aggravated by applicant's performance of his Ventura County/district/court job duties
- Cumulative trauma injury caused/aggravated by applicant's performance of County/district/court job duties
- Acute or cumulative trauma injury caused/aggravated by applicant's performance of his job duties with **another employer**
- Non-industrial** acute or cumulative trauma injury not caused/aggravated by any employment
- Illness caused/aggravated by applicant's Ventura County/district/court employment
- Illness caused/aggravated by applicant's performance of his duties with **another employer**
- Non-industrial Illness not caused/aggravated by any employment

8. Have you reviewed a job description for applicant's County/district/court position? Yes No

PHYSICIAN NAME _____ **Date** _____

VENTURA COUNTY EMPLOYEES' RETIREMENT ASSOCIATION

**APPLICATION FOR DISABILITY RETIREMENT – PART E
COUNSELING ACKNOWLEDGEMENT**

Member Name _____ Application Number _____

Department _____ Date Counseled _____

Social Security Number _____ Employee ID # _____

Counseled by _____

I acknowledge receipt of an Application for Disability Retirement and a copy of the Board of Retirement Disability Hearing Procedures and that I have been counseled by a VCERA staff member on the procedures for the filing of an Application for Disability Retirement.

Applicant Signature _____ Date _____

OR:

Waiver

I have been offered counseling, and I waive counseling at this time.

Applicant Signature _____ Date _____



Ventura County Employees' Retirement Association

1190 South Victoria Avenue, Suite 200
Ventura, CA 93003-6572
Phone: 805.339.4250
Fax: 805.339.4269
www.ventura.org/vcera

APPLICATION FOR DISABILITY RETIREMENT

(Please complete each page. Type or print using black ink. Use additional sheets as necessary.)

Submit application and medical documentation in duplicate.

Note: Employees of the Ventura Regional Sanitation District and Ventura County Air Pollution Control District should treat all references in this application to "County" or "Ventura County" to include your District Employer.

Retirement Use Only: Case No. _____ Date Filed: _____

Name: _____ SSN: _____

Address: _____
Street Apt City State Zip

Home Phone No.: (____) _____ Work Phone No.: (____) _____

Age: _____ Sex: _____ Birth Date: _____ Years of Service: _____

Spouse's Name: _____ Spouse's Birth Date: _____

Date of Marriage: _____ Names and Birth Dates of Children Under 18 Years of Age:

Position for Which Permanently Incapacitated: _____

Department Name: _____ Last Date of Work: _____

Current Employment Status with Ventura County:

- Working _____ Hours Per Week.
- Sick Leave with Compensation.
- Industrial Leave with Compensation.
- Resigned or Terminated from County Service. Date: _____
- Other. (Please Specify) _____

7. State, in detail, the duties you cannot now perform because of your disability.

8. Have you ever been treated for a similar injury or illness?

Yes No If yes:

a. Dates of treatment: _____

b. Names and addresses of treating physicians or hospitals:

9. Are you presently self-employed or employed by anyone other than the County?

Yes No If yes, list employer's name, address and telephone number, as well as your job duties and work hours:

10. List all employers (including other County departments) for whom you have worked during the past ten years. Include addresses, telephone numbers and periods of employment.

14. A disability retirement generally becomes effective the later of the day the application is filed, or the day following the last day you received regular compensation. You may be entitled to have your disability retirement begin earlier if there was a delay in filing your application due to either administrative oversight or the inability to determine that your disability was permanent.

- If you are still receiving regular compensation from the County, check here and proceed to number 15.
- Check here if you are applying to have your disability retirement allowance become effective earlier than the date this application is filed. Please indicate the facts you are contending resulted in a delay in filing your application.

15. I will be represented in this application by:

_____		_____	
Name		Telephone Number	
_____		_____	_____
Address	City	State	Zip Code

- I will not be represented in this application for disability retirement other than by myself. Should I later decide to retain representation, I will immediately provide written notice to the Board of Retirement of the name, address and telephone number of the individual who will represent me.

I, the undersigned, state that I have read and completed the foregoing Application for Disability Retirement to the best of my ability. I have been offered counseling about this process by the Retirement Department staff and was provided a copy of the Board of Retirement Disability Hearing Procedures. I represent to the Board of Retirement and my employer that I am in fact permanently incapacitated from performing the duties of my job.

I declare under the perjury laws of the State of California that the foregoing is true and correct.

Executed on (date) _____ at _____, California.

Employee Signature

Authorized Employer Signature*

Title

Phone Number

* Required only when department files on behalf of employee.



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**AUTHORIZATION TO OBTAIN AND RELEASE
RECORDS AND INFORMATION**

I, the undersigned applicant for disability retirement, hereby authorize the Ventura County Employees' Retirement Association, or its Nominee, to procure any and all Medical and Psychological information, including but not limited to, all hospital and other records, test results, X-rays and lab reports, medical and psychological reports and/or items relating thereto, from any provider of services.

I hereby authorize the Ventura County Employees' Retirement Association, or its Nominee, to procure any and all information, including personnel, payroll and other records, reports and/or items concerning my employment, and/or any police or other reports concerning any accident in which I have been involved.

I acknowledge that this Authorization shall remain valid during the pending period of my request for disability retirement and that I may receive a copy of this Authorization at any time, and that a photocopy hereof shall be as valid as the original.

Name (please print)

Signature

Date

VENTURA COUNTY EMPLOYEES' RETIREMENT ASSOCIATION

1190 South Victoria Avenue, Suite 200
Ventura, CA 93003-6572
(805) 339-4250 • Fax: (805) 339-4269
<http://www.ventura.org/vcera>

April 1, 2013

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

SUBJECT: PRIVATE EQUITY ALLOCATION UPDATE

Dear Board Members:

On March 18, 2013, the Board awarded \$75,000,000 to the HarbourVest Dover VIII Fund and \$75,000,000 to the Adams Street Partners 2013 Global Fund, and directed the consultant to obtain updated fee information for the revised allocation amounts.

Attached is the updated fee information for both funds and, if acceptable, authorize the Retirement Administrator to engage Thomas A. Hicky III of Foley & Lander LLP in the review of the private placement memorandums, limited partnership agreements, subscription agreements, Form ADVs and other legal and contractual documents in relation to these two investment allocations.

I would be pleased to respond to any questions you may have on this matter.

Sincerely,



Donald C. Kendig, CPA
Retirement Administrator

Attachments

VENTURA COUNTY EMPLOYEES' RETIREMENT ASSOCIATION

1190 South Victoria Avenue, Suite 200
Ventura, CA 93003-6572
(805) 339-4250 • Fax: (805) 339-4269
<http://www.ventura.org/vcera>

April 1, 2013

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

SUBJECT: TORTOISE CAPITAL ADVISORS UPDATE

Dear Board Members:

On February 25, 2013 the Board awarded \$105,000,000 to Tortoise Capital Advisors L.L.C.

Staff has completed the attached welcome packet (legal documents) and provided them to Board counsel for review.

Please review the documentation and authorize the Retirement Administrator to execute the investment management agreement, client information document, and consent to electronic delivery.

I would be pleased to respond to any questions you may have on this matter.

Sincerely,



Donald C. Kendig, CPA
Retirement Administrator

Attachment



Thank you for your investment with Tortoise Capital Advisors, L.L.C.

In order to establish a separately managed account, please complete Section 1 of the enclosed and return via email to JPark@tortoiseadvisors.com or via mail to Tortoise Capital Advisors, Attn: Jenny Park, 11550 Ash Street, Suite 300, Leawood, KS 66211.

Section 2 is for your information only and need not be returned.

Section 1:

To be completed and returned:

- Investment Management Agreement*
- Client Information*
- Consent to Electronic Delivery*
- Copy of the Custodial Account Application

Section 2:

- Tortoise Capital Advisors Contact List
- Proxy Voting Policies and Procedures
- Form ADV Part 2A (including privacy notice)
- Form ADV Part 2B

*Fully executed documents will be valid for 180 days from the date the Investment Management Agreement is signed. In the event the account does not fund within 180 days, such documentation will be considered void and new documents must be completed and returned.

Section 1:

To be completed and returned:

- Investment Management Agreement
 - Pages 1-5
- Client Information
 - Pages 6-9
- Consent to Electronic Delivery
 - Page 10
- Copy of the Custodial Account Application

Tortoise Capital Advisors does not provide tax advice. Investors are advised to consult their own tax advisors with respect to the application to their own circumstances of the general federal income taxation rules and with respect to federal, state, local or foreign tax consequences.

INVESTMENT MANAGEMENT AGREEMENT

This Investment Management Agreement is entered into between **TORTOISE CAPITAL ADVISORS, L.L.C. ("TORTOISE")** and **THE UNDERSIGNED ACCOUNT HOLDER ("Client")** to provide investment advisory services with respect to the Client's investments in publicly traded master limited partnership units (referred to herein as the "Client's account"). TORTOISE shall have full authority and discretion to direct the investment and reinvestment of subject assets in Client's account, all without prior consultation with the Client, in accordance with such objectives as Client may, from time to time, have furnished to TORTOISE in writing, and subject only to such written limitations as the Client may impose, but in no event shall TORTOISE have actual custody of the Client's assets.

1. The Client shall grant trading authorization to TORTOISE representatives in such form as Client's custodian shall require. If the Client does not act as its own custodian, Client must designate a broker or bank as custodian to receive, deliver, and hold each security or to accept or transmit funds required to complete transactions.
2. TORTOISE is registered with the Securities and Exchange Commission under the Investment Advisors Act of 1940. In accordance with the provisions of this Act, no assignment of this Agreement shall be made by TORTOISE without the Client's permission.
3. TORTOISE acts as advisor to other clients and may give advice, and take action, with respect to any of those which may differ from the advice given, or the timing or nature of actions taken, with respect to the Client. TORTOISE shall have no obligation to purchase or sell for the Client's account, or to recommend for purchase or sale by the Client's account, any security that TORTOISE, its principals, affiliates, or employees may purchase or sell for themselves or any other clients. Client recognizes that transactions in a specific security may not be accomplished for all Client accounts at the same time, or at the same price.
4. Client acknowledges receipt of TORTOISE's current disclosure brochure and brochure supplements, containing the information required by Part 2 of Form ADV, as required by Rule 204-3 under the Investment Advisors Act of 1940. The disclosure brochure includes a description of the policies used by TORTOISE when placing orders for the execution of transactions with broker/dealers and Client consents to those policies.
5. This Agreement may be canceled by Client or by TORTOISE at any time by giving the other party written notice of cancellation, which shall be effective upon receipt. Client may terminate Agreement within five business days of entering into the Agreement at no cost. If canceled anytime after the five-day period, the investment management fee shall be prorated for the quarter to the date of termination.
6. TORTOISE shall be compensated quarterly in arrears at an annual rate of 0.625% (62.5 basis points) of the market value of the assets under management in Client's account, subject to such assets under management exceeding \$100 million. In the event such assets fall below \$100 million, unless such decrease is due solely to market movement, the fee for TORTOISE's services to Client shall be per the fee schedule presented below which is based on the market value of the assets under management in Client's account plus, subject to Client having an ongoing investment advisory relationship with Hewitt EnnisKnupp, Inc., the assets of other Hewitt EnnisKnupp, Inc. clients. The assets will be valued quarterly at the closing price of the securities at the end of such quarter. The fee for the initial quarter will be prorated based upon the number of days in the quarter from the date of commencement of TORTOISE services hereunder and will be based upon the initial amount of assets in Client's account placed under management with TORTOISE. In addition, the fee will be prorated with respect to subsequent contribution and withdrawal amounts based on the number of days in the quarter for which such amounts were under management by TORTOISE.

Portfolio Value	Fee Per Annum
▪ \$0 to \$49,999,999	1.00% – Flat Rate
▪ \$50,000,000 to \$74,999,999	<i>Blended Rate</i>
– First \$0 to \$24,999,999	1.00%
– Assets from \$25,000,000 to \$49,999,999	0.85%
– Assets from \$50,000,000 to \$74,999,999	0.75%
▪ Equal to or Greater than \$75,000,000	0.75% - Flat Rate

7. The Client may from time to time add additional monies or securities to be managed by TORTOISE under the provisions of this Agreement.
8. TORTOISE shall use its best judgment in carrying out its duties hereunder but does not guarantee investment results. Except as otherwise may be provided by law, TORTOISE will not be liable to the Client for (i) any loss that Client may suffer by reason of any investment decision made or other action taken or omitted in good faith by TORTOISE with that degree of care, skill, prudence and diligence under the circumstances that a prudent person acting in a fiduciary capacity would use, (ii) any loss arising from TORTOISE's adherence to the Client's instructions, or (iii) any act or failure to act of any broker, bank or similar agent or custodian utilized by TORTOISE in effecting any transaction on the Client's behalf, or for the financial solvency of any such broker, bank, agent or custodian, or of any other third party. Federal and state securities laws impose liabilities under certain circumstances on persons who act in good faith, and this Agreement does not waive or limit the Client's rights under those laws.
9. The Client hereby grants TORTOISE full authority to electronically obtain account data, including transactions and positions for the Client's account, via custodial on-line website access, and/or, if available, through the Advent TrustedNetwork (i.e. Advent Custodial Data Network "Advent"). TORTOISE undertakes to promptly notify Client's custodian to terminate access to such data in the event that the Client terminates its relationship with TORTOISE, or withdraws its authority or objects to providing its data to any such custodian or third party vendor.
10. TORTOISE will notify the Client of any change in the identity or control of its members within a reasonable time period after such change.
11. The Client hereby represents and warrants to TORTOISE that, except as otherwise specifically disclosed to TORTOISE in writing concurrently with the execution of this Agreement, (i) the Agreement is a valid and binding obligation of the Client enforceable against the Client in accordance with its terms and (ii) the Client has full authority to grant powers to manage assets to a third party.
12. All notices, requests, demands and other communications hereunder shall be deemed to be duly given if delivered by hand, or if mailed by first-class mail with postage prepaid to the Client at the address indicated below, or to TORTOISE at 11550 Ash Street, Suite 300; Leawood KS 66211 (or to such other address as either party may provide to the other in writing).
13. The undersigned hereby represents to TORTOISE that the undersigned is duly authorized to act on behalf of the Client and has the full authority to enter into this Agreement in the name of and on behalf of the Client.

14. This Agreement constitutes the entire agreement of the parties with respect to the management of the Client's account and can be amended only by written document signed by the parties. This Agreement is to be interpreted in accordance with the laws of the State of Kansas.

15. The account will be managed as per the Investment Guidelines attached as Schedule A.

[Signature page follows; remainder of page intentionally left blank]

SIGNATURE PAGE**Individual/Joint Investors or Trusts**

Print Name of Trust (if applicable)

Print Name of Individual Investor, Joint Investor(s) or Trustee(s)

Signature

Date

Signature

Date

Entities

Print Name of Entity

Signature of Authorized Signatory

Date

Print Name and Title of Authorized Signatory

Agreed and Accepted By:**Tortoise Capital Advisors, L.L.C.**

Signature of Authorized Signatory

Date

Print Name of Authorized Signatory

Print Title of Authorized Signatory

Schedule A

Energy Infrastructure MLP Separate Account Investment Guidelines

Single Issuer Concentrations – We limit exposure to any single issuer to 10% of portfolio market value at the time of purchase. Occasionally, market value fluctuations may cause positions to increase above 10% of portfolio market value. Although not required by these guidelines, we will normally reduce positions to below 10% of portfolio value in a reasonable amount of time.

Industry Concentrations – By its nature, the Energy Infrastructure MLP Separate Account product is a strategy concentrated in energy infrastructure MLPs. We will invest up to 100% of the portfolio in securities issued by MLPs and/or their affiliates (general partners, i-shares, etc.).

Sector Allocations – Our strategy emphasizes more stable, fee based cash flow segments of the MLP asset class (for example - long haul, natural gas transmission, crude oil, and refined petroleum product pipelines). These MLPs tend to be the larger, better capitalized, and higher credit rated entities within the MLP sector. Generally, at least 70% of the portfolio will be invested in MLPs that derive a majority of their business from long-haul pipelines. Other segments of the MLP sector that we may invest in currently include natural gas gathering and processing, propane, coal, and shipping MLPs; however, we intend to limit aggregate exposure to these segments to 30% or less of the portfolios.

We limit portfolio exposure to sectors with the most commodity price exposure:

- We generally will not invest in companies that have a majority of their revenues directly exposed to changes in commodity prices (e.g., exploration and production MLPs).
- Natural gas gathering and processing, propane, and coal MLPs have varying degrees of commodity price exposure. The degree of exposure varies significantly depending on the proportion of the MLP's contracts that are fee based (no commodity price exposure) as well as the degree to which the MLPs have hedged the non fee based portions of their business. In this area, we prefer MLPs who mitigate their commodity price exposure via some or all of the following: fee based contracts, hedging programs, higher distribution coverage ratios.

Cash Balances – We aim to limit cash and money market balances to 5% or less of portfolio value. However, we may temporarily hold higher cash balances for defensive reasons or to facilitate a trade program.

Leverage – we do not employ leverage in our separate account product.

Long- Only – This is a long-only strategy. We will not engage in short selling.

Use of Derivatives – We will not use any derivative strategies within separate accounts. We will only make exceptions to this guideline when specifically requested by a client.

Custody of Client Assets – Under no circumstances will Tortoise Capital Advisors custody client assets. A qualified, independent third – party custodian must be selected by the client prior to establishing an account. Tortoise Capital Advisors will have authorization to direct trades within clients' custody accounts; however, Tortoise Capital Advisors will not accept authorization or responsibility for transferring cash or other assets in or out of the custody account. The only exceptions to this are investment management fee disbursement and securities trades which are typically handled on a 'delivery versus payment' basis.

Guideline Review – These guidelines will be reviewed on an as needed basis and will not be changed without client notification.



CLIENT INFORMATION

GENERAL

Account Holder Name: _____

DOB (if individual): _____ Account Holder SSN/FEIN*: _____

Physical Address: _____

Mailing address (if different): _____

*Information is critical for tax reporting.

Client Type (Please check all that apply)

Trusts or Individual/Joint Investors

- Individual (other than high net worth individuals)
High net worth individual

Please note: A high net worth individual is an individual who is either (i) a "qualified client" under Rule 205-3 of the Investment Advisers Act of 1940 (i.e. net worth together with spouse of more than \$2,000,000, excluding the primary residence and subtracting any indebtedness that is secured by the primary residence in excess of the estimated fair market value of the residence), or (ii) a "qualified purchaser" as defined in §2(a)(51)(A) of the Investment Company Act of 1940 (i.e. investments (as defined in Rule 2a51-1 under the Investment Company Act of 1940) of \$5,000,000 or more.

Entities (other than Trusts – see above)

- Banking or thrift institution, Other investment adviser, State or municipal government entity, Business development company, Investment company, Insurance company, Corporations or other business not listed above, Other, Charitable organization, Pension or Profit Sharing Plan, Pooled investment vehicle (other than investment companies)

Are you a private fund (i.e. do you rely on exemptions from registration as an investment company under either §3(c)(1) or §3(c)(7) of the Investment Company Act of 1940)?

- Yes If "Yes", please provide private fund identification number:
No

INITIAL PUBLIC OFFERING (IPO) ELIGIBILITY

Are you eligible to participate in IPOs (i.e., not restricted by FINRA Rule 5130 or otherwise)?

If you have any questions regarding your IPO eligibility, please consult your broker/asset allocation manager/consultant. Tortoise relies on your answer in making allocations of IPOs. Select WRAP programs may not be eligible to participate in IPOs.

- Yes
No

If "No", please explain: _____

PROXY VOTING PREFERENCE

- Yes, I would like Tortoise Capital Advisors to vote my proxies (Important: You must also delegate proxy voting authority to Tortoise on your custodial account or we will not receive proxies and will be unable to vote. Refer to your custodial application or contact your custodian to ensure you have this designation in place. Custodians will not accept this direction from Tortoise)
No, I would like to vote my own proxies.



DIVIDEND REINVESTMENT

- Yes, I would like Tortoise Capital Advisors to reinvest my dividends.
- No, I would like to withdraw my dividends (net of management fees) quarterly.

MARKETABLE SECURITIES

The assets to be in your account represent what approximate percentage of your total marketable securities (stocks, bonds, mutual funds, cash)? (Check one)

- Less than 10%
- 11 to 25%
- 26 to 50%
- 51 to 75%
- Greater than 75%

INVESTMENT KNOWLEDGE AND EXPERIENCE (Check all that apply)

Please indicate prior investment experience

- Stocks
- Fixed Income Securities
- Mutual Funds
- MLPs
- Other

PORTFOLIO OBJECTIVE (Check one)

The primary portfolio objective for these assets is?

- Preservation of capital and current income.** For Investors whose objective is current income while preserving capital. *Appropriate for investors less tolerant to risk, seeking current income and preservation of capital.*
- Income and growth of capital.** For investors whose objective is income and conservative growth of capital by providing exposure to equity investments. *Appropriate for investors with a below-average risk tolerance seeking preservation of purchasing power and modest capital appreciation potential.*
- Growth of capital.** For investors whose objective is growth of capital with commensurate market risk. Emphasis is seeking capital appreciation through equity investments. *Appropriate for investors who are not dependent on portfolio income and can tolerate market volatility and potential losses.*

RISK TOLERANCE

All investments are subject to risk of loss. Investments that provide the potential for greater returns also expose investors to greater risk. (Check one)

- Conservative.** Very concerned about preservation of capital, with less concern about return on investments.
- Moderate.** Willing to accept some risk in order to achieve a moderate return on investments.
- Aggressive.** Willing to accept significant risk for above-average return on investments.

How important is liquidity to you when deciding on your investment horizon? (Check one)

- Slightly important (will not need funds in the next 2 to 3 years)
- Moderately important (will occasionally withdraw income/principal in the next 1 year)
- Very important (need regular/periodic income from my investment)

If you have to suddenly liquidate investment assets for an immediate cash need, how would you rate your ability to liquidate your other investments? (Check one)

- Low
- Average
- High

CUSTODIAL BANK'S INFORMATION

Custodial Bank Name: _____

Account Representative: _____

Address: _____

Phone Number: _____ Email: _____

Account Number: _____



FEE PROCESSING INFORMATION

Firm to Invoice: _____

Account Representative: _____

Email (preferred): _____

Address: _____

Phone Number: _____

Individuals to send a duplicate invoice:

Name/Firm Name: _____

Email (preferred): _____

Address: _____

CONSULTING FIRM / REGISTERED INVESTMENT ADVISOR

Firm Name: _____

Firm Contact(s): _____

Phone Number: _____ Email: _____

AUTHORIZED CONTACTS

Please list all individuals/firms authorized to receive account statements, financial information and quarterly update letters. Registered investment advisors and consultants automatically receive information on accounts they refer unless you instruct us otherwise in writing. Please note the listed contacts will receive information unless we receive a letter via mail, email for fax updating the authorized contacts list.

Firm Name: _____

Firm Address: _____

Phone Number: _____ Email: _____

Information to Receive: _____

Firm Name: _____

Firm Address: _____

Phone Number: _____ Email: _____

Information to Receive: _____

Firm Name: _____

Firm Address: _____

Phone Number: _____ Email: _____

Information to Receive: _____

[Signature page follows; remainder of page intentionally left blank]



The undersigned will immediately notify the Advisor if there has been a change in financial situation or investment objectives, or if the undersigned desires to impose, add or modify any reasonable restrictions to the management of the account.

Individual/Joint Investors or Trusts

<hr/>	
Print Name of Trust (if applicable)	
<hr/>	
Print Name of Individual Investor, Joint Investor(s) or Trustee(s)	
<hr/>	
Signature	<hr/>
	Date
<hr/>	
Signature	<hr/>
	Date

Entities

<hr/>	
Print Name of Entity	
<hr/>	
Signature of Authorized Signatory	<hr/>
	Date
<hr/>	
Print Name and Title of Authorized Signatory	



CONSENT TO ELECTRONIC DELIVERY

You consent to the electronic delivery of notices and other communications required to be given by the Investment Management Agreement or by law, such as the Form ADV of Tortoise Capital Advisors, L.L.C. ("Tortoise"), including the Form ADV Part 1, the Form ADV Part 2A disclosure brochure, and Part 2B brochure supplements and Tortoise's privacy policy notice. You may request a paper copy at no cost of any document delivered electronically by contacting Jenny Park at jpark@tortoiseadvisors.com, or at (913) 981-1020. By consenting to electronic delivery, you authorize Tortoise to deliver communications and information, including documents, to you by (1) e-mail notifications or by (2) sending you an e-mail message containing a link to, or a notice that directs you to, an Internet address or a website where the communication or document can be read or printed.

In order to receive documents electronically, you must have access to a personal computer capable of accessing the Internet and viewing pdf files or word documents. You must also have Internet access through an Internet service provider (ISP). You must provide us with a current, valid e-mail address and provide an updated e-mail address to Tortoise immediately in the event that your stated e-mail address changes.

Your consent to electronic delivery is effective immediately and will remain in effect until you withdraw it or close your account with Tortoise. You may revoke this consent at any time by providing notice to Tortoise in writing at 11550 Ash Street, Suite 300, Leawood, KS 66211, Attn: Jenny Park. You understand that any such revocation of consent is effective solely upon receipt by Tortoise.

E-mail Address for Delivery

Individual/Joint Investors or Trusts

	Print Name of Trust (if applicable)	

	Print Name of Individual Investor, Joint Investor(s) or Trustee(s)	

	Signature	_____
		Date

	Signature	_____
		Date

Entities

	Print Name of Entity	

	Signature of Authorized Signatory	_____
		Date

	Print Name and Title of Authorized Signatory	

Section 2:

The following is informational only and need not be returned:

- Tortoise Capital Advisors Contact List
 - Page 1
- Proxy Voting Policies and Procedures
 - Pages 2-4
- Form ADV Part 2A (including privacy notice)
 - Pages 5-18
- Form ADV Part 2B
 - Pages 19-37



MLP Separate Accounts Contact List
(913) 981-1020

Client Service Contacts

- Initial account paperwork
- Notification of deposits/withdrawals
- Reporting
- General questions
- Billing (advisory fee)
- K-1 checklist
- General tax questions

Jenny Park
VP – Client Service Manager
(913) 890-2132
jpark@tortoiseadvisors.com

Ben Fraser
Client Service Coordinator

Custody Bank Contacts

- Custodial account data feed set-up
- Trade settlement issues
- Investment accounting and reconciliation

Connie Savage – Director – Operations Manager
Phone: (913) 890-2135

Raven Olivarez-Weber – Operations Analyst
Phone: (913) 890-2160

Kelly Scheutz – Operations Analyst
Phone: (913) 890-2151

Email: SMA@tortoiseadvisors.com
Fax: (913) 890-2180

Managing Director, Business Leader of Separate Accounts

Ken Malvey
(913) 890-2127
kmalvey@tortoiseadvisors.com

PROXY VOTING POLICIES AND PROCEDURES

1. Introduction

Unless a client is a registered investment company under the Investment Company Act of 1940 or a client requests Tortoise Capital Advisors, L.L.C. (the “Adviser”) to do so in writing, the Adviser does not vote proxy materials for its clients. In the event the Adviser receives any proxies intended for clients who have not delegated proxy voting responsibilities to the Adviser, the Adviser will promptly forward such proxies to the client for the client to vote. When requested by the client, the Adviser may provide advice to the client regarding proposals submitted to the client for voting. In the event an employee determines that the Adviser has a conflict of interest due to, for example, a relationship with a company or an affiliate of a company, or for any other reason which could influence the advice given, the employee will advise the Chief Compliance Officer who will advise the Investment Committee, and the Investment Committee will decide whether the Adviser should either (1) disclose to the client the conflict to enable the client to evaluate the advice in light of the conflict or (2) disclose to the client the conflict and decline to provide the advice.

In cases in which the client is a registered investment company under the Investment Company Act of 1940 or in cases where the client has delegated proxy voting responsibility and authority to the Adviser, the Adviser has adopted and implemented the following policies and procedures, which it believes are reasonably designed to ensure that proxies are voted in the best interests of its clients. In pursuing this policy, proxies should be voted in a manner that is intended to maximize value to the client. In situations where Adviser accepts such delegation and agrees to vote proxies, Adviser will do so in accordance with these Policies and Procedures. The Adviser may delegate its responsibilities under these Policies and Procedures to a third party, provided that no such delegation shall relieve the Adviser of its responsibilities hereunder and the Adviser shall retain final authority and fiduciary responsibility for such proxy voting.

2. General

- a. Because of the unique nature of the Master Limited Partnerships (“MLPs”), the Adviser shall evaluate each proxy of an MLP on a case-by-case basis. Because proxies of MLPs are expected to relate only to extraordinary measures, the Adviser does not believe it is prudent to adopt pre-established voting guidelines.
- b. In the event requests for proxies are received with respect to the voting of equity securities other than MLP equity units, on routine matters, such as election of directors or approval of auditors, the proxies usually will be voted with management unless the Adviser determines it has a conflict or the Adviser determines there are other reasons not to vote with management. On non-routine matters, such as amendments to governing instruments, proposals relating to compensation and stock option and equity compensation plans, corporate governance proposals and shareholder proposals, the Adviser will vote, or abstain from voting if deemed appropriate, on a case by case basis in a manner it believes to be in the best economic interest of its clients, and registered investment company clients’ shareholders. In the event requests for proxies are received with respect to debt securities, the Adviser will vote on a case by case basis in a manner it believes to be in the best economic interest of its clients, and registered investment company clients’ shareholders.
- c. The Investment Committee of the Adviser, or a Manager of the Adviser designated by the Investment Committee as listed on Exhibit A hereto, is responsible for monitoring Adviser’s proxy voting actions and ensuring that (i) proxies are received and forwarded to the appropriate decision makers; and (ii) proxies are voted in a timely manner upon receipt of voting instructions. The Adviser is not responsible for voting proxies it does not receive, but will make reasonable efforts to obtain missing proxies.
- d. The Investment Committee of the Adviser, or a Manager of the Adviser designated by the Investment Committee as listed on Exhibit A hereto, shall implement procedures to identify and monitor potential conflicts of interest that could affect the proxy voting

- process, including (i) significant client relationships; (ii) other potential material business relationships; and (iii) material personal and family relationships.
- e. All decisions regarding proxy voting shall be determined by the Investment Committee of the Adviser, or a Manager of the Adviser designated by the Investment Committee, and shall be executed by a Manager of the Adviser or, if the proxy may be voted electronically, electronically voted by a Manager of the Adviser or his designee, including any of the individuals listed on Exhibit A hereto. Every effort shall be made to consult with the portfolio manager and/or analyst covering the security.
 - f. The Adviser may determine not to vote a particular proxy, if the costs and burdens exceed the benefits of voting (e.g., when securities are subject to loan or to share blocking restrictions).

3. Conflicts of Interest

The Adviser shall use commercially reasonable efforts to determine whether a potential conflict may exist, and a potential conflict shall be deemed to exist only if one or more of the managers of the Adviser actually knew or should have known of the conflict. The Adviser is sensitive to conflicts of interest that may arise in the proxy decision-making process and has identified the following potential conflicts of interest:

- A principal of the Adviser or any person involved in the proxy decision-making process currently serves on the Board of the portfolio company.
- An immediate family member of a principal of the Adviser or any person involved in the proxy decision-making process currently serves as a director or executive officer of the portfolio company.
- The Adviser, any venture capital fund managed by the Adviser, or any affiliate holds a significant ownership interest in the portfolio company.

This list is not intended to be exclusive. All employees are obligated to disclose any potential conflict to the Adviser's Chief Compliance Officer.

If a material conflict is identified, Adviser management may (i) disclose the potential conflict to the client and obtain consent; or (ii) establish an ethical wall or other informational barriers between the person(s) that are involved in the conflict and the persons making the voting decisions.

4. Recordkeeping

The Investment Committee of the Adviser, or a Manager of the Adviser designated by the Investment Committee as listed on Exhibit A hereto, is responsible for maintaining the following records:

- proxy voting policies and procedures;
- proxy statements (provided, however, that the Adviser may rely on the Securities and Exchange Commission's EDGAR system if the issuer filed its proxy statements via EDGAR or may rely on a third party as long as the third party has provided the Adviser with an undertaking to provide a copy of the proxy statement promptly upon request);
- records of votes cast and abstentions; and
- any records prepared by the Adviser that were material to a proxy voting decision or that memorialized a decision.



Exhibit A

Manager of the Adviser Designated by Investment Committee

Zach Hamel

Designees for Electronic Voting of Proxies

Zach Hamel

Rob Thummel

Matt Sallee

Braden Cielocha

Nick Holmes

Exhibit A amended as of January 13, 2012



Disclosure Brochure
March 29, 2012

Tortoise Capital Advisors, L.L.C.

11550 Ash Street, Suite 300, Leawood, Kansas 66211 • Main Telephone: 913-981-1020
Toll Free: 866-362-9331 • Fax Number: 913-981-1021
www.tortoiseadvisors.com

This brochure provides information about the qualifications and business practices of Tortoise Capital Advisors, L.L.C. If you have any questions about the contents of this brochure, please contact us at 913-981-1020 or at 866-362-9331 (toll-free) or via e-mail to jpark@tortoiseadvisors.com. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority.

Additional information about Tortoise Capital Advisors, L.L.C. also is available on the SEC's website at www.adviserinfo.sec.gov.

Registration as a registered investment adviser does not imply a certain level of skill or training.

Item 2. Material Changes

This Item 2 discusses only specific material changes that are made to this Disclosure Brochure. Since the last annual update of our Disclosure Brochure on March 30, 2011, we began advising a new open-end fund and a new closed-end fund. In addition, a client withdrew its election to be regulated as a business development company and is now focusing on acquiring real property assets. Accordingly, discussion concerning our advisory business (Item 4), fees and compensation (Item 5), investment strategies and certain risk factors (Item 8), and information regarding our relationship with certain affiliates (Item 10) was updated. ***We also note that we made various non-material changes throughout the Disclosure Brochure to clarify certain services and practices of our firm, including information regarding certain employees being registered representatives of an affiliated broker in Item 10.***



Disclosure Brochure • March 29, 2012

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Item 4. Advisory Business

Tortoise Capital Advisors, L.L.C. (“Tortoise,” “we” or “us”) was founded in 2002 by an experienced team of investment professionals. We provide energy infrastructure investment management services to individual and institutional investors.

Our professionals pioneered and refined a distinct strategy of investing primarily in diverse midstream oil and gas pipeline companies.

Our “yield, growth and quality” objectives determine every investment decision we make. We seek to further diversify our clients’ investments among issuers, geographies and energy commodities to achieve a stable distribution yield that performs competitively when compared to other business models with similar risk characteristics.

We typically provide advice on clients’ investments in midstream companies that transport, store, process and distribute crude oil, refined petroleum products (gasoline, diesel and jet fuel) and natural gas. Our investment advice is generally limited to investments in securities of energy infrastructure companies. Our day-to-day operations are managed by our five Managing Directors, H. Kevin Birzer, Zachary A. Hamel, Kenneth P. Malvey, Terry Matlack and David J. Schulte. Our Investment Committee is comprised of these five Managing Directors.

We also serve as investment adviser to our affiliated registered closed-end funds and an open-end fund. These funds primarily invest in master limited partnerships (“MLPs”) and pipeline companies in the energy infrastructure sector.

Tortoise is wholly-owned by Tortoise Holdings, LLC (“THLLC”). Montage Investments, LLC (“Montage”), a registered investment adviser, owns a majority interest in THLLC. Montage is wholly-owned by Mariner Holdings, LLC, an independent investment firm with affiliates focused on wealth and asset management (“MHLLC”). The Bicknell Family Holding Company, LLC holds a controlling interest in MHLLC and the Bicknell Family Management Company Trust holds a controlling interest in the Bicknell Family Holding Company, LLC. Certain senior employees, including our five founding managing directors, hold the remaining interests in THLLC.

We generally seek to manage client accounts to reflect our model portfolio applicable to that account. When changes are made to our model portfolios, we trade all client accounts to align them with the applicable model portfolio (except where specific instructions provided by the client require otherwise). Although clients typically grant full discretion with respect to security selection, clients may impose restrictions on investing in certain securities or types of securities.

We provide investment management services to clients in wrap fee programs sponsored by Morgan Stanley Smith Barney, a division of Citigroup Global Markets, Inc., Merrill Lynch, Pierce, Fenner & Smith Incorporated and RBC Capital Markets, LLC. Our services to wrap fee clients are similar to the investment management services provided to our other clients. We receive a portion of the wrap fee for our services.

As of February 29, 2012, we managed approximately \$8,086,600,000 of client assets on a discretionary basis and \$0 of client assets on a non-discretionary basis.

Item 5. Fees & Compensation

Separately Managed Accounts

Our annual investment management fees for separately managed accounts generally range up to 1.00% of assets under management. Fees are negotiable based upon the size of the account, relationship and/or the nature and level of services we provide. We may aggregate certain client relationships to determine applicable fee rates. The fees are based upon the aggregate fair value of the client’s portfolio as defined in the Investment Management Agreement (“IMA”) with the client.

We also may on occasion charge separately managed accounts a performance-based fee.

The specific manner in which we charge fees is established in the client’s IMA. We generally are compensated on a quarterly basis in arrears. Clients may elect to be invoiced directly for fees or authorize us to directly disburse fees from their client account. Management fees are prorated for account contributions and withdrawals made during the applicable period. We charge a prorated fee to accounts initiated or terminated during the applicable period. Upon termination of any account, any earned, unpaid fees will be due and payable.

Clients may also incur charges imposed directly by the custodian of the client’s account and fees and expenses imposed directly by any mutual funds held in or for the client’s account. Clients will incur transaction charges imposed by the broker-dealer executing securities transactions for the client’s account. For further discussion concerning our brokerage practices, please see Item 12 of this Disclosure Brochure. All management fees paid to us are separate and distinct from the fees and expenses charged directly by the client’s custodian, the broker-dealer and mutual funds. The fees and expenses imposed by mutual funds are described in each fund’s prospectus, and will generally include a management fee, other fund expenses, and a possible distribution fee. If the fund also imposes sales charges, a client may pay an initial or deferred sales charge. We generally do not invest in mutual funds for clients with the exception of money market funds for cash balances. The client should review

both the fees charged by the funds and the fees we charge to fully understand the total amount of fees to be paid by the client and to thereby evaluate the investment management services being provided. We will not receive any portion of these commissions, fees, and costs.

Tortoise Funds

We are the investment adviser to six non-diversified, closed-end management investment companies (the "Tortoise Closed-End Funds") and an open-end management investment company (together with the Tortoise Closed-End Funds, the "Tortoise Funds") which are registered under the Investment Company Act of 1940 (the "1940 Act"). We charge advisory fees to the Tortoise Funds based on a percentage of their assets (average monthly managed assets for the closed-end funds and average daily net assets for the open-end fund) at annual rates of 0.85% to 1.00%. We may enter into fee waiver or expense reimbursement agreements from time to time with one or more of the Tortoise Funds. We or our affiliates may receive 12b-1 fees from the distributor of the open-end Tortoise Fund for any distribution service or activity designed to retain fund shareholders.

We continue to provide certain securities focused investment services necessary to evaluate, monitor and liquidate the remaining securities portfolio of a client that was formerly regulated as a business development company, now focusing on acquiring real property assets.

Our fees may be higher than fees charged by other advisers providing similar services. We only charge performance-based fees consistent with Securities and Exchange Commission ("SEC") and Financial Industry Regulatory Authority ("FINRA") rules and regulations, including Rule 205-3 under the Investment Advisers Act of 1940 ("Advisers Act").

Item 6. Performance-Based Fees & Side-By-Side Management

We charge the majority of accounts we manage an asset-based fee. However, we do manage an account that pays a performance-based fee. Conflicts of interest may arise from our management of these accounts when we have a financial incentive to favor higher fee-paying accounts over other accounts in the allocation of investment opportunities. It is our policy to allocate trades in a fair and equitable manner. We have adopted order aggregation and trade allocation policies and procedures designed to ensure that all clients are treated fairly, and to prevent this conflict from influencing the allocation of investment opportunities among clients.

Item 7. Types of Clients

We provide portfolio management services to individuals, high net worth individuals, pension and profit-sharing

plans, investment companies, charitable institutions, foundations, endowments, private investment funds, trusts and other corporations and business entities. Generally, we do not accept accounts below \$500,000, although we may do so under certain circumstances.

Item 8. Methods of Analysis, Investment Strategies & Risk of Loss

Our security analysis methods include fundamental, technical and cyclical analysis.

The main sources of information we use include financial newspapers and magazines, inspections of corporate activities, research materials prepared by others, corporate rating services, annual reports, prospectuses, SEC filings, management presentations and interviews, and company press releases.

Our primary investment strategy is long-term purchases. However, our investment strategies may include short-term purchases and trading where appropriate, as indicated by our fundamental analysis. We may employ other strategies for investment company clients involving leveraging and hedging, or writing (selling) covered call options on selected equity securities in the client's portfolio. These other strategies may include currency hedging transactions and interest rate transactions such as swaps, caps and floors. The Tortoise Funds' prospectuses further describe those funds' investment strategies.

We utilize a three-prong approach to portfolio construction consisting of qualitative analysis, quantitative analysis and relative value. Although we intend to use research provided by broker-dealers and investment firms, we rely primarily on internal research.

- 1. Qualitative Analysis:** We use proprietary risk models to select companies with high quality assets, effective management, and stable cash flows.
- 2. Quantitative Analysis:** We employ proprietary financial models to understand growth prospects, liquidity position and sensitivities to key drivers.
- 3. Relative Value:** We use proprietary valuation models to determine portfolio weightings.

We evaluate companies operating in the entire energy value chain to gain a better understanding of the impact on our respective investments in relation to supply and demand. We have primary coverage (including comprehensive investment models) on all MLPs in the investment universe, as well as pipeline c-corporations and a majority of the large energy and power companies. We have secondary coverage (listening to conference calls, evaluating operations and news releases and understanding assets) on other upstream and downstream companies in the energy value chain that impact our midstream companies. We attend industry conferences,

company analyst days as well as third party provided conferences to gain valuable insight into the companies we invest in and the entire energy value chain. In addition, we meet with portfolio companies on a regular basis and conduct site visits to understand assets and speak with various levels of management, including field personnel.

Investing in securities involves risk of loss that clients should be prepared to bear.

Material Risks

The material risks related to our significant investment strategies and methods of analysis include:

- Our securities analysis method relies on the assumption that the companies whose securities we purchase and sell, the rating agencies that review these securities, other publicly-available sources of information about these securities, are providing accurate data. Furthermore, we rely on the assumption that management is providing accurate information and a fair representation of the business when discussing their company with the public and through individual meetings with us. While we are alert to indications that data may be incorrect, there is always a risk that our analysis may be compromised by inaccurate or misleading information.
- We purchase securities with the idea of holding them in clients' accounts for the long-term unless and until the fundamental analysis on, or the relative value of, the company changes. We do this because we believe a short-term tactical strategy exposes clients to unnecessary costs and promotes market timing and sector/stock pricing. If short-term trading methods are employed, the cost of more frequent trades can often incur more expense than that of a long-term purchase approach. A risk in a long-term purchase strategy is that, by holding the security for this length of time, we may not take advantage of short-term gains that could be profitable to a client. Moreover, if our predictions are incorrect, a security may decline sharply in value before we make the decision to sell.
- We purchase securities because our fundamental-based risk, financial and valuation models indicate a security meets our investment thresholds. Should there be a significant supply and demand imbalance in the trading of a security due to net investment outflows or other technical reasons, a security may decline sharply in value or the time to purchase a security to its model weight may be extended over a long period of time.

The risks of investing in energy infrastructure companies include:

- Processing and upstream companies may be directly affected by energy commodity prices.

- The profitability of energy infrastructure companies, particularly processing and pipeline companies, may be materially impacted by the volume of natural gas or other energy commodities available for transporting, processing, storing or distributing.
- A sustained decline in demand for crude oil, natural gas and refined petroleum products could adversely affect energy infrastructure companies' revenues and cash flows.
- A portion of any one energy infrastructure company's assets could be dedicated to natural gas reserves and other commodities that naturally deplete over time, which could have a material adverse impact on a company's ability to make distributions.
- Some energy infrastructure companies may be subject to construction risk, acquisition risk or other risk factors arising from their specific business strategies.
- The profitability of energy infrastructure companies could be adversely affected by changes in the regulatory environment.
- Extreme weather patterns, such as hurricane Ivan in 2004 and hurricane Katrina in 2005, could result in significant volatility in the supply of energy and power and could adversely impact the value of energy infrastructure companies' securities.
- Demand may also be adversely impacted by consumer sentiment with respect to global warming and/or by any state or federal legislation intended to promote the use of alternative energy sources such as bio-fuels, solar and wind.
- A rising interest rate environment could adversely impact the performance of energy infrastructure companies.
- Since the September 11, 2001 attacks, the U.S. government has issued public warnings indicating that energy assets, specifically those related to pipeline infrastructure, production facilities and transmission and distribution facilities, might be specific targets of terrorist activity. The continued threat of terrorism and related military activity likely will increase volatility for prices in natural gas and oil and could affect the market for products of energy infrastructure companies.
- Holders of MLP units are subject to certain risks inherent in the partnership structure of MLPs including (1) tax risks, (2) limited ability to elect or remove management, (3) limited voting rights, except with respect to extraordinary transactions, and (4) conflicts of interest of the general partner, including those arising from incentive distribution payments.
- Energy infrastructure companies may be unable to obtain new debt or equity financing on acceptable terms. If funding is not available when needed, or is available only on unfavorable terms, energy infrastructure companies may not be able to meet their obligations as they come due. Also, without

adequate funding, energy infrastructure companies may not be able to execute their growth strategies, complete future acquisitions, take advantage of other business opportunities or respond to competitive pressures, any of which could have a material adverse effect on their revenues and results of operations.

- Energy infrastructure companies also are subject to risks specific to the industry they serve.

Prospective purchasers should carefully review the risks and other information of any Tortoise Fund in which they may consider investing.

Item 9. Disciplinary Information

Not applicable.

Item 10. Other Financial Industry Activities and Affiliations

We have relationships and arrangements that are material to our advisory business or to our clients with related persons that are an investment adviser, an investment company, or a broker-dealer.

Investment Advisers

We are wholly-owned by THLLC, a holding company, which is majority owned by Montage, a registered investment adviser. We are under common control with the following additional SEC-registered investment advisers:

- Mariner Wealth Advisors, LLC (“MWA”)
- Nuance Investments, LLC
- Convergence Investment Partners, LLC
- Ascent Investment Partners, LLC
- 440 Investment Group, LLC
- Palmer Square Capital Management LLC
- Tactical Investment Managers, LLC
- Adams Hall Asset Management L.L.C.
- Mariner Real Estate Management, LLC

We also are an affiliate of Confluence Investment Management, LLC (“Confluence”), an SEC-registered investment adviser.

Either Montage or MWA may recommend our services to manage a portion of their clients’ assets. Any of our clients recommended by MWA may incur additional fees charged by MWA. In addition, we pay a fee to Montage with respect to our clients recommended by Montage. Clients are advised that a conflict of interest exists to the extent either Montage or MWA recommends our services.

We have hired 440 Investment Group, LLC to provide research assistance and option market analysis for our covered call option strategy for one of the Tortoise Funds.

We pay 440 Investment Group a fee for their services to us.

We may have clients that are also clients of MWA or other related persons. These clients, as clients of our related person(s), may be solicited by our related persons (but not by us) to invest in investment-related limited partnerships or limited liability companies for which one of our related persons serves as the general partner or manager.

Investment Companies

We serve as the investment adviser for the Tortoise Funds. Certain of our employees serve as officers of the Tortoise Closed-End Funds and H. Kevin Birzer serves as a director of each of the Tortoise Closed-End Funds. Please see the conflicts of interests discussed in Item 11 below.

Broker/Dealer

We are under common control with Montage Securities, LLC (CRD No. 154327) (“Montage Securities”), a broker/dealer registered with the SEC and various state jurisdictions, member of the Financial Industry Regulatory Authority (FINRA), Securities Investment Protection Corporation (SIPC), and Municipal Securities Rulemaking Board (MSRB). Registered representatives of Montage Securities will provide certain marketing services for our registered funds for which we pay Montage Securities a fee. However, no securities transactions for our clients will be executed through Montage Securities. Certain of our employees are registered representatives of Montage Securities.

Item 11. Code of Ethics, Participation or Interest in Client Transactions and Personal Trading

Code of Ethics

We have adopted a Code of Ethics (“Code”) for all of our supervised persons describing our high standard of business conduct, and fiduciary duty to our clients. The Code includes provisions relating to the confidentiality of client information, a prohibition on insider trading, restrictions on the acceptance of significant gifts and business entertainment items, and personal securities trading procedures, among other things. All of our supervised persons must acknowledge the terms of the Code at least annually.

We permit our employees to engage in personal securities transactions. Personal securities transactions by an employee may raise an actual or potential conflict of interest if an employee trades in a security that is considered for purchase or sale by a client. Our Code is designed to ensure that our employees who are responsible for developing or implementing our investment advice or who provide the investment advice to clients are

not able to act thereon to the disadvantage of clients. The Code further prohibits our employees from using any material non-public information in securities trading.

Under the Code, our employees are prohibited from using knowledge of portfolio transactions made or contemplated for any client to profit by the market effect of such transactions or otherwise engage in fraudulent conduct in connection with the purchase or sale of a security sold or acquired by a client. Further, employees are prohibited from taking advantage of an opportunity of any client for personal benefit, or taking any action inconsistent with our fiduciary obligations. Our employees must avoid any actual or potential conflict of interest or any abuse of their position of trust and responsibility.

Employees must pre-clear in writing with our Chief Compliance Officer ("CCO") any transactions in securities that we may be contemplating for purchase or sale by our clients, or any security related to or connected with such security. Employees may not purchase or sell any securities which we are considering for client accounts until either the client's transactions have been completed or consideration of the transactions are abandoned. Nonetheless, because the Code in some circumstances would permit employees to invest in the same securities as clients, there is a possibility that employees might benefit from market activity by a client in a security held by an employee.

Employees are required to report their securities holdings and securities transactions by providing duplicate brokerage confirmations and statements to the CCO. Employee trading is monitored under the Code, and to reasonably prevent conflicts of interest between us and our clients. Clients or prospective clients may request a copy of our Code by contacting Jennifer Park at 913-981-1020 or at 866-362-9331 (toll-free) or via e-mail to jpark@tortoiseadvisors.com.

Participation or Interest in Client Transactions

We may from time to time recommend our clients invest in securities of issuers for which our Tortoise Funds, other related persons or our proprietary accounts may invest.

Conflicts of interest may arise from the fact that we carry on substantial investment activities for separately managed account clients and Tortoise Fund clients and because we may buy or sell for proprietary accounts securities that we also buy or sell for our client accounts. We may have financial incentives to favor certain clients over others. Our client accounts may compete for specific trades. We may give advice and recommend securities to, or buy or sell securities for, certain accounts, which advice or securities recommended may differ from advice given to, or securities recommended or bought or sold for, other client accounts, even though they may have the same or similar investment objectives.

Situations may occur when certain clients could be disadvantaged because of the investment activities we conduct for our other client accounts. Such situations may be based on, among other things: (1) legal or internal restrictions on the combined size of positions that may be taken for client accounts, thereby limiting the size of such accounts' positions; (2) the difficulty of liquidating an investment for client accounts where the market cannot absorb the sale of the combined position; or (3) limits on co-investing in private placement securities under the 1940 Act.

We have adopted order aggregation and trade allocation policies and procedures designed to ensure that all clients are treated fairly.

When we buy or sell a security for both client accounts and proprietary accounts, we give priority to client accounts ahead of proprietary accounts.

Our Tortoise Fund clients' investment opportunities may be limited by our or our affiliates' affiliations with energy infrastructure companies. To the extent that we source and structure private investments, certain of our advisory affiliates may become aware of actions planned by such companies, such as acquisitions, that may not be announced to the public. It is possible that our clients could be precluded from investing in or selling securities of or related to companies about which we have material, non-public information; however, it is our intention to ensure that any material, non-public information available to certain of our advisory affiliates is not shared with the advisory affiliates responsible for the purchase and sale of publicly-traded company securities or swaps related to such securities, or to confirm prior to receipt of any material non-public information that the information will shortly be made public.

We do not affect any principal or agency cross securities transactions for client accounts, nor do we effect cross trades between client accounts. Principal transactions are generally defined as transactions where an adviser, acting as principal for its own account or the account of an affiliated broker-dealer, buys from or sells any security to any advisory client. A principal transaction may also be deemed to have occurred if a security is crossed between an affiliated hedge fund and another client account. An agency cross transaction is generally defined as a transaction where a person acts as an investment adviser in relation to a transaction in which the investment adviser, or any person controlled by or under common control with the investment adviser, acts as broker for both the advisory client and for another person on the other side of the transaction. Agency cross transactions may arise where an adviser is dually registered as a broker-dealer or has an affiliated broker-dealer.

Item 12. Brokerage Practices

Subject to applicable investment policies and restrictions, clients grant us full discretion with respect to both security and broker-dealer selection. We select broker-dealers on the basis of their ability to execute transactions at the most favorable prices and lowest overall execution costs. We also take into consideration other relevant factors, such as:

- the reliability, integrity and financial condition of the broker-dealer, the size of and difficulty in executing the order;
- the quality of execution and custodial services; and
- the provision of valuable research services that can be reasonably expected to enhance the investment return of the clients' portfolios.

If broker-dealers are selected on the basis of their research services, we may negotiate commissions that may be higher than for "execution only" transactions, but are nevertheless deemed reasonable in light of the value of such services provided, viewed in terms of either a particular transaction or our overall responsibilities for accounts over which we exercise investment discretion. Research paid for through commissions by some accounts may be of value to and used for other accounts we manage. If we use client brokerage commissions (or markups or markdowns) to obtain research or other products or services, we would receive a benefit because we would not have to produce or pay for the research, products or services. We may have an incentive to select or recommend a broker-dealer based on our interest in receiving the research or other products or services, rather than on our clients' interest in receiving most favorable execution. However, although we receive research from some of the brokers with whom we place trades on behalf of clients, we have no arrangements or understandings with such brokers regarding receipt of research in return for commissions. Such research is provided to all investment advisers who utilize these firms, and we do not consider this research to be paid for with soft dollars. In the event a client directs the use of a specific broker-dealer, the execution costs for the client may be higher than could be obtained by using a broker-dealer we select. Such higher costs may result from the disparity of commission rates or prices among broker-dealers, our more limited ability to negotiate lower commission rates or prices and the inability of the client to benefit from volume discounts we may obtain from aggregating orders placed with other broker-dealers.

It is our policy to allocate trades in a fair and equitable manner. We attempt (except where specific instructions provided by the client or other restrictions require otherwise) to manage every account to reflect the model portfolio selected for the client. When changes are made to the model portfolios, we trade adjust accounts to align them with the revised model portfolio. This realignment may require the trading of one or more investments on

behalf of many client portfolios. We generally combine all of the trade orders into one or more 'block' orders for all of the securities that need to be purchased or sold. Each account participates at the average unit or share price for all the transactions in a security in the applicable block order, with transaction costs allocated pursuant to the applicable broker-dealer fee schedule for the particular account.

Due to the limited trading volume in some of the model portfolio securities, it is likely that we may not always be able to completely fill a block order in one trading session. When block orders are only partially filled during a trading session, we will promptly allocate fills to accounts after the close of the trading session based upon such factors as cash balances in accounts, actual account weighting versus the applicable model weight, commissions, risk profiles, the number of accounts that may be completely filled in that trading session and other matters relevant to particular accounts in filling the orders. In subsequent trading sessions, we generally will allocate fills continuing to consider these factors until the order is completely filled. It is possible that it may take several weeks or even several months to completely fill an order, depending upon the securities involved and market conditions. Our policy is to allocate fills so that accounts are neither preferred nor disadvantaged over time.

In the event that a trading program encompasses both leveraged funds and unleveraged accounts, we will generally alternate trading days between leveraged funds and unleveraged accounts in order to prevent smaller unleveraged accounts from being disadvantaged by competing for allocations with larger leveraged funds accounts.

If we make a trading error, we will correct the error and bear any costs of correcting the error so that the client is not disadvantaged and is made whole. We will take into consideration the suitability of a trade error in connection with the resolution of the error. Unsuitable trades will always be resolved in the client's favor and the client's being made whole, and suitable trade errors will be resolved on a case-by-case basis. To the extent that resolution of a suitable trade error results in the purchase of securities in a client's account that increase in value, the increased value results in an increase in the amount of the fee payable to us.

We may recommend that clients establish accounts with preferred custodians to maintain custody of clients' assets and to effect trades for their accounts. We are independently owned and operated and not affiliated with these preferred custodians. These preferred custodians provide us with access to their institutional trading and custody services, which are typically not available to their retail investors. These services provided by the preferred custodians are not contingent upon our committing to the preferred custodians any specific amount of business

(assets in custody or trading). The preferred custodians' services include brokerage, custody, research and access to mutual funds and other investments that are otherwise generally available only to institutional investors or would require a significantly higher minimum initial investment. For our client accounts maintained in a preferred custodian's custody, the preferred custodian generally does not charge separately for custody but may be compensated by account holders through commissions or other transaction-related fees for securities trades that are executed through the preferred custodian or that settle into preferred custodian accounts. We have negotiated a discounted trading commission on behalf of our clients with a certain preferred custodian with the expectation that aggregate client assets custodied at such institution remain above a certain threshold.

These preferred custodians also make available to us other services intended to help us manage and further develop our business. These services may include publications and conferences on practice management, information technology, business succession, regulatory compliance, and marketing. The preferred custodians may discount or waive fees they would otherwise charge for some of these services. While as a fiduciary we endeavor to act in our clients' best interests, our recommendation that clients maintain their assets in accounts at preferred custodians may be based in part on their benefit to us of the availability of some of the foregoing products and services and not solely on the nature, cost or quality of custody and brokerage services provided by the preferred custodians, which may create a potential conflict of interest. We do not have any contractual arrangements with these preferred custodians to direct client transactions to the preferred custodians in return for these products and services.

Item 13. Review of Accounts

Portfolios are actively managed and securities are continuously monitored by members of the investment management team. Potential investments are ranked based on a proprietary model which includes an assessment of quantitative and valuation metrics as well as various subjective criteria. This ranking is used to create and maintain an approved list of securities. The portfolio management team meets at least weekly to review portfolio strategy and research impacting portfolio companies. The portfolio management team meets with the Investment Committee as needed to add or delete companies from the list of approved securities, to approve direct investments, and to review portfolio positions and model weightings. Portfolio summaries, statistics, and performance results are generated and reviewed at least monthly. While primary responsibility for monitoring, review, and analysis of individual securities is spread among various individual members of the investment management team, all portfolio management decisions and reviews are based on a team approach.

Separately managed account clients are normally provided reports by their custodian not less frequently than quarterly, including (1) a portfolio schedule, (2) transaction report, (3) performance evaluation, and (4) summary portfolio statistics. We may also provide information as agreed to with the client. The Tortoise Funds issue and file reports as required under the 1940 Act and the Securities Exchange Act of 1934, as applicable.

Item 14. Client Referrals & Other Compensation

We do not receive economic benefits from non-clients in connection with giving advice to clients.

We have an agreement with an unaffiliated solicitor that provides certain services to us, such as research, client services and client solicitation services. The term for the provision of solicitation and marketing services by this solicitor ends in 2012, however, we remain obligated under this agreement to compensate the solicitor quarterly for a period of up to three years with a percentage of the aggregate investment management fees we receive during such quarter from clients introduced by the solicitor. There is no increase in the investment management fees payable to us by clients as a result of the compensation paid to the solicitor under this solicitation agreement. We have terminated a referral agreement with an unaffiliated solicitor, however, we remain obligated to compensate the solicitor annually with a percentage of assets under management of clients who were solicited by the solicitor. The annual compensation paid to the solicitor increases our fee to such client by 0.04%. We may enter into solicitation agreements with other independent contractors for client referrals. For such referrals, we expect we would compensate the independent contractor with a percentage of fees relating to such referrals based on the level of services performed. Any such compensation would be paid pursuant to a written agreement that is in compliance with the federal regulations, and in each state where state law requires. Each prospective client so solicited is given a copy of our written disclosure statement and a separate written disclosure statement of the solicitor prior to or at the time of entering into any IMA.

Under a written solicitation agreement with our affiliate, Montage, we compensate Montage with a percentage of the fees we receive from separately managed account clients solicited by Montage. There is no increase in the investment management fees payable to us by the solicited persons as a result of the compensation paid to the solicitor under this solicitation agreement.

At-will employees may receive additional compensation based on fee revenue we receive from separately managed account clients for which the employee materially assisted or led the sales effort. This compensation is not a factor in determining, nor does it

adversely affect, the fee we charge for our investment management services.

Item 15. Custody

Clients should receive at least quarterly statements from the broker dealer, bank or other qualified custodian that holds and maintains client's investment assets. We urge you to carefully review such statements and compare such official custodial records to the account statements that we may provide to you. Our statements may vary from custodial statements based on accounting procedures, reporting dates, or valuation methodologies of certain securities.

Item 16. Investment Discretion

We usually receive discretionary authority from the client at the outset of an advisory relationship to select the identity and amount of securities to be bought or sold. In all cases, however, such discretion is to be exercised in a manner consistent with the investment objectives for the particular client account.

We observe the client's investment policies, limitations and restrictions when selecting the identity and amount of securities to be bought or sold. Various securities and/or tax laws, as well as internal compliance policies, may impose additional restrictions on the investments that may be made. Our investment discretion with respect to the Tortoise Funds' securities is also limited by such funds' objectives and policies, as well as federal securities and tax laws.

Clients must provide any investment guidelines and restrictions to us in writing.

Item 17. Voting Client Securities

We will vote proxies on behalf of a client if the client has delegated to us the authority to vote proxies on its behalf in the client's IMA or other written instrument. Clients for whom we do not have any authority to vote proxies retain the responsibility for receiving and voting proxies for any and all securities maintained in their portfolios. In the event we receive any proxies intended for clients who have not delegated proxy voting responsibilities to us, we will promptly forward such proxies to the client for the client to vote. When requested by the client, we may provide advice to the client regarding proposals submitted to the client for voting. In the event an employee determines that we have a conflict of interest due to, for example, a relationship with a company or an affiliate of a company, or for any other reason which could influence the advice given, the employee will advise our CCO, who will advise our Investment Committee. The Investment Committee will decide whether we should either (1) disclose the conflict to the client to enable the client to

evaluate the advice in light of the conflict, or (2) disclose the conflict to the client and decline to provide the advice.

With respect to the Tortoise Funds or in cases where the client has delegated proxy voting responsibility and authority to us, we have adopted and implemented the policies and procedures summarized below, which we believe are reasonably designed to ensure that proxies are voted in the best interests of our clients. In pursuing this policy, proxies should be voted in a manner that is intended to maximize value to the client. In situations where we accept such delegation and agree to vote proxies, we will do so in accordance with these policies and procedures. We may delegate our responsibilities under these policies and procedures to a third party, however, no such delegation will relieve us of our responsibilities. We will retain final authority and fiduciary responsibility for such proxy voting.

- a. Because of the unique nature of MLPs, we will evaluate each proxy of an MLP on a case-by-case basis. Because proxies of MLPs are expected to relate only to extraordinary measures, we do not believe it is prudent to adopt pre-established voting guidelines.
- b. In the event requests for proxies are received with respect to the voting of equity securities other than MLP equity units, on routine matters, such as election of directors or approval of auditors, the proxies usually will be voted with management unless we determine we have a conflict or determine there are other reasons not to vote with management. On non-routine matters, such as amendments to governing instruments, proposals relating to compensation and stock option and equity compensation plans, corporate governance proposals and shareholder proposals, we will vote, or abstain from voting if deemed appropriate, on a case-by-case basis in a manner we believe to be in the best economic interest of our clients and investment company clients' shareholders. In the event requests for proxies are received with respect to debt securities, we will vote on a case-by-case basis in a manner we believe to be in the best economic interest of our clients and Tortoise Funds clients' shareholders.
- c. Our Investment Committee, or one of our Managing Directors designated by the Investment Committee, is responsible for monitoring our proxy voting actions and ensuring that (i) proxies are received and forwarded to the appropriate decision makers, and (ii) proxies are voted in a timely manner upon receipt of voting instructions. We are not responsible for voting proxies we do not receive, but will make reasonable efforts to obtain missing proxies.
- d. Our Investment Committee, or one of our Managing Directors designated by the Investment Committee, is responsible for identifying and

monitoring potential conflicts of interest that could affect the proxy voting process, including (i) significant client relationships; (ii) other potential material business relationships; and (iii) material personal and family relationships.

- e. All decisions regarding proxy voting shall be determined by our Investment Committee, or one of our Managing Directors designated by the Investment Committee, and shall be executed by one of our Managing Directors or, if the proxy may be voted electronically, electronically voted by a Managing Director or his designee.
- f. We may determine not to vote a particular proxy, if the costs and burdens exceed the benefits of voting (e.g., when securities are subject to loan or to share blocking restrictions).

If we identify a material conflict, we may (i) disclose the potential conflict to the client and obtain consent; or (ii) establish an ethical wall or other informational barriers between the person(s) that are involved in the conflict and the persons making the voting decisions.

Our Investment Committee, or one of our Managing Directors designated by the Investment Committee, is responsible for maintaining proxy voting policies and procedures, proxy statements (or the ability to access them), records of votes cast and abstentions, and any records we prepared that were material to a proxy voting decision or that memorialized a decision.

A copy of our Proxy Voting Policies and Procedures will be provided to clients and prospective clients upon request.

Clients may also obtain information from us about how we voted any proxies on behalf of their account(s) upon request by contacting Jennifer Park at 913-981-1020 or at 866-362-9331 (toll-free) or via e-mail to jpark@tortoiseadvisors.com.

Item 18. Financial Information

Not applicable.

FACTS		WHAT DOES TORTOISE CAPITAL ADVISORS, L.L.C. DO WITH YOUR PERSONAL INFORMATION?	
WHY?	Financial companies choose how they share your personal information. Federal law gives consumers the right to limit some but not all sharing. Federal law also requires us to tell you how we collect, share, and protect your personal information. Please read this notice carefully to understand what we do.		
What?	<p>The types of personal information we collect and share depend on the product or service you have with us. This information can include:</p> <ul style="list-style-type: none"> ■ Social Security number; ■ name; ■ address; ■ assets; ■ income; ■ account balances; ■ account transactions; ■ transaction history; ■ transaction or loss history; ■ investment experience; ■ risk tolerance; ■ retirement assets; ■ checking account information; ■ employment information; ■ wire transfer instructions. <p>When you are <i>no longer</i> our customer, we continue to share your information as described in this notice.</p>		
How?	All financial companies need to share clients' personal information to run their everyday business. In the section below, we list the reasons financial companies can share their clients' personal information; the reasons Tortoise Capital Advisors, L.L.C. ("Tortoise") chooses to share; and whether you can limit this sharing.		
	Reasons we can share your personal information	Does Tortoise Capital Advisors, L.L.C. share?	Can you limit this sharing?
	For our everyday business purposes— such as to process your transactions, maintain your account(s), respond to court orders and legal investigations, or report to credit bureaus	Yes. Tortoise may share personal information described above for business purposes with a non-affiliated third party if the entity is under contract to perform transaction processing or servicing on behalf of Tortoise and otherwise as permitted by law. Any such contract entered by Tortoise will include provisions designed to ensure that the third party will uphold and maintain privacy standards when handling personal information. Tortoise may also disclose personal information to regulatory authorities as required by applicable law.	No.
	For our marketing purposes— to offer our products and services to you	Yes. Tortoise shares personal information with a non-affiliated third party solicitor that is subject to a non-disclosure agreement for the purpose of auditing payments to the solicitor under a written solicitation agreement between the solicitor and Tortoise.	No.
	For joint marketing with other financial companies	No.	We don't share.
	For our affiliates' everyday business purposes— information about your transactions and experiences	Yes. Tortoise shares personal information with affiliates as permitted by law.	No.
	For our affiliates' everyday business purposes— information about your creditworthiness	No.	We don't share.
	For nonaffiliates to market to you	No.	We don't share.
QUESTIONS?	Call (913) 981-1020 or go to www.tortoiseadvisors.com		

Who is providing this notice?	Tortoise Capital Advisors, L.L.C.
How does Tortoise Capital Advisors, L.L.C. protect my personal information?	<p>To protect your personal information from unauthorized access and use, we use security measures that comply with federal law. These measures include computer safeguards and secured files and buildings.</p> <p>Tortoise limits access to personal information to individuals who need to know that information in order to provide our services to you.</p>
How does Tortoise Capital Advisors, L.L.C. collect my personal information?	<p>We collect your personal information, for example, when you</p> <ul style="list-style-type: none"> ■ Seek advice about your investments; ■ Direct us to buy securities; ■ Direct us to sell your securities; ■ Enter into an investment advisory contract; ■ Give us your contact information. <p>We also collect your personal information from others, such as credit bureaus, affiliates, or other companies.</p>
Why can't I limit all sharing?	<p>Federal law gives you the right to limit only</p> <ul style="list-style-type: none"> ■ sharing for affiliates' everyday business purposes—information about your creditworthiness ■ affiliates from using your information to market to you ■ sharing for nonaffiliates to market to you <p>State laws and individual companies may give you additional rights to limit sharing.</p>
Affiliates	<p>Companies related by common ownership or control. They can be financial and nonfinancial companies.</p> <ul style="list-style-type: none"> ■ Tortoise may share personal information described above for business purposes as permitted by law with our affiliates. Our affiliates include financial companies such as investment advisers. Tortoise does not share with affiliates so that they can market their services or products to you.
Nonaffiliates	<p>Companies not related by common ownership or control. They can be financial and nonfinancial companies.</p> <ul style="list-style-type: none"> ■ Tortoise may share personal information described above for business purposes with non-affiliated third parties performing transaction processing or servicing on behalf of Tortoise and otherwise as permitted by law. Such companies may include broker-dealers, banks, investment advisers, mutual fund companies and insurance companies. Tortoise may also share personal information with parties who provide technical support for our hardware and software systems and our legal and accounting professionals. Tortoise does not share with non-affiliates so that they can market their services or products to you.
Joint marketing	<p>A formal agreement between nonaffiliated financial companies that together market financial products or services to you.</p> <ul style="list-style-type: none"> ■ Tortoise doesn't jointly market.



Brochure Supplement
October 5, 2012

H. Kevin Birzer

Tortoise Capital Advisors, L.L.C.

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This brochure supplement provides information about H. Kevin Birzer that supplements the Tortoise Capital Advisors, L.L.C. Disclosure Brochure. You should have received a copy of that brochure. Please contact Jennifer Park, at 913-981-1020 or at 866-362-9331 (toll-free) or via e-mail to jpark@tortoiseadvisors.com, if you did not receive Tortoise Capital Advisors, L.L.C.'s Disclosure Brochure or if you have any questions about the contents of this supplement.

Additional information about H. Kevin Birzer is available on the SEC's website at www.adviserinfo.sec.gov.

Item 2. Educational Background and Business Experience

Tortoise Capital Advisors, L.L.C. (“Tortoise,” “we,” or “us”) was founded in 2002 by the five members of our Investment Committee, H. Kevin Birzer, Zachary A. Hamel, Kenneth P. Malvey, Terry Matlack and David J. Schulte. Our Investment Committee as a team has discretionary authority over client assets and provides discretionary advice.

H. Kevin Birzer, Senior Managing Director

Born: 1959

Education: University of Notre Dame – Bachelor of Business Administration;
New York University – Master of Business Administration

Business Background: Mr. Birzer has been a Managing Director of ours since 2002. He was a member in Fountain Capital Management L.L.C. (“Fountain Capital”), a registered investment adviser, from 1990 to May 2009. Mr. Birzer began his career with Peat Marwick in 1981. His subsequent experience includes three years working as a Vice President for F. Martin Koenig & Co., focusing on equity and option investments, and three years at Drexel Burnham Lambert, where he was a Vice President in the Corporate Finance Department. Mr. Birzer has also served as a Director of each of our publicly traded closed-end funds (“Public Funds”) since its inception. Mr. Birzer served as a Director from inception through November 2011 of a Tortoise entity that was formerly regulated as a business development company. He earned his CFA designation in 1988.

Professional Designations – Explanation of Minimum Qualifications

Charter Financial Analyst (“CFA”) Designation

To earn the CFA charter, a person must successfully pass through the CFA Program, a graduate-level self-study program that combines a broad curriculum with professional conduct requirements, culminating in three sequential exams (Levels I, II, III). The three general requirements to earn a CFA charter are to pass three exams, have an undergraduate degree (in any subject) and have three years related work experience in the financial area.

Item 3. Disciplinary Information

Not applicable.

Item 4. Other Business Activities

Mr. Birzer serves as a Director and Chairman of the Board of each of the Public Funds. Tortoise serves as the investment adviser to each of the Public Funds.

Conflicts of interest may arise from the fact that we carry on substantial investment activities for separately managed account clients and Public Fund clients. We may have financial incentives to favor certain clients over others. Our client accounts may compete for specific trades. We may give advice and recommend securities to, or buy or sell securities for, certain accounts, which advice or securities recommended may differ from advice given to, or securities recommended or bought or sold for, other client accounts, even though they may have the same or similar investment objectives. Situations may occur when certain clients could be disadvantaged because of the investment activities we conduct for our other client accounts. Such situations may be based on, among other things: (1) legal or internal restrictions on the combined size of positions that may be taken for client accounts, thereby limiting the size of such accounts’ positions; (2) the difficulty of liquidating an investment for client accounts where the market cannot absorb the sale of the combined position; or (3) limits on co-investing in private placement securities under the Investment Company Act of 1940. We have adopted order aggregation and trade allocation policies and procedures designed to ensure that all clients are treated fairly.

Item 5. Additional Compensation

Mr. Birzer has an employment agreement with Tortoise and receives a fixed salary for the services he provides. He is also eligible for an annual cash bonus based on our earnings and the satisfaction of certain other conditions. Additional benefits received by Mr. Birzer are normal and customary employee benefits generally available to all salaried employees. Mr. Birzer owns an equity interest in our parent company and thus benefits from increases in the net income of Tortoise.

Item 6. Supervision

Our Managing Directors, Kevin Birzer, Zach Hamel, Ken Malvey, Terry Matlack and Dave Schulte are responsible for all internal supervision. As members of our Investment Committee, each of Messrs. Birzer, Hamel, Malvey, Matlack and Schulte are responsible for the formulation and monitoring of investment advice offered to clients and oversight of all material investment policy changes. Each member of the Investment Committee monitors the other members. They can be reached at (913) 981-1020.

All investment restrictions are reviewed and approved or modified by Ken Malvey, the Managing Director with primary responsibility over the separate account and trading departments. Upon approval, investment restrictions are communicated to the portfolio team by Mr. Malvey, and are entered in our Advent Rules Manager system (Advent Rules Manager is an automated solution for compliance and portfolio monitoring providing automated real-time testing for at-time-of purchase (front-end) and holdings (back-end) restrictions). Advent Rules Manager generates daily reports reflecting whether or not there are any exceptions to these restrictions. These reports are reviewed by multiple Tortoise personnel, including finance/operations department personnel and compliance personnel.

At least two signatures are required on every trade ticket, at least one of which must be a Managing Director (each of whom is also a member of the Investment Committee). Portfolio team Directors and the Director of Financial Operations are also authorized signers. In addition, compliance personnel review daily transaction summary reports.

Compliance personnel review all employee personal securities transactions on a quarterly basis. Diane Bono, our Chief Compliance Officer, can be reached at (913) 981-1020.



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Zachary A. Hamel

Tortoise Capital Advisors, L.L.C.

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www.tortoiseadvisors.com

This brochure supplement provides information about Zachary A. Hamel that supplements the Tortoise Capital Advisors, L.L.C. Disclosure Brochure. You should have received a copy of that brochure. Please contact Jennifer Park, at 913-981-1020 or at 866-362-9331 (toll-free) or via e-mail to jpark@tortoiseadvisors.com, if you did not receive Tortoise Capital Advisors, L.L.C.'s Disclosure Brochure or if you have any questions about the contents of this supplement.

Additional information about Zachary A. Hamel is available on the SEC's website at www.adviserinfo.sec.gov.

Item 2. Educational Background and Business Experience

Tortoise Capital Advisors, L.L.C. (“Tortoise,” “we,” or “us”) was founded in 2002 by the five members of our Investment Committee, H. Kevin Birzer, Zachary A. Hamel, Kenneth P. Malvey, Terry Matlack and David J. Schulte. Our Investment Committee as a team has discretionary authority over client assets and provides discretionary advice.

Zachary A. Hamel

Born: 1965

Education: Kansas State University – Bachelor of Science in Business Administration;
University of Kansas School of Business – Master of Business Administration

Business Background: Mr. Hamel has been a Managing Director of ours since 2002. Mr. Hamel joined Fountain Capital in 1997 and was a Partner there from 2001 through September 2012. Prior to joining Fountain Capital, Mr. Hamel worked for the Federal Deposit Insurance Corp. (“FDIC”) for eight years as a Bank Examiner and a Regional Capital Markets Specialist. Mr. Hamel has also been an officer of each of our publicly traded closed-end funds (“Public Funds”) since its inception. Mr. Hamel served as an officer from inception through November 2011 of a Tortoise entity that was formerly regulated as a business development company. He earned his CFA designation in 1998.

Professional Designations – Explanation of Minimum Qualifications

Charter Financial Analyst (“CFA”) Designation

To earn the CFA charter, a person must successfully pass through the CFA Program, a graduate-level self-study program that combines a broad curriculum with professional conduct requirements, culminating in three sequential exams (Levels I, II, III). The three general requirements to earn a CFA charter are to pass three exams, have an undergraduate degree (in any subject) and have three years related work experience in the financial area.

Item 3. Disciplinary Information

Not applicable.

Item 4. Other Business Activities

Mr. Hamel serves as an officer of each of the Public Funds. Tortoise serves as the investment adviser to each of the Public Funds.

Conflicts of interest may arise from the fact that we carry on substantial investment activities for separately managed account clients and Public Fund clients. We may have financial incentives to favor certain clients over others. Our client accounts may compete for specific trades. We may give advice and recommend securities to, or buy or sell securities for, certain accounts, which advice or securities recommended may differ from advice given to, or securities recommended or bought or sold for, other client accounts, even though they may have the same or similar investment objectives. Situations may occur when certain clients could be disadvantaged because of the investment activities we conduct for our other client accounts. Such situations may be based on, among other things: (1) legal or internal restrictions on the combined size of positions that may be taken for client accounts, thereby limiting the size of such accounts’ positions; (2) the difficulty of liquidating an investment for client accounts where the market cannot absorb the sale of the combined position; or (3) limits on co-investing in private placement securities under the Investment Company Act of 1940. We have adopted order aggregation and trade allocation policies and procedures designed to ensure that all clients are treated fairly.

Item 5. Additional Compensation

Mr. Hamel has an employment agreement with Tortoise and receives a fixed salary for the services he provides. He is also eligible for an annual cash bonus based on our earnings and the satisfaction of certain other conditions. Additional benefits received by Mr. Hamel are normal and customary employee benefits generally available to all salaried employees. Mr. Hamel owns an equity interest in our parent company and thus benefits from increases in the net income of Tortoise.

Item 6. Supervision

Our Managing Directors, Kevin Birzer, Zach Hamel, Ken Malvey, Terry Matlack and Dave Schulte are responsible for all internal supervision. As members of our Investment Committee, each of Messrs. Birzer, Hamel, Malvey, Matlack and Schulte are responsible for the formulation and monitoring of investment advice offered to clients and oversight of all material investment policy changes. Each member of the Investment Committee monitors the other members. They can be reached at (913) 981-1020.

All investment restrictions are reviewed and approved or modified by Ken Malvey, the Managing Director with primary responsibility over the separate account and trading departments. Upon approval, investment restrictions are communicated to the portfolio team by Mr. Malvey, and are entered in our Advent Rules Manager system (Advent Rules Manager is an automated solution for compliance and portfolio monitoring providing automated real-time testing for at-time-of purchase (front-end) and holdings (back-end) restrictions). Advent Rules Manager generates daily reports reflecting whether or not there are any exceptions to these restrictions. These reports are reviewed by multiple Tortoise personnel, including finance/operations department personnel and compliance personnel.

At least two signatures are required on every trade ticket, at least one of which must be a Managing Director (each of whom is also a member of the Investment Committee). Portfolio team Directors and the Director of Financial Operations are also authorized signers. In addition, compliance personnel review daily transaction summary reports.

Compliance personnel review all employee personal securities transactions on a quarterly basis. Diane Bono, our Chief Compliance Officer, can be reached at (913) 981-1020.



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Kenneth P. Malvey

Tortoise Capital Advisors, L.L.C.

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This brochure supplement provides information about Kenneth P. Malvey that supplements the Tortoise Capital Advisors, L.L.C. Disclosure Brochure. You should have received a copy of that brochure. Please contact Jennifer Park, at 913-981-1020 or at 866-362-9331 (toll-free) or via e-mail to jpark@tortoiseadvisors.com, if you did not receive Tortoise Capital Advisors, L.L.C.'s Disclosure Brochure or if you have any questions about the contents of this supplement.

Additional information about Kenneth P. Malvey is available on the SEC's website at www.adviserinfo.sec.gov.

Item 2. Educational Background and Business Experience

Tortoise Capital Advisors, L.L.C. (“Tortoise,” “we,” or “us”) was founded in 2002 by the five members of our Investment Committee, H. Kevin Birzer, Zachary A. Hamel, Kenneth P. Malvey, Terry Matlack and David J. Schulte. Our Investment Committee as a team has discretionary authority over client assets and provides discretionary advice.

Kenneth P. Malvey

Born: 1965

Education: Winona State University – Bachelor of Science in Finance

Business Background: Mr. Malvey has been a Managing Director of ours since 2002. He joined Fountain Capital in 2002 and was a Partner there from 2004 through September 2012. Prior to joining Fountain Capital in 2002, Mr. Malvey was one of three members of the Global Office of Investments for GE Capital's Employers Reinsurance Corporation. Most recently, he was the Global Investment Risk Manager for a portfolio of approximately \$24 billion of fixed-income, public equity and alternative investment assets. Before joining GE Capital in 1996, he was a Bank Examiner and Regional Capital Markets Specialist with the FDIC for nine years. Mr. Malvey has also been an officer of each of our publicly traded closed-end funds (“Public Funds”) since its inception. Mr. Malvey served as an officer from inception through November 2011 of a Tortoise entity that was formerly regulated as a business development company. He earned his CFA designation in 1996.

Professional Designations – Explanation of Minimum Qualifications

Charter Financial Analyst (“CFA”) Designation

To earn the CFA charter, a person must successfully pass through the CFA Program, a graduate-level self-study program that combines a broad curriculum with professional conduct requirements, culminating in three sequential exams (Levels I, II, III). The three general requirements to earn a CFA charter are to pass three exams, have an undergraduate degree (in any subject) and have three years related work experience in the financial area.

Item 3. Disciplinary Information

Not applicable.

Item 4. Other Business Activities

Mr. Malvey serves as an officer of each of the Public Funds. Tortoise serves as the investment adviser to each of the Public Funds.

Conflicts of interest may arise from the fact that we carry on substantial investment activities for separately managed account clients and Public Fund clients. We may have financial incentives to favor certain clients over others. Our client accounts may compete for specific trades. We may give advice and recommend securities to, or buy or sell securities for, certain accounts, which advice or securities recommended may differ from advice given to, or securities recommended or bought or sold for, other client accounts, even though they may have the same or similar investment objectives. Situations may occur when certain clients could be disadvantaged because of the investment activities we conduct for our other client accounts. Such situations may be based on, among other things: (1) legal or internal restrictions on the combined size of positions that may be taken for client accounts, thereby limiting the size of such accounts’ positions; (2) the difficulty of liquidating an investment for client accounts where the market cannot absorb the sale of the combined position; or (3) limits on co-investing in private placement securities under the Investment Company Act of

1940. We have adopted order aggregation and trade allocation policies and procedures designed to ensure that all clients are treated fairly.

Item 5. Additional Compensation

Mr. Malvey has an employment agreement with Tortoise and receives a fixed salary for the services he provides. He is also eligible for an annual cash bonus based on our earnings and the satisfaction of certain other conditions. Additional benefits received by Mr. Malvey are normal and customary employee benefits generally available to all salaried employees. Mr. Malvey owns an equity interest in our parent company and thus benefits from increases in the net income of Tortoise.

Item 6. Supervision

Our Managing Directors, Kevin Birzer, Zach Hamel, Ken Malvey, Terry Matlack and Dave Schulte are responsible for all internal supervision. As members of our Investment Committee, each of Messrs. Birzer, Hamel, Malvey, Matlack and Schulte are responsible for the formulation and monitoring of investment advice offered to clients and oversight of all material investment policy changes. Each member of the Investment Committee monitors the other members. They can be reached at (913) 981-1020.

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Terry Matlack

Tortoise Capital Advisors, L.L.C.

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This brochure supplement provides information about Terry Matlack that supplements the Tortoise Capital Advisors, L.L.C. Disclosure Brochure. You should have received a copy of that brochure. Please contact Jennifer Park, at 913-981-1020 or at 866-362-9331 (toll-free) or via e-mail to jpark@tortoiseadvisors.com, if you did not receive Tortoise Capital Advisors, L.L.C.'s Disclosure Brochure or if you have any questions about the contents of this supplement.

Additional information about Terry Matlack is available on the SEC's website at www.adviserinfo.sec.gov.

Item 2. Educational Background and Business Experience

Tortoise Capital Advisors, L.L.C. (“Tortoise,” “we,” or “us”) was founded in 2002 by the five members of our Investment Committee, H. Kevin Birzer, Zachary A. Hamel, Kenneth P. Malvey, Terry Matlack and David J. Schulte. Our Investment Committee as a team has discretionary authority over client assets and provides discretionary advice.

Terry Matlack

Born: 1956

Education: Kansas State University – Bachelor of Science in Business Administration;
University of Kansas – Master of Business Administration and Juris Doctorate

Business Background: Mr. Matlack has been a Managing Director of ours since 2002. From 2001 to 2002, Mr. Matlack was a full-time Managing Director of Kansas City Equity Partners, LC (“KCEP”). Prior to joining KCEP, from 1998 to 2001, Mr. Matlack was President of GreenStreet Capital and its affiliates in the telecommunications service industry. Prior to 1995, he was Executive Vice President and a member of the board of directors of W.K. Communications, Inc., a cable television acquisition company, and Chief Operating Officer of W.K. Cellular, a cellular rural service area operator. He also served as a specialist in corporate finance with George K. Baum & Company, and as Executive Vice President of Corporate Finance at B.C. Christopher Securities Company. Mr. Matlack has also been an officer of each of our publicly traded closed-end funds (“Public Funds”) since its inception, and was a Director of our Public Funds from their inception to September 2009. Mr. Matlack served as an officer from inception to June 2012, and as a director from inception to September 2009, of a Tortoise entity that was formerly regulated as a business development company. He earned his CFA designation in 1985.

Professional Designations – Explanation of Minimum Qualifications

Charter Financial Analyst (“CFA”) Designation

To earn the CFA charter, a person must successfully pass through the CFA Program, a graduate-level self-study program that combines a broad curriculum with professional conduct requirements, culminating in three sequential exams (Levels I, II, III). The three general requirements to earn a CFA charter are to pass three exams, have an undergraduate degree (in any subject) and have three years related work experience in the financial area.

Item 3. Disciplinary Information

Not applicable.

Item 4. Other Business Activities

Mr. Matlack serves as an officer of each of the Public Funds. Tortoise serves as the investment adviser to each of the Public Funds.

Conflicts of interest may arise from the fact that we carry on substantial investment activities for separately managed account clients and Public Fund clients. We may have financial incentives to favor certain clients over others. Our client accounts may compete for specific trades. We may give advice and recommend securities to, or buy or sell securities for, certain accounts, which advice or securities recommended may differ from advice given to, or securities recommended or bought or sold for, other client accounts, even though they may have the same or similar investment objectives. Situations may occur when certain clients could be disadvantaged because of the investment activities we conduct for our other client accounts. Such situations

may be based on, among other things: (1) legal or internal restrictions on the combined size of positions that may be taken for client accounts, thereby limiting the size of such accounts' positions; (2) the difficulty of liquidating an investment for client accounts where the market cannot absorb the sale of the combined position; or (3) limits on co-investing in private placement securities under the 1940 Act. We have adopted order aggregation and trade allocation policies and procedures designed to ensure that all clients are treated fairly.

Item 5. Additional Compensation

Mr. Matlack has an employment agreement with Tortoise and receives a fixed salary for the services he provides. He is also eligible for an annual cash bonus based on our earnings and the satisfaction of certain other conditions. Additional benefits received by Mr. Matlack are normal and customary employee benefits generally available to all salaried employees. Mr. Matlack owns an equity interest in our parent company and thus benefits from increases in the net income of Tortoise.

Item 6. Supervision

Our Managing Directors, Kevin Birzer, Zach Hamel, Ken Malvey, Terry Matlack and Dave Schulte are responsible for all internal supervision. As members of our Investment Committee, each of Messrs. Birzer, Hamel, Malvey, Matlack and Schulte are responsible for the formulation and monitoring of investment advice offered to clients and oversight of all material investment policy changes. Each member of the Investment Committee monitors the other members. They can be reached at (913) 981-1020.

All investment restrictions are reviewed and approved or modified by Ken Malvey, the Managing Director with primary responsibility over the separate account and trading departments. Upon approval, investment restrictions are communicated to the portfolio team by Mr. Malvey, and are entered in our Advent Rules Manager system (Advent Rules Manager is an automated solution for compliance and portfolio monitoring providing automated real-time testing for at-time-of purchase (front-end) and holdings (back-end) restrictions). Advent Rules Manager generates daily reports reflecting whether or not there are any exceptions to these restrictions. These reports are reviewed by multiple Tortoise personnel, including finance/operations department personnel and compliance personnel.

At least two signatures are required on every trade ticket, at least one of which must be a Managing Director (each of whom is also a member of the Investment Committee). Portfolio team Directors and the Director of Financial Operations are also authorized signers. In addition, compliance personnel review daily transaction summary reports.

Compliance personnel review all employee personal securities transactions on a quarterly basis. Diane Bono, our Chief Compliance Officer, can be reached at (913) 981-1020.



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David J. Schulte

Tortoise Capital Advisors, L.L.C.

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www.tortoiseadvisors.com

This brochure supplement provides information about David J. Schulte that supplements the Tortoise Capital Advisors, L.L.C. Disclosure Brochure. You should have received a copy of that brochure. Please contact Jennifer Park, at 913-981-1020 or at 866-362-9331 (toll-free) or via e-mail to jpark@tortoiseadvisors.com, if you did not receive Tortoise Capital Advisors, L.L.C.'s Disclosure Brochure or if you have any questions about the contents of this supplement.

Additional information about David J. Schulte is available on the SEC's website at www.adviserinfo.sec.gov.

Item 2. Educational Background and Business Experience

Tortoise Capital Advisors, L.L.C. (“Tortoise,” “we,” or “us”) was founded in 2002 by the five members of our Investment Committee, H. Kevin Birzer, Zachary A. Hamel, Kenneth P. Malvey, Terry Matlack and David J. Schulte. Our Investment Committee as a team has discretionary authority over client assets and provides discretionary advice.

David J. Schulte

Born: 1961

Education: Drake University – Bachelor of Science in Business Administration;
University of Iowa –Juris Doctorate

Business Background: Mr. Schulte has been a Managing Director of ours since 2002. Previously, Mr. Schulte was a full-time Managing Director at KCEP from 1993 to 2002, where he led private financing for two growth MLPs. Mr. Schulte served on the Board of Directors of Inergy, LP, a propane gas MLP, from 2001 to 2004. Mr. Schulte served as the observer to the Board of Directors of Markwest Energy Partners, a natural gas gathering and processing MLP from 2002 to 2004. Before joining KCEP, he spent five years as an investment banker at the predecessor of Oppenheimer & Co., Inc. Mr. Schulte has also been an officer of each of our publicly-traded closed-end funds (“Public Funds”) since its inception, and has served as an officer since inception and as a director since December 2011 of Tortoise Capital Resources Corporation (“TTO”) that was formerly regulated as a business development company. He earned his CFA designation in 1992.

Professional Designations – Explanation of Minimum Qualifications

Charter Financial Analyst (“CFA”) Designation

To earn the CFA charter, a person must successfully pass through the CFA Program, a graduate-level self-study program that combines a broad curriculum with professional conduct requirements, culminating in three sequential exams (Levels I, II, III). The three general requirements to earn a CFA charter are to pass three exams, have an undergraduate degree (in any subject) and have three years related work experience in the financial area.

Item 3. Disciplinary Information

Not applicable.

Item 4. Other Business Activities

Mr. Schulte serves as an officer of each of the Public Funds. Tortoise serves as the investment adviser to each of the Public Funds. Mr. Schulte also serves as an officer and director of TTO. Tortoise continues to provide certain securities focused investment services necessary to evaluate, monitor and liquidate the remaining securities portfolio of TTO which is now focusing on acquiring real property assets.

Conflicts of interest may arise from the fact that we carry on substantial investment activities for separately managed account clients and Public Fund clients. We may have financial incentives to favor certain clients over others. Our client accounts may compete for specific trades. We may give advice and recommend securities to, or buy or sell securities for, certain accounts, which advice or securities recommended may differ from advice given to, or securities recommended or bought or sold for, other client accounts, even though they may have the same or similar investment objectives. Situations may occur when certain clients could be disadvantaged because of the investment activities we conduct for our other client accounts. Such situations may be based on, among other things: (1) legal or internal restrictions on the combined size of positions that may be taken for client accounts, thereby limiting the size of such accounts’ positions; (2) the difficulty of

liquidating an investment for client accounts where the market cannot absorb the sale of the combined position; or (3) limits on co-investing in private placement securities under the 1940 Act. We have adopted order aggregation and trade allocation policies and procedures designed to ensure that all clients are treated fairly.

Item 5. Additional Compensation

Mr. Schulte has an employment agreement with Tortoise and receives a fixed salary for the services he provides. He is also eligible for an annual cash bonus based on our earnings and the satisfaction of certain other conditions. Additional benefits received by Mr. Schulte are normal and customary employee benefits generally available to all salaried employees. Mr. Schulte owns an equity interest in our parent company and thus benefits from increases in the net income of Tortoise.

Item 6. Supervision

Our Managing Directors, Kevin Birzer, Zach Hamel, Ken Malvey, Terry Matlack and Dave Schulte are responsible for all internal supervision. As members of our Investment Committee, each of Messrs. Birzer, Hamel, Malvey, Matlack and Schulte are responsible for the formulation and monitoring of investment advice offered to clients and oversight of all material investment policy changes. Each member of the Investment Committee monitors the other members. They can be reached at (913) 981-1020.

All investment restrictions are reviewed and approved or modified by Ken Malvey, the Managing Director with primary responsibility over the separate account and trading departments. Upon approval, investment restrictions are communicated to the portfolio team by Mr. Malvey, and are entered in our Advent Rules Manager system (Advent Rules Manager is an automated solution for compliance and portfolio monitoring providing automated real-time testing for at-time-of purchase (front-end) and holdings (back-end) restrictions). Advent Rules Manager generates daily reports reflecting whether or not there are any exceptions to these restrictions. These reports are reviewed by multiple Tortoise personnel, including finance/operations department personnel and compliance personnel.

At least two signatures are required on every trade ticket, at least one of which must be a Managing Director (each of whom is also a member of the Investment Committee). Portfolio team Directors and the Director of Financial Operations are also authorized signers. In addition, compliance personnel review daily transaction summary reports.

Compliance personnel review all employee personal securities transactions on a quarterly basis. Diane Bono, our Chief Compliance Officer, can be reached at (913) 981-1020.

VENTURA COUNTY EMPLOYEES' RETIREMENT ASSOCIATION

1190 South Victoria Avenue, Suite 200
Ventura, CA 93003-6572
(805) 339-4250 • Fax: (805) 339-4269
<http://www.ventura.org/vcera>

April 1, 2013

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

SUBJECT: BOARD POLICIES UPDATE

Dear Board Members:

In late 2012, staff reported that it needed more time to compile and review the policies before presenting them to the Board for its periodic review and reconfirmation. Staff included a plan to bring policies with ministerial changes in manageable batch sizes over a period of a couple of meetings, and would bring critical policy updates as needed or substantial policy amendments separately for focused scrutiny.

Please review and approve, as presented or as further modified, the attached charters for the Board of Retirement, Chair, Vice Chair, and Retirement Administrator, along with the Policy Development Process Policy, Service Provider Selection Policy, and Monitoring and Reporting Policy. Any proposed changes by staff are noted in legislative mark-up format.

I welcome any additional proposed changes and would be pleased to respond to any questions you may have on this matter.

Sincerely,



Donald C. Kendig, CPA
Retirement Administrator

Attachments

VENTURA COUNTY EMPLOYEES' RETIREMENT ASSOCIATION

BOARD OF RETIREMENT CHARTER

I. Introduction

- 1) The Board is committed to carrying out its policy and oversight role in accordance with the highest standards of fiduciary practice. In doing so, it recognizes the need to clearly delineate the responsibilities of the various decision-making bodies involved in the governance and management of VCERA. Accordingly, the Board has established this charter, which sets out its own duties and responsibilities in governing VCERA.

II. Duties and Responsibilities

Governance

- 2) The Board will:
 - a) Approve, and amend as necessary, the mission statement of VCERA;
 - b) Enact regulations or bylaws, consistent with the County Employees Retirement Law of 1937, Government Code, Title 3, Division 4, Part 3, Chapter 3 and 3.9, Sections 31450 *et. seq.* as amended, [the California Public Employees' Pension Reform act of 2012](#), and other applicable laws;
 - c) Enact, and amend as necessary, policies to ensure appropriate governance practices;
 - d) Enact charters describing the roles and responsibilities of the Board, the Retirement Administrator, the Chair, Vice Chair, and any board committees that may be established, and amend said charters as appropriate;
 - e) Elect a Chair and a Vice Chair;
 - f) Initiate, support or oppose legislative proposals affecting VCERA; and
 - g) Authorize and or approve all actions concerning litigation that may affect the investments, benefits or funding of VCERA.

Investments and Funding

- 3) The Board has exclusive control of the investments of VCERA. The assets of VCERA are trust funds and, as such, the Board will manage the assets:
 - a) Solely in the interest of, and for the exclusive purposes of providing benefits to, participants and their beneficiaries, minimizing employer contributions thereto, and defraying reasonable expenses of administering VCERA;

- b) With the care, skill, prudence, and diligence under the circumstances then prevailing that a prudent person acting in a like capacity and familiar with these matters would use in the conduct of an enterprise of a like character and with like aims; and
 - c) By diversifying the investments of VCERA so as to minimize the risk of loss and to maximize the rate of return, unless under the circumstances it is clearly prudent not to do so.
- 4) The Board's duties to its participants and their beneficiaries shall take precedence over any other duty.
 - 5) The Board will conduct a study of the relationship between the assets and liabilities of VCERA not less than every three years.
 - 6) The Board will approve an Investment Policy Statement including investment objectives, and will review and confirm or amend such policy as necessary.
 - 7) The Board will approve broad investment strategies for achieving the investment objectives of VCERA, which will include at a minimum:
 - a) Investment manager structures;
 - b) Investment style and market capitalization strategies; and
 - c) Active and passive investment allocations.

Benefits Administration

- 8) The Board will:
 - a) Adopt board policies deemed necessary to ensure effective administration of member benefits;
 - b) Approve all qualified members who apply for service retirement;
 - c) Determine the merits of applications for disability benefits, making necessary determinations of eligibility and permanency of incapacity;
 - d) Act on member appeals of decisions made by VCERA staff;
 - e) Annually approve cost-of-living adjustments; and
 - f) Annually review any non-vested supplemental benefit payments to retirees and surviving beneficiaries.

Operations

- 9) The Board will:
- a) Approve a business plan and any updates thereto in accordance with the Business Planning Policy;
 - b) Approve the annual operating budget and any changes thereto;
 - c) Ensure that all required contributions to VCERA are collected in a timely manner;
 - d) Ensure that all required distributions from VCERA are made in a timely manner;
 - e) Approve leasehold or purchase agreements in connection with VCERA's offices; and
 - f) Approve operational policies to support the efficient delivery of member services.

Financial, Actuarial and Accounting

- 10) The Board will:
- a) Approve the annual actuarial valuation and the actuarial assumptions contained therein, upon the advice of the actuary and other experts as required, and shall transmit to the Board of Supervisors a recommendation to implement such changes in the contribution rates of the county and districts, and members, as are necessary. At least 25 days prior to taking any action concerning the actuarial valuation, the Board shall provide a copy of the valuation to each employee organization recognized by the County of Ventura.
 - b) Approve the Comprehensive Annual Financial Report;
 - c) Ensure a financial audit is conducted at least annually;
 - d) Ensure an actuarial experience study is conducted every three years; and
 - e) Ensure an actuarial audit is conducted at least every six years, unless the Board has replaced the actuary or is contemplating replacing the actuary shortly before or after the time that an actuarial audit is due.

Human Resources

- 11) The Board will:

- a) Approve a Retirement Administrator Performance Evaluation Policy;
- b) Approve the compensation of the Retirement Administrator;
- c) Approve the staffing levels of VCERA; and
- d) Ensure that appropriate provisions for succession are in place to provide for continuity in VCERA staff.

Communications

12) The Board will:

- a) Ensure effective communications with all significant interest groups including, but not limited to, plan participants, the plan sponsor, recognized organization of retirees, and employee organizations;
- b) Ensure that an Annual Financial Report, or a summary thereof, is available to members and the public; and
- c) Ensure the adequacy of the Annual Member Statement and ensure its timely distribution to all members.

Key Appointments

13) The Board will appoint the Retirement Administrator.

14) The Board will appoint the following retained service providers, taking into consideration the recommendation of staff or consultants:

- a) The actuary;
- b) The actuarial auditor;
- c) The financial auditor;
- d) The custodian;
- e) Legal counsel retained to advise the Board;
- f) Investment consultants;
- g) Investment managers;
- h) Human resource consultants;
- i) Information systems technology providers; and
- j) Other service providers retained to advise the Board.

III. Monitoring and Reporting

- 15) The Board will ensure that appropriate monitoring and reporting practices are established within VCERA.
- 16) The Board will annually:
 - a) Review compliance with board policies;
 - b) Review the Retirement Administrator's job performance in accordance with the Retirement Administrator Performance Evaluation Policy;
 - c) Review the performance of the Board itself;
 - d) Review the funded status of VCERA via the actuarial valuation;
 - e) Review VCERA's internal financial and operating controls as presented by the financial auditor;
 - f) Review the investment performance of VCERA and the performance of its investment managers.
- 17) The Board will review the actuarial experience of VCERA not less than every three (3) years.
- 18) The Board will review the results of an actuarial audit of VCERA at least every six years, except as otherwise provided in Section 10 e).
- 19) The Board will review progress toward the implementation of VCERA's business plan on an annual basis.
- 20) The Board will review board policies at a frequency to be set out in each policy.
- 21) The Board will review the operating budget on a monthly basis.
- 22) With the assistance of the Retirement Administrator, the Board will, on a regular basis, review the performance of all retained service providers including the actuary, the financial auditor, the investment consultant and counsel.

IV. Compensation of Members; Expenses

- 23) Eligible Board members shall receive compensation at a rate of not more than one hundred dollars (\$100) a meeting or meeting of a committee authorized by the entire board, for not more than five meetings per month, together with actual and necessary expenses for all members of the Board.

V. Review

- 24) The Board will review this charter at least once every three (3) years to ensure that it remains relevant and appropriate.

VI. History

- 25) The Board last reviewed and approved this charter on April 1, 2013. This ~~C~~charter was originally adopted by the Board on September 15, 2008.

VENTURA COUNTY EMPLOYEES' RETIREMENT ASSOCIATION

CHAIR CHARTER

I. Introduction

- 1) At its first regular meeting in December, the Board will elect one of its members as Chair to hold office for a period of one year, commencing January 1 of the following year. Members may be re-elected to the office of Chair without limitation. The Chair will exercise the powers and will perform the duties and functions specified herein. In presiding at meetings of the Board, the Chair shall attempt to refrain from entering into any discussion on the merits of any issue before the Board until it appears all other members of the Board wishing to comment have had the opportunity to state their positions on such issue.
- 2) No member shall be elected to the position of Chair until he or she has served on the Board for a minimum of one year.

II. Duties and Responsibilities

- 3) The Chair will:
 - a) Recommend to the Board the appointment of committees and ad hoc committees of the Board;
 - b) Appoint a chair for each committee and ad hoc committee, or delegate to the committee the responsibility of appointing a chair;
 - c) Preside at meetings of the Board, ensuring that such meetings are conducted in an efficient and effective manner;
 - d) In consultation with the Retirement Administrator, ensure coordination of meetings of the Board, agendas, schedules and presentations;
 - e) Facilitate effective and open communications between the Board and the Retirement Administrator;
 - f) Work to ensure cohesion within the Board;
 - g) Sign subpoenas if the Retirement Administrator is unavailable;
 - h) Execute all investment manager contracts entered into by VCERA, and all other professional service contracts exceeding \$100,000, unless delegated by the Board to the Retirement Administrator in an open meeting;
 - i) Review travel and other expenses of the Retirement Administrator on a quarterly basis;

- j) Sign the minutes which shall be part of the permanent records of the Board;
and
 - k) Carry out such other functions and duties as are prescribed by the Board.
- 4) The Chair shall be available to discuss with the Retirement Administrator any public relations matter the Retirement Administrator believes to be potentially sensitive or controversial in order to determine the most appropriate response, and to determine whether the Chair or the Retirement Administrator should act as spokesperson on the matter.

Notwithstanding the above, the Chair will serve as official spokesperson for VCERA on any public relations matter pertaining to the Retirement Administrator and for which it would be inappropriate for the Retirement Administrator to serve as spokesperson, such as matters relating to the ethical conduct of the Retirement Administrator.

III. Review

- 5) The Board will review this charter at least once every three (3) years to ensure that it remains relevant and appropriate.

IV. History

- 6) The Board last reviewed and approved this charter on April 1, 2013. This ~~C~~charter was originally adopted by the Board on June 2, 2003.

VENTURA COUNTY EMPLOYEES' RETIREMENT ASSOCIATION

VICE CHAIR CHARTER

I. Introduction

- 1) At its first regular meeting in December, the Board will elect one of its members as Vice Chair to hold office for a period of one year, commencing January 1 of the following year. Members may be re-elected to the office of Vice Chair without limitation. No member shall be elected to the position of Vice Chair until he or she has served on the Board for a minimum of one year.

II. Duties and Responsibilities

- 2) The Vice Chair will assume the duties of the Chair in the event the Chair is unable to fulfill the duties of the position.
- 3) In order to assume the duties of the Chair effectively, the Vice-Chair is responsible for ensuring that he or she is familiar with the duties of the Chair.

IV. Review

- 4) The Board will review this charter at least once every three (3) years to ensure that it remains relevant and appropriate.

V. History

- 5) [The Board last reviewed and approved this charter on April 1, 2013.](#) This ~~C~~charter was originally adopted by the Board on June 2, 2003.

VENTURA COUNTY EMPLOYEES' RETIREMENT ASSOCIATION

RETIREMENT ADMINISTRATOR CHARTER

I. Introduction

- 1) The Board will appoint a Retirement Administrator who will serve at its pleasure. The Retirement Administrator is the most senior executive of VCERA and is ~~not~~ subject to ~~county civil service and merit system rules~~ the Ventura County management resolution and is exempt from Ventura County civil service rules. This charter sets out the roles and responsibilities of the Retirement Administrator.

II. Duties and Responsibilities

Leadership and Policy Analysis

- 2) The Retirement Administrator will provide leadership for VCERA staff in implementing the programs necessary to achieve the mission, goals and objectives established by the Board. The Retirement Administrator will manage the day-to-day affairs of VCERA in accordance with policies established by the Board, and may delegate duties to senior management and staff as necessary.
- 3) The Retirement Administrator will provide support to the Board and its committees in establishing all governance, administrative and operational policies of the Board including identifying and analyzing issues requiring board policy, and providing well-supported policy recommendations for consideration by the Board or its committees. The Retirement Administrator may advise the Board on investment policy matters, ~~but~~ primary responsibility for such recommendations rests with the investment consultant.
- 4) The Retirement Administrator will be responsible for ensuring that all administrative and operational policies of the Board, excluding governance and investment policies, are properly implemented.

Governance

- 5) The Retirement Administrator will:
 - a) Recommend to the Board policies to help ensure appropriate governance practices;
 - b) Assist the Board in implementing its governance policies, charters, and bylaws; and
 - c) Assist the Board in ~~co-ordinating~~ coordinating board member education and travel arrangements.

- 6) The Retirement Administrator will carry out the following duties for the Board:
- a) Coordinate meetings, agendas, schedules and presentations for both board and committee meetings in accordance with the Brown Act;
 - b) Maintain minutes of board meetings and notes for committee meetings;
 - c) Sign the minutes of board meetings upon approval of the Board;
 - d) Sign subpoenas;
 - e) ~~In conjunction with~~ Under the direction of the Chair or, in the Chair's absence, the Vice-Chair, sign all resolutions and policies adopted by the Board.

Investments

- 7) The Retirement Administrator will:
- a) Advise the Board on investment matters;
 - b) Monitor, from an administrative perspective only, that the investment consultant is fulfilling the terms of its contract with VCERA; and
 - c) Execute the portfolio rebalancing policy of the Board.

Benefits Administration

- 8) The Retirement Administrator will:
- a) Recommend to the Board, as necessary, policies and staffing to ensure effective administration of member benefits;
 - b) Ensure accurate payment of benefits to members, and address problems or errors in accordance with established policies and procedures;
 - c) In consultation with medical evaluators and counsel, schedule disability applications to the Board for its consideration;
 - d) Maintain accurate records of member accounts; and
 - e) Ensure delivery of high standards of service to members including calculations and counseling.

Operations

- 9) The Retirement Administrator will:
- a) Recommend to the Board, as appropriate, board policies and staffing designed to help ensure effective operations;

- b) Develop and recommend a Business Plan to the Board, as well as updates to the Plan as necessary;
- c) Recommend the annual operating budget to the Board;
- d) Execute agreements and authorize payments related to the administration of VCERA, consistent with the operating budget;
- e) Account for and ensure appropriate collection, deposit, and distribution of funds as required;
- f) Implement internal operational controls;
- g) Ensure the appropriate design, acquisition, implementation, and maintenance of all technological systems required to administer VCERA;
- h) Maintain the records of VCERA in a permanent and readily accessible format;
- i) Maintain an effective working relationship with ~~the plan~~ sponsors and other constituency groups.

Finance, Actuarial and Accounting

10) The Retirement Administrator will:

- a) Prepare the Comprehensive Annual Financial Report for approval by the Board;
- b) Implement appropriate internal financial controls to safeguard the assets of VCERA;
- c) ~~Assist the Board in~~ With the assistance of the Chief Financial Officer, coordinate the annual financial audit;
- d) Coordinate the actuarial valuation, actuarial experience studies, and actuarial audits; and
- e) File in the office of the County Auditor and with the Board of Supervisors a sworn statement (Comprehensive Annual Financial Report) which will exhibit the financial condition of VCERA at the close of the preceding ~~calendar~~ fiscal year and its financial transactions for the year ending on that day.

Human Resources

11) The Retirement Administrator will:

- a) Hire, manage and terminate senior management and staff; and

- b) Develop training and job development programs for VCERA staff as approved in the annual budget.

Legislation and Litigation

- 12) The Retirement Administrator will:
 - a) Recommend legislative proposals to be considered by the Board;
 - b) Coordinate with legal counsel all legal proceedings involving VCERA;
 - c) In consultation with legal counsel, provide recommendations to the Board concerning settlement or other legal action involving VCERA; and
 - d) Develop and implement plans to comply with court rulings or new legislation.

Communications

- 13) The Retirement Administrator will:
 - a) Ensure effective and timely communications with stakeholders on matters relating to the administration of VCERA. Such communications may include press releases, newsletters, presentations, and internet communications; and
 - b) Act as official spokesperson for VCERA. The Retirement Administrator will, however, discuss with the Chair any public relations matters that are potentially sensitive or controversial to determine the most appropriate response and to determine whether the Retirement Administrator or the Chair should act as spokesperson on the matter.

Appointment of Service Providers

- 14) The Retirement Administrator will cause the necessary due diligence to be performed for the following retained service providers:
 - a) The actuary;
 - b) The actuarial auditor;
 - c) The independent financial auditor;
 - d) The master trust/plan custodian;
 - e) Legal counsel(s);
 - f) Human resource consultants;
 - g) Information systems technology providers;

g)h) Hearing Officers; and

h)i) Other service providers.

The Retirement Administrator will provide the Board with appropriate recommendations, in accordance with the Service Provider Selection Policy.

- 15) The Retirement Administrator may hire—execute contracts with other service providers not to exceed \$100,000, consistent with the operating budget and other policies of the Board, provided that the Board has not specifically retained the authority to hire such service providers.

III. Monitoring and Reporting

- 16) The Retirement Administrator will provide the Board with relevant, appropriate and timely information to enable it to properly carry out its oversight responsibilities with respect to the benefit administration function of VCERA. Furthermore, the Retirement Administrator will apprise the Board in a timely manner of all significant issues, problems, or developments pertaining to VCERA, and provide recommended courses of action as appropriate.

- 17) The Retirement Administrator will:

- a) Review all administrative and operational policies of VCERA on a regular basis to ensure they are being followed and continue to meet the needs of VCERA;
- b) Monitor the funded status of VCERA and all issues that may reasonably have a significant impact on such status;
- c) Review the findings of the annual financial audit, and of any internal audits that may be performed;
- e) Review the activities and performance of the actuary, independent financial auditor, investment consultant, legal counsel(s), and master trust/plan custodian on a regular basis;
- f) Monitor and evaluate the activities and performance of senior management and staff;
- g) With the assistance of the Chief Financial Officer, Monitor the accuracy and timeliness of all payments due to and payable by VCERA;
- h) Monitor VCERA's compliance with applicable laws and regulations concerning the benefit administration function; and

- i) In conjunction with Board counsel and outside counsel(s), monitor the status of all legal proceedings involving VCERA and report to the Board as appropriate.

IV. Review

- 18) The Board will review this charter at least once every three (3) years to ensure that it remains relevant and appropriate.

V. History

- 19) The Board last reviewed and approved this charter on April 1, 2013. This cCharter was originally adopted by the Board on June 2, 2003.

VENTURA COUNTY EMPLOYEES' RETIREMENT ASSOCIATION

BOARD POLICY DEVELOPMENT PROCESS

I. Background and Objectives

- 1) The Board is responsible for the overall governance of VCERA and for assuring that VCERA's mission is accomplished. In carrying out its responsibilities, the Board requires clear, sound policies and a structured process for establishing them.
- 2) The objectives of this policy are to:
 - a) Set out the method by which the Board will develop and approve the formal policies of VCERA;
 - b) Ensure that the method by which board policies are established is rigorous and disciplined; and
 - c) Provide a template and structure for Board policies; and
 - e)d) Provide for regular review and monitoring of board policies to ensure they continue to support the fiduciary responsibilities of the Board and the needs of VCERA.

II. Roles

- 3) The general role of the Retirement Administrator in the policy development process is to:
 - a) assist the Board in identifying board policies that may be needed;
 - b) provide the Board and designated committees with sound, thorough analysis of policy issues, with the assistance of consultants as required; and
 - c) develop recommended policies for the consideration of the Board and its committees.
- 4) The general role of the Board and its committees in the policy development process is to satisfy itself that the policy recommendations and the underlying analysis thereof, emanating from the Retirement Administrator or the consultants reflect the requisite level of skill, diligence, and care, and effectively support the mission and goals of VCERA.

III. Guidelines

Policy Development

- 5) The process of developing a board policy will be initiated by an action of the Board- or by the Retirement Administrator. The need for a board policy may be proposed by a trustee, a board committee, the Retirement Administrator or a consultant.
- 6) In determining whether a particular issue warrants a board policy, the Board will consider whether the issue satisfies the following criteria:
 - a) The issue may have a significant impact on or risk to VCERA;
 - b) The issue is expected to recur or continue indefinitely; and
 - c) The issue is not an operational issue that falls within the discretion of the Retirement Administrator, in which case the Retirement Administrator will be directed to establish and adopt a staff policy.
- 7) The Retirement Administrator will be responsible, with support of consultants as required, for performing all necessary policy research and analysis.
- 8) Board policies shall be documented and shall contain the following elements:
 - a) Purpose and objectives of the policy;
 - b) Guidelines to be followed;
 - c) Provisions for policy review, including frequency of review; and
 - d) Policy history.
- 9) Board policies may also contain the following optional elements:
 - a) Background or preamble;
 - b) Definitions;
 - c) Important underlying principles;
 - d) Examples for clarification; and
 - e) Other elements that may help clarify the Board's position.

- 10) In approving a policy, the Board will satisfy itself that the proposed policy and the underlying analysis thereof:
 - a) Reflect the requisite level of skill, diligence and care;
 - b) Satisfy the purpose of the policy, as defined at the outset by the Board; and
 - c) Effectively support the mission and goals of VCERA.
- 11) All of VCERA's board policies will be ~~numbered~~ organized for easy reference, maintained in an up-to-date form in a single volume or series of volumes within VCERA's office and on VCERA's website, and will be accessible to trustees, staff, and the public staff.

Policy Compliance

- 12) As a general rule, the Board will comply with all board policies. Should the Board take an action contrary to one of its policies, it will state in the board minutes the reasons for doing so. At such time, the Board will also request that a review of the policy be undertaken.
- 13) All policies will be formally reviewed at a time specified within each policy. The Board may initiate a review of a policy in advance of the time specified in the policy if either the trustee making the motion to review the policy or the seconder of such motion previously voted in support of the policy.

IV. Process Review

- 14) The Board will review the Board Policy Development Process at least once every three (3) years to ensure that it remains relevant and appropriate.

V. Process History

- 15) The Board last reviewed and approved this policy on April 1, 2013. The Board previously reviewed and approved this policy on March 19, 2007.

VENTURA COUNTY EMPLOYEES' RETIREMENT ASSOCIATION

SERVICE PROVIDER SELECTION POLICY

I. Background and Objectives

- 1) The Service Provider Selection Policy is intended to establish guidelines by which service providers will be selected and retained by VCERA.
- 2) The objective of this policy is to ensure that the process of selecting service providers is diligent and efficient.

II. Roles and Responsibilities

- 3) The role of the Board with respect to the selection of service providers is to:
 - a) Establish appropriate policies to help ensure prudent and sound selection decisions are made;
 - b) To monitor compliance with such policies; and
 - c) To approve, in consultation with the Retirement Administrator and, where appropriate, consultants, the appointment of retained service providers, which include:
 - i. The actuary;
 - ii. The actuarial auditor;
 - iii. The independent financial auditor;
 - iv. The master trust/plan custodian;
 - v. Legal counsel retained to advise the Board;
 - vi. Investment consultants;
 - vii. Investment managers;
 - viii. Human resource consultants;
 - ix. Information systems technology providers;
 - ~~ix-x.~~ Hearing Officers; and
 - ~~x-xi.~~ Other service providers retained to advise the Board.
- 4) Unless the Board determines otherwise, the Retirement Administrator will be responsible for appointing service providers other than retained service providers and for informing the Board of such appointments, or seeking Board approval, where the ~~services are publicly ory~~ are material or significant politically sensitive, or the contract exceeds \$100,000.

- 5) The Retirement Administrator will coordinate all search and due diligence activities, in conjunction with staff, investment consultants and other external experts, as required. Members of the Board may participate in due diligence activities for educational purposes and ~~in order~~ to oversee the due diligence activities of staff and consultants.

III. The Search Process

General Guidelines

- 6) The appointment of all service providers will be made in the best interests of the members and beneficiaries of VCERA, in keeping with the fiduciary responsibilities of the Board and staff.

Retained Service Providers

- 7) Prior to conducting a search for a retained service provider, the Retirement Administrator or consultant, as appropriate, will present the following information to the Board:
- a) The type of service provider being sought and the supporting rationale;
 - b) The objectives and selection criteria to be met and their relative importance;
 - c) A projected timeline for the search process; and
 - d) A description of the search process deemed most appropriate and cost effective in the circumstances, and including:
 - i. Whether a search consultant is to be used in the process;
 - ii. The due diligence efforts to be undertaken (for example, site visits and reference checks);
 - iii. Evaluation criteria to be used and their relative weights;
 - iv. Whether a Request for Proposal (RFP), or a variation thereof, is to be used with supporting rationale ~~(a copy of the RFP will be made available to trustees upon request)~~;
 - v. Whether a sole source approach is to be used, with supporting rationale; and
 - vi. Other pertinent information that the Retirement Administrator believes may assist the Board in better understanding the search process.
- 8) The Board, or a committee of the Board, may interview the candidates prior to the Board making a final selection decision. The exact number of candidates to be interviewed will be determined by the Board. The Board may delegate this

responsibility to conduct interviews to the Retirement Administrator and request that the Retirement Administrator recommend a candidate for ratification by the Board.

- 9) The Retirement Administrator or consultant will provide the Board or a designated committee of the Board with periodic reports on the status of all search processes.
- 10) Upon completion of the analysis and due diligence involved in the search process, the Retirement Administrator or consultant will provide the Board or a designated committee of the Board with, at a minimum:
 - a) A description of the due diligence activities undertaken;
 - b) A list of finalist candidates to be interviewed and an analysis of each candidate;
 - c) Confirmation of compliance with the selection criteria and search process presented to the Board prior to the commencement of the search, or an explanation of any deviations that occurred; and
 - d) A description of the expected performance monitoring and reporting efforts to be carried out with respect to the service provider in question throughout the term of the engagement.
- 11) The Board ~~will~~ may institute a “quiet period” when
 - a) the Board initiates a search process that may result in the appointment of a new service provider or in the expansion of its relationship with an existing service provider;
 - b) a current service provider is placed on an official “watch list” signifying that the service provider’s performance has fallen below expectations and warrants closer scrutiny; or
 - c) the Board deems it is in the best interest of VCERA to require that, for a limited period of time, communications between trustees and specified service providers be restricted to board and committee meetings only.
- 12) The initiation of a quiet period will be recorded in the minutes of the board meeting at which it occurred.
- 13) During quiet periods, in conjunction with the Service Provider Policy, trustees shall neither communicate with the specified service providers, except during board or committee meetings, nor accept meals, travel, hotel, or other gifts from the specified service providers.

- 14) A quiet period will cease:
- a) when a service provider has been appointed by the Board or the search process is otherwise ended; or
 - b) when a service provider on an official “watch list,” which has had a quiet period implemented, is subsequently removed from the watch list; or
 - c) when the quiet period is ended by action of the Board; or
 - d) when otherwise determined by action of the Board.

IV. Contracts

- 15) The Board will review, provide direction and approve all contracts entered into by VCERA subject to review by the Board’s legal advisor. The Chair shall execute all contracts.

V. Monitoring and Reporting

- 16) All service providers will be subject to regular and appropriate performance monitoring by staff, and periodic reviews, as appropriate, throughout the term of their contracts. Criteria for review may include performance, staff satisfaction, competitiveness of fees, quality of reporting, and accuracy of assumptions and forecasts.
- 17) The Retirement Administrator will report regularly as needed to the Board on all monitoring efforts involving retained service providers, identifying in a timely manner any material issues or actions taken. ~~In addition, the Retirement Administrator will prepare an annual performance summary for the service providers and place the matter on the Board’s agenda for review and discussion.~~
- 18) All monitoring and reporting provisions contained in this policy serve as minimum requirements. If more stringent requirements are established within other policies of VCERA, such requirements will prevail.
- 19) The Retirement Administrator or investment consultant(s), as appropriate, will report in a timely manner to the Board any failures by retained service providers to comply with the terms of their contract.

VI. Policy Review

- 20) The Board will review this policy at least every three (3) years to ensure that it remains relevant and appropriate.

VII. Policy History

- 21) This policy was last reviewed and approved on April 1, 2013. This policy was originally adopted by the Board on June 2, 2003.

VENTURA COUNTY EMPLOYEES' RETIREMENT ASSOCIATION

MONITORING AND REPORTING POLICY

I. Background

- 1) In keeping with the duty of the Board to oversee the activities and performance of VCERA, the Board has established this Monitoring and Reporting Policy, which sets out the Board's expectations concerning the reports it is to receive on a regular basis.

II. Guidelines

- 2) Appendix 1 of this Policy will address the routine reporting needs of the Board across a range of reporting areas including:
 - a) Governance;
 - b) Investments;
 - c) Funding; and
 - d) Administration.
- 3) The Board will be provided the routine reports outlined in Appendix 1 with a frequency also set out in Appendix 1. The Board will be provided other Personnel Committee reports as required.
- 4) Board members are expected to review and be familiar with all reports provided to the Board, and to question management about any issues of concern contained in any such report.
- 5) Management will work continuously to improve the routine reports provided to the Board to ensure they meet the needs of the Board, provide adequate information, and are user friendly.
- 6) Routine reports will not only address performance measurement, but also compliance with VCERA policies.

III. Policy Review

- 7) The Board will review this policy, including Appendix 1, at least once every three (3) years to ensure that it remains relevant and appropriate.

IV. Policy History

- 8) The Board last reviewed and approved this policy on April 1, 2013. The Board previously reviewed and approved this policy on March 19, 2007.

APPENDIX I

REPORTS RECEIVED BY THE BOARD OF RETIREMENT

Governance Reports

Report Name	Frequency	Prepared By	Presented By	Description and Purpose of Report
1. Retirement Administrator Evaluation	Annually	Personnel Committee	Chair of Personnel Committee	Summarizes the performance assessment of the Retirement Administrator
2. Governance Report	Annually	TBD Staff	Retirement Administrator	A summary confirmation of compliance with governance policies of the Board.

Investment Reports

Generic Report Name	Frequency	Prepared By	Presented By	Description and Purpose of Report
3. Quarterly Investment Performance Report	Quarterly	Investment Consultant	Investment Consultant	Includes: <ul style="list-style-type: none"> report on the investment performance of the total fund, each asset class and each investment manager and recommendations on portfolio rebalancing; report on the economic and investment environment, recommended asset allocation strategy (annually); review of VCERA's commingled funds and real estate investments; and confirmation that the investment managers are investing plan assets in accordance with their mandate, investment agreement, regulatory requirements and VCERA policy.
4. Investment Summary	Monthly	Investment Consultant	Investment Consultant	Preliminary performance report for the prior month on individual investment managers and the total portfolio.
5. Asset and Liability Study	Every 3 years or as needed	Investment Consultant	Investment Consultant	A study of the relationship between VCERA's assets and liabilities to determine the appropriateness of VCERA's asset allocation policy.
6. Proxy Voting Report	Annually	Staff / Investment Consultant Third Party	Staff / Investment Consultant Third Party	Confirms compliance with the Board's proxy voting policy, and summarizes how VCERA exercised its voting rights in public companies.

Funding Reports

Generic Report Name	Frequency	Prepared By	Presented By	Description and Purpose of Report
7. Actuarial Valuation	Annually	Actuary	Actuary	Establishes the financial position of the pension plan on a going concern and solvency basis, and determines the rates of contribution.
8. Experience Analysis	Every 3 years	Actuary	Actuary	Reviews the appropriate long-term economic assumptions such as investment return and wage and price inflation, and demographic assumptions such as disability rates and mortality rates.
9. Actuarial Audit*	At least every 6 years*	Auditing Actuary	Auditing Actuary	An independent review of the validity of the analyses and methodologies used in preparing VCERA's actuarial valuation.

* Unless the Board has replaced the actuary or is contemplating replacing the actuary shortly before or after the time that an actuarial audit is due to be conducted.

Administrative Reports

Report Name	Frequency	Prepared By	Presented By	Description and Purpose of Report
10. Report on Business Plan	Annually	Staff	Retirement Administrator	Outlines the Business Plan and progress towards its implementation.
11. Operating Budget Summary	Monthly	Staff	Retirement Administrator	Summarizes the material variances from the operational budget.
12. Monthly Financial Report	Monthly	Staff	Retirement Administrator	Monthly report on the financial position of VCERA, covering unaudited financial statements and progress on the preparation of the financial statements.
<u>13. Budget Status</u>	<u>Monthly</u>	<u>Staff</u>	<u>Retirement Administrator</u>	<u>Monthly status report on the adopted budget, adjusted budget in relation to expenditures to date.</u>
13-14. <u>14.</u> Comprehensive Annual Financial Report (“CAFR”) including: <ul style="list-style-type: none"> • Audited Financial Statements • Management Discussion and Analysis • Auditor’s Opinion 	Annually	Staff	Retirement Administrator / <u>Independent Auditor</u>	The Annual Report reviews the operations and activities of VCERA during the last fiscal year. It also includes: <ul style="list-style-type: none"> • The audited financial statements, which indicate the financial position of VCERA. • The Management Discussion and Analysis, which is management’s statement of the key financial activities and transactions of VCERA’s fiscal year • The Auditor’s opinion, confirming that the financial statements present fairly, in all materials respects, the financial status of VCERA, in accordance with generally accepted accounting principles.
14-15. <u>15.</u> Report of Checks Disbursed	Monthly	Staff	Retirement Administrator	Monthly report on the cash disbursed by VCERA during the prior month.
15-16. <u>16.</u> Report on Retirees	Monthly	Staff	Retirement Administrator	List of all new retirees, <u>deferred members, and beneficiaries</u> for prior month. Includes names, <u>date of membership</u> , length of service, <u>other service, and</u> department worked for, <u>and effective date</u> .
16-17. <u>17.</u> Disability Application Status Report	Monthly	Staff	Retirement Administrator	Summary report of all pending disability applications.

Standard Staff Reports

Report Name	Frequency	Prepared By	Presented By	Description and Purpose of Report
17.18. Administrator's Report	As required / <u>Quarterly</u>	Staff	Administrator	Updates the Board, <u>as required</u> on significant matters not reported in routine reports, or in other staff or committee reports. <u>At least quarterly, updates the Board on the Administrator's travel, training, and other expenses, key meetings, press/media communications, any items the Administrator has been asked to report back on regularly, and other items that may be of interest to the Board.</u>
18.19. Legal Advisor's Report	As required	Legal Advisor	Legal Advisor	Updates the Board on significant legislative and legal developments, and on any ongoing litigation affecting VCERA.

VENTURA COUNTY EMPLOYEES' RETIREMENT ASSOCIATION

1190 South Victoria Avenue, Suite 200
Ventura, CA 93003-6572
(805) 339-4250 • Fax: (805) 339-4269
<http://www.ventura.org/vcera>

April 1, 2013

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

SUBJECT: PROPOSED AMENDMENT TO PROFESSIONAL SERVICES CONTRACT WITH CMP & ASSOCIATES, INC.

Dear Board Members:

Background

The Retirement Data Base System (RDBS) was developed by the County of Ventura Information Technology Services Department in the 1980's, specifically for the Ventura County Employees' Retirement System, and maintains the data for the Active members. The Retirement Information System (RIS) was developed in 1997 and maintains the data for the Retirees. Ms. Viorica Lawson arrived in the latter part of the implementation period for RDBS, and was the developer of RIS. These systems both use Model 204 language and databases. Ms. Lawson is currently the sole employee of CMP & Associates.

Current Contract

On July 16, 2012 your Board approved a contract with CMP & Associates, Inc. for \$225,000 (1,500 hours @ \$150 per hour) for maintenance and support of the existing RDBS and RIS databases, for the term July 1, 2012 through June 30, 2013. On September 10, 2012, your Board approved an amendment to the existing contract to add an additional \$9,250 (50 hours @ \$185 per hour) to assist with the data mapping and conversion with respect to the new Pension Administration System (PAS) project, bringing the total contract to \$234,250.

Proposed Amendments

On October 15, 2012, at the recommendation of MBS, your Board approved change orders to the PAS Project which included an additional \$12,000 (approximately 65 hours @ \$185.00 per hour) specifically for CMP & Associates to continue to assist on an as needed basis in the data conversion planning sessions. This would bring the total number of hours to approximately 115 @ \$185.00 per hour to assist with this aspect of the PAS project at a cost of \$21,250. If necessary, unused hours will be proposed in the new contract with CMP & Associates for Fiscal Year 2013-14.

PROPOSED AMENDMENT TO PROFESSIONAL SERVICES CONTRACT WITH CMP & ASSOCIATES, INC.

April 1, 2013

Page 2 of 2

Assembly Bill 340 (AB340), otherwise known as Public Employee's Pension Reform Act (PEPRA), was passed and became effective January 1, 2013. In summary, this new law created new pension benefit formulas for any new employees hired after December 31, 2012, under certain circumstances, who become members of a public retirement system. In order to comply with this new law, programming changes were required in the pension plans participating plan sponsors payroll systems and in VCERA's existing pension retirement database. CMP & Associates and Anthony Chau (previously approved contract) have worked collaboratively with the participating plan sponsors and made the necessary program code changes to the existing VCERA database source code to be compliant with the new law. CMP & Associates has spent 242.5 hours to date in support of this new requirement. In addition, CMP & Associates has spent 37.0 hours in support of public records request during the fiscal year. These hours have reduced the hours available for ongoing maintenance and support. The 1,500 hours originally budgeted for maintenance and support is projected to be exhausted in April 2013.

Staff is requesting an amendment to add 350 hours @ \$150 per hour or \$52,500 to the maintenance and support category of the contract. These hours would augment the maintenance and support used for PEPRA programming changes, assisting with public record requests, and adding a contingency of approximately 70 hours for any unanticipated PEPRA changes or additional efforts related to public records requests.

With the proposed amendments, the contract would now be comprised of the following: The ongoing maintenance, support and special requests would now be 1,850 hours or \$277,500. Assistance with respect to the data conversion aspect of the PAS project would be about 115 hours (@ \$185.00 per hour) or \$21,250. The combined total would be about 1,965 hours with an amount not to exceed \$298,750. The contract term remains July 1, 2012 through June 30, 2013.

Staff recommends that you authorize the Retirement Administrator, upon final review and approval by Counsel, to execute an amendment to the existing agreement as outlined above with CMP & Associates, Inc. (Contractor), for an amount not to exceed \$298,750, through June 30, 2013.

I would be pleased to respond to any questions you may have on this matter at the April 1, 2013, meeting.

Sincerely,



Donald C. Kendig, CPA
Retirement Administrator

VENTURA COUNTY EMPLOYEES' RETIREMENT ASSOCIATION

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April 1, 2013

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

SUBJECT: RECOMMENDED ORGANIZATIONAL CHANGES

Dear Board Members:

Objective

To demonstrate and document the need for two additional Full-time Equivalent (FTE) Benefits Specialist (Specialists) positions, and to convert two existing fixed-term Benefits Specialists to permanent FTEs within Ventura County Employees' Retirement Association (VCERA's) Retirement Benefit Operations Unit (Operations), ensuring appropriate staffing levels to provide benefit services for 15,838 VCERA members.

Background

Over the past 15 years, VCERA Operations has experienced numerous legislative and policy changes that have impacted the work efforts of staff. VCERA's Operations Manager has had the opportunity to observe and assess the overall condition of Operations and provides the following assessment for your consideration.

On arrival at VCERA over five years ago, the workload volume and the level of knowledge, detail and complexity required of each Specialist within Operations was astounding and impressive. A high level of required detail and complexity currently exists that is the result of numerous legislative and policy changes. There was, and continues to be, a significant lack of cross-training agency-wide, which poses a great risk to VCERA operationally and administratively. Additionally, there was a substantial amount of staff workload that had been absorbed by supervisors, managers, and the Retirement Administrator.

RECOMMENDED ORGANIZATIONAL CHANGES

April 1, 2013

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Some of the major legislative and policy changes impacting Operations are as follows:

- 1997 - Ventura Decision - Impacted compensation reconstruction efforts for purposes of determining compensation earnable as required in Section 31461 of the County Employees Retirement Law of 1937 (CERL). The calculation of compensation earnable requires that Specialists reconstruct pay components for members who were on unpaid leaves of absence during final measurement periods as required by CERL. It also requires the Specialists to manually analyze the compensation prior to the leaves and determine which pay components should be included, based on labor agreements in place at the time of the leaves. It is also necessary for Specialists to analyze the contribution rate changes, changes in flexible credit allowances, and any general pay increases that would have been received during these periods. Because Specialists are not payroll experts, assumptions are currently applied to arrive at such figures. Once these figures are calculated, retirement contributions must be applied to attain final numbers that are then used in manual retirement calculations. Compensation earnable is utilized to calculate final retirement benefits, estimates, disability and death calculations, and service purchases. The time that Specialists spend on these calculations may range anywhere from two hours to one-and-a-half-days for one retirement or estimate.
- 1998 - Marin Decision - Dictated that members can return to original tiers/plans upon the purchase of previous VCERA memberships. This involves manually calculating retroactive changes in retirement contribution rates back to the date of current membership.
- 2001- CERL sections 31760.2, 31785.1, and 31786.1 were adopted, allowing a continuation of retirement benefits to post-retirement spouses/domestic partners of survivor continuances. This increased the number of survivor continuances to be calculated and serviced by payroll.
- 2002 - Certain Probation Agency employees became Safety members, resulting in a significant increase in the complexity of retirement benefit calculations for multiple tiers and plans, and longer processing time required for manual estimates, retirements, deaths, divorces, and disability calculations.
- 2002 - Adoption of Article 8.4 (CERL), which allows active members to divide retirement accounts during service in accordance with Domestic Relations Orders pertaining to divorces. This is a detailed and time-intensive process, accounting for the division of service, contributions and interest in each instance.

RECOMMENDED ORGANIZATIONAL CHANGES

April 1, 2013

Page 3 of 7

- 2003 - CERL section 31629.5 was enacted, which allows non-vested members to leave funds on deposit with VCERA. This increases the number of retirement benefit estimates by members who are separated from service in a VCERA sponsor.
- 2004 - Ventura County Human Resource and Payroll (VCHRP) System was implemented, resulting in prior pay period compensation adjustments entering the retirement database without reference information, such as associated service hours. This requires VCERA staff to perform manual analyses to determine what the adjustments represent and how they should be applied across measurement periods.
- 2005 - Tier 2 COLA (cost-of-living) was negotiated, which created additional time intensive work in the payroll unit generating Tier 2 COLA refunds and account balance adjustments at retirement, which did not previously occur. It also requires staff to perform additional manual benefit calculations to separate Tier 2 COLA service from all other service.
- 2010 - Negotiated reductions in the pick-up of retirement contributions were implemented, resulting in most estimates and final retirement calculations having alternate measurement periods that have to be manually identified. Prior to this change, the highest compensation for most members existed in their final 26 or 78 pay periods. This change significantly increased processing time for most benefit calculations within Operations because of this additional analysis.
- 2013 - Public Employees' Pension Reform Act (PEPRA) - This doubled the number of tiers/plans with all new eligibility rules and new criteria for what is pensionable and what is not. It requires staff to learn, understand, and apply a whole new set of rules when performing benefit calculations. Staff is also now reviewing the Member Sworn Statement forms for new hires to determine whether the appropriate retirement groups were assigned by Auditor.

Another change that has impacted VCERA over the past few years is the loss of experienced and knowledgeable staff resources. In January 2010, VCERA's Fiscal Manager passed away, resulting in a loss of 17 years of experience. This placed staff in the predicament of learning the functions of this position because no cross-training had previously occurred and procedure manuals did not exist. In January 2011, the Retirement Administrator retired, taking with him 22 years of institutional knowledge that spanned from Administration to Operations. Because of insufficient staffing resources, even at that time, there was little cross-training accomplished prior to his departure. In April 2011, the Administrator's Program Assistant resigned, leaving, yet again, another instance of staff trying to learn another set of tasks due to lack of cross-training efforts. Managers leveraged two staff resources within

RECOMMENDED ORGANIZATIONAL CHANGES

April 1, 2013

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Operations to assist in Administration until vacancies were filled and fully trained. In August 2011, one of the Specialists was terminated. Because of this, VCERA lost another 12 years of experience and expertise in death and divorce processing. In December 2011, the former Operations Manager suddenly retired due to health reasons, adding another 27 years to the already existing loss of institutional knowledge. Only three of the 20 permanent staff possess slightly more than ten years with VCERA, and only two others have just under ten years. The remaining staff resources have six or less years of experience with VCERA.

The current Benefits Manager, with 13 years of VCERA experience, is battling a potentially terminal illness, and there is one recent Specialist vacancy. Currently, Operations is backlogged in the divorce processing division. Some of these members and former spouses have been waiting for over one year for their accounts to be divided and retirement benefits issued. The Benefits Manager is currently the only resource who is fully experienced in this area, and she is making a diligent effort to train another Specialist while she concentrates her efforts on her medical treatment and cross-training. As Operations Manager, Julie has temporarily assumed most of the Benefits Manager's workload, in addition to her own during this time period. As the manager of the division most impacted by the pension administration system, Julie is also serving as the VCERIS project co-sponsor throughout the duration of this project, reporting to the Retirement Administrator on a regular basis.

These past three years, and arguably the last decade, have been very challenging for VCERA, and management would like to publicly recognize the additional efforts of the staff who have demonstrated a true sense of loyalty and dedication to VCERA during this time. Due to all of the changes in VCERA staffing, there has been a significant impact to VCERA services agency-wide. The loss of institutional knowledge and the increase of complexity in calculations have dramatically decreased overall productivity, and have generated backlog situations on a regular basis. Some of the job duties that were once handled by the previous Retirement Administrator and Program Assistant have also been absorbed by Operations. From January 2011 to March 2012, VCERA did not have a full-time Retirement Administrator. Administrative records, reviews of disability Hearing Officer Recommendations, and Risk Management's medical analyses were deferred to disability staff. All of these factors combined have had a negative impact on our ability to provide quality service to VCERA's membership, and has further compounded VCERA's inability to continue functioning at the same level with existing staff.

RECOMMENDED ORGANIZATIONAL CHANGES

April 1, 2013

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VCERA's membership has increased 28.61% during the past ten years (Attachment I), which is an addition of 3,523 members who require service from staff. During this period, retirement benefit estimates have increased 30.92%, and service purchase requests increased 11.41%. There was a significant increase of 134.64% in deferred members who will require benefit estimates, final retirement processing, reciprocal assistance, or initiate refunds of contributions on account. The number of divorces processed by VCERA has increased from 11 cases per year to 26 during this same time frame, while payroll terminations resulting from member deaths and retirees rehiring with the County of Ventura have increased 80.72%.

VCERA Operations continues to operate with minimal cross-training and a lack of institutional knowledge because of staffing changes occurring within a short period of time. Current workload demands add to this challenge. The impact of legislative changes and the loss of experienced staff are significantly impacting VCERA's ability to operate at optimum productivity levels, and accomplish the critical cross-training efforts that are necessary within Operations. Attachment II represents the number of VCERA staff and their current job assignment, as well as any other job assignments where they have received full training. Currently, there is only one staff resource that is trained in death processing. Since all calculations must be reviewed and there is only one trained resource, managers must assist to verify these calculations. This is also the case with disability and divorce calculations, which adds a significant amount of effort to the supervisor and manager full-time workloads.

Currently, most VCERA managers within Administration and Operations are routinely working between 10-20 additional hours per week to maintain our existing status. Staff within Operations is also working additional hours on a regular basis to address backlogs and/or to keep up with their work assignments. While it is recognized that most of our staffing resources are salaried positions, management believes that requiring staff to consistently work overtime to maintain productivity levels should not be the working standard of VCERA.

An analysis was performed on other 1937 Act retirement systems that were comparable in size to VCERA. Attachment III reveals that Santa Barbara County Employees' Retirement System (SBCERS) has a benefits staff of ten and a membership of less than half of VCERA's. SBCERS' pension system is automated, while VCERA's calculations are all manual. Kern County Employees' Retirement Association (KCERA) is the closest in membership size with 16,000 members and a benefits staff of nine. KCERA's pension system is also automated, and their Retirement Board has not adopted Article 8.4 of CERL, which requires the division of retirement accounts for active members in instances of divorce. San Joaquin County

RECOMMENDED ORGANIZATIONAL CHANGES

April 1, 2013

Page 6 of 7

Employees' Retirement Association (SJCERA) has a membership of 11,200 and a staff of ten benefits Specialists.

Because of the manual nature of the Benefits Specialists' workload within VCERA, VCERA's staffing level is very lean in comparison with other systems. While it is VCERA's objective to automate manual processing efforts in the future with the new pension administration system, it will be a few years before the system is fully implemented. Once this system is implemented, it will take between six months to one year before staff becomes fully acclimated and trained. Even then, there will be many instances where it is not possible to fully utilize the system's automation capabilities because of data that is currently lacking in the existing retirement database. Much of the automation will be on a prospective basis, and manual efforts will still be required in relation to calculations. The new system will also require one staff within Operations to perform ongoing functional system maintenance, in addition to the ongoing technical system maintenance that will be managed by VCERA Information Technology.

It has been difficult to manage the consistent increase in workload and loss of institutional knowledge as discussed earlier, while also trying to address the backlog situations, implement a cross-training program, and train new staff. Because of inadequate staffing levels, management has continued concern regarding compromised services to our members, and more importantly, the vulnerability in the specialized areas within operations: Deaths, Disabilities, Divorces, and Payroll.

Adding these critical additional staffing resources to Operations will not be an immediate solution to our existing condition. Extensive training is required for these positions, which takes a minimum of one year. The long-term benefit of gaining additional resources, however, will assist VCERA in attaining the structure necessary to eventually improve workload constraints and create a more stable work environment overall. It will also mitigate some of the existing risks that currently exist within Operations, and allow us to achieve a stronger and more comprehensive work force to carry out the mission of VCERA.

RECOMMENDED ORGANIZATIONAL CHANGES

April 1, 2013

Page 7 of 7

Staff respectfully requests that you approve the addition of two additional Full-time Equivalent (FTE) Benefits Specialist positions, and convert two existing fixed-term Benefits Specialists to permanent FTEs within VCERA's Operations Unit. There will be no budgetary impact this year as the two existing fixed-term positions are already budgeted, and the two additional Benefits Specialists will not be hired until after July 1, 2013. If approved, the budgetary impact of adding two Benefits Specialists in fiscal year 2013-14 would be an annual cost of \$80,176.04 to \$108,851.45 per Specialist, depending on experience level, and would be presented in the 2013-14 proposed budget for adoption June 2013. In addition, there would also be expenses associated with these new resources to acquire additional work stations, computers, and other ancillary costs.

We would be pleased to respond to any questions you may have on this matter.

Sincerely yours,



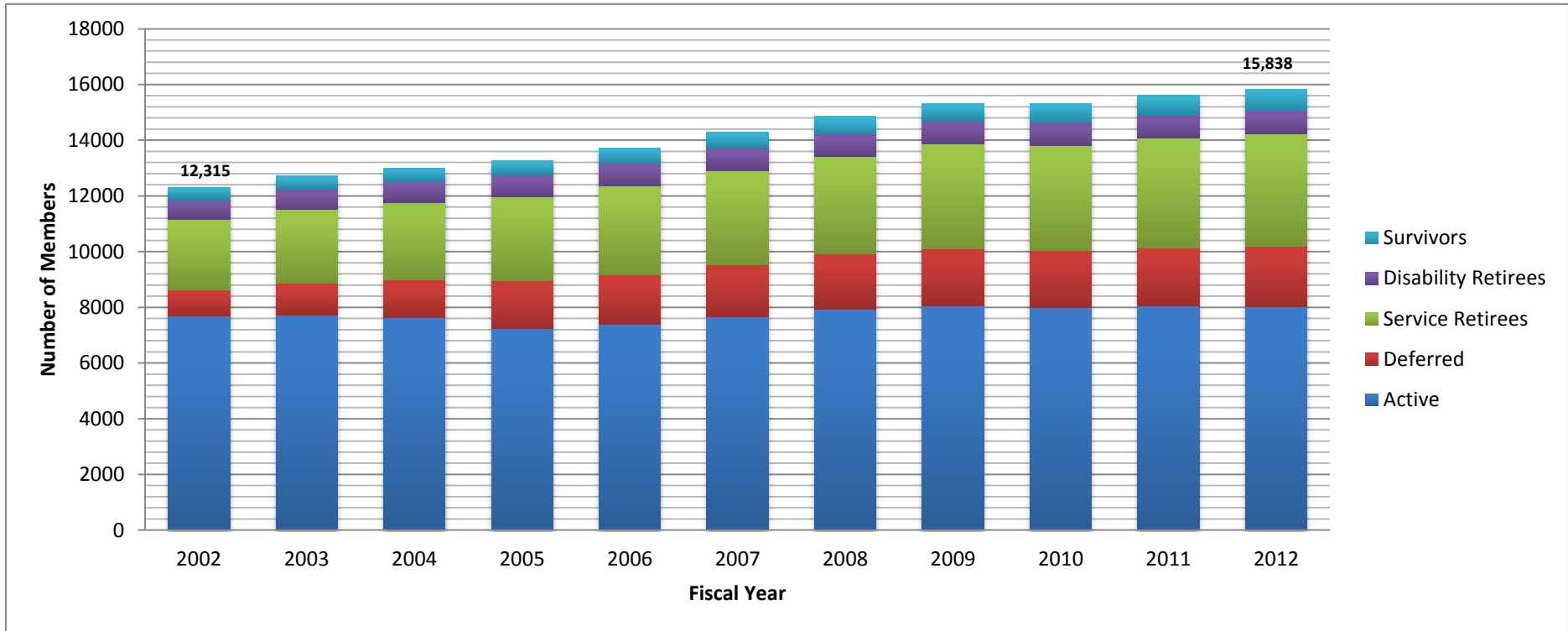
Julie Stallings
Retirement Operations Manager



Donald C. Kendig, CPA
Retirement Administrator

Attachments

Change in VCERA Membership, 2002 - 2012

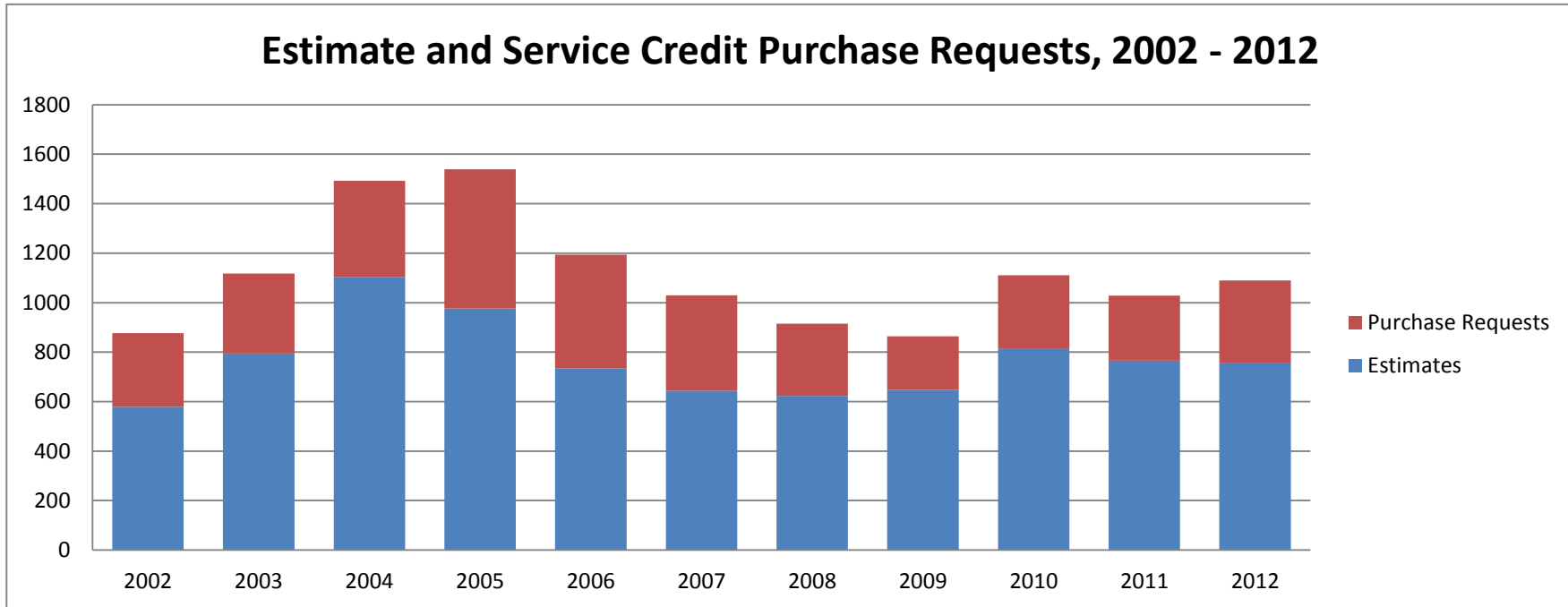


Increase over the last 10 years

		2002	2012
Survivors	71.24%	452	774
Disability Retirees	17.28%	706	828
Service Retirees	60.38%	2,529	4,056
Deferred	134.64%	921	2,161
Active	4.05%	7,707	8,040

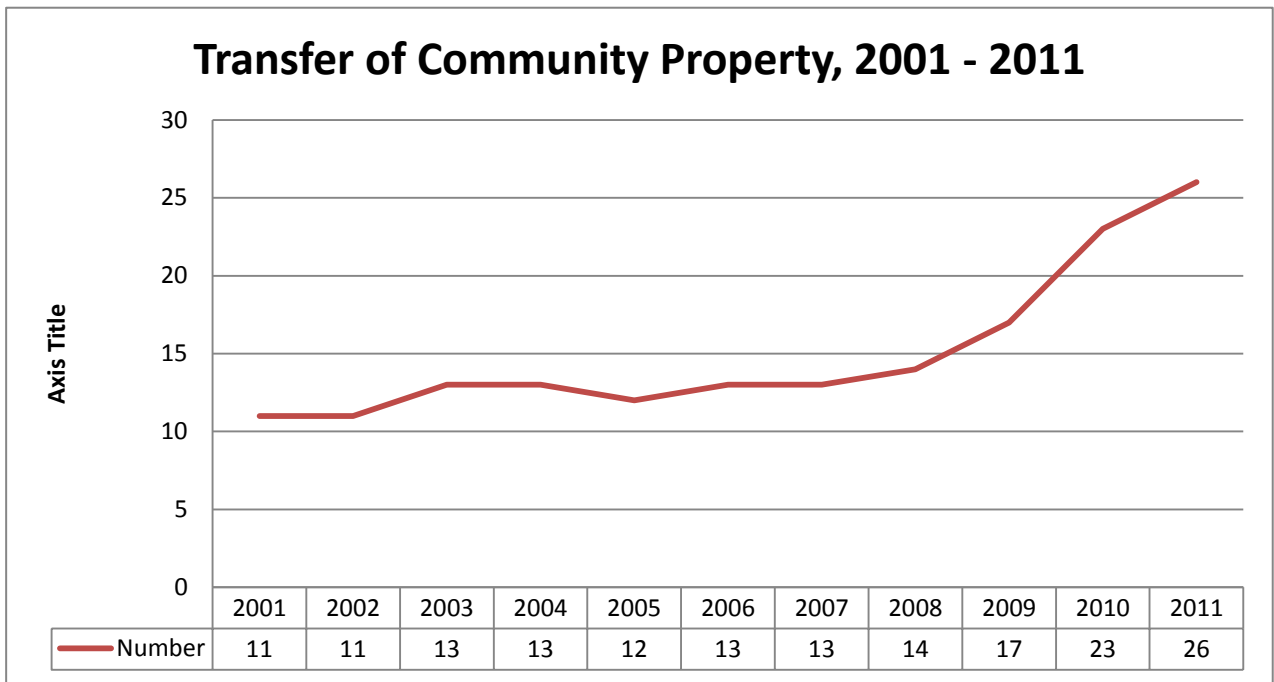
Overall increase in Membership over the last 10 years: 28.61%

Information obtained from VCERA Certified Annual Financial Reports (CAFRs)



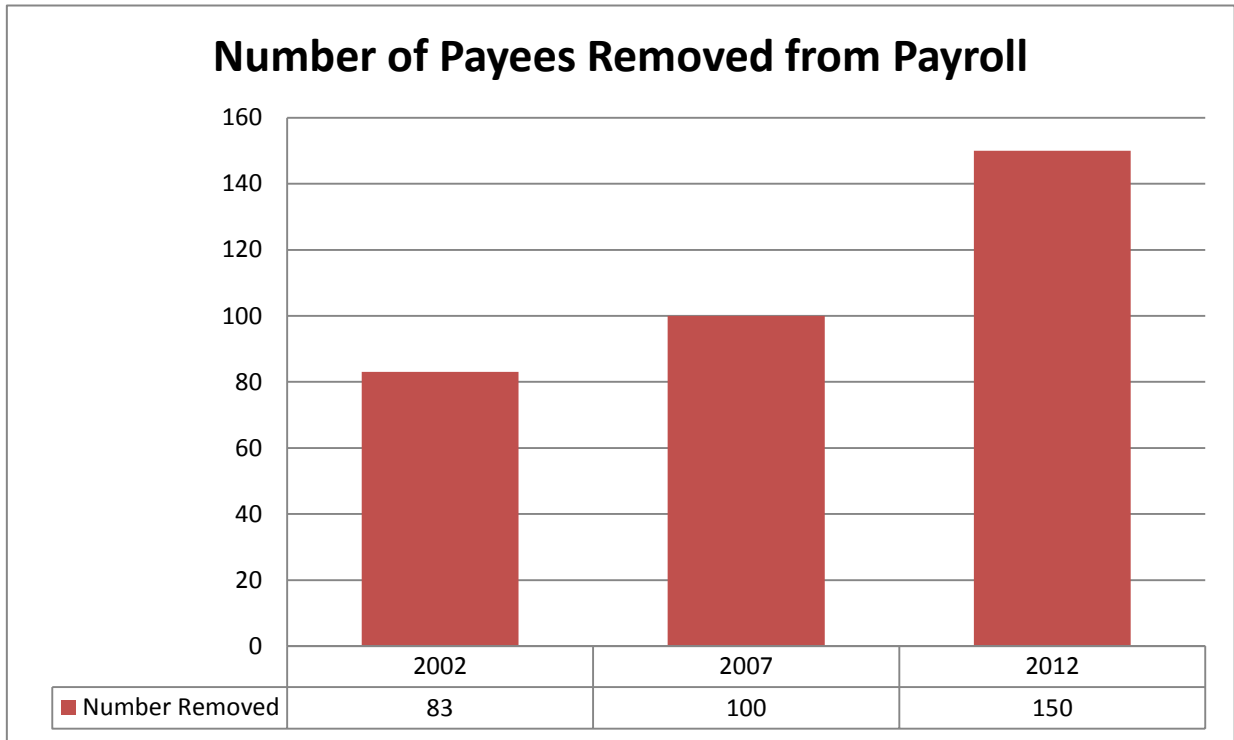
Increase in Estimate and Purchase Requests over the last 10 years

		2002	2012
Estimates	30.92%	579	758
Purchase Requests	11.41%	298	332



Increase over 10 year Period: 136.36%

Information obtained from extract of VCERA database transactions. Extracted data is not currently available for 2012. Does not include community property awarded as a shared benefit.



Increase over the last 10 years: 80.72%

VCERA Benefits Staff

Operation Work Assignments	Required Number of Permanent Staff	Number of Permanent Assigned Staff Short	Arnett	Edwards	Fleming	Regalado	Tolentino	Vacant	Garcia	Webb, K	Villalobos	Hernandez	Webb, C	Simonelli
Deaths	2.5	1	X								X	X		
Disabilities	2.5	2					X					X		
Divorces	2	1								X				
Actives	5	2	X	X	X	X	X			X	X	X		
Payroll	2	0		X			X					X		
Totals	14	6												

Current Work Assignments	Deaths	Payroll	Trainee-Payroll	Actives	Disabilities	Vacant	Trainee- Actives	Divorces	VCERIS	VCERIS	Trainee- Actives	Trainee- Actives
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STAFF KEY:

- Dedicated full-time to VCERIS pension system project
- Fixed-term positions
- Current Work Assignment in training

1937 Act Comparison Chart

Membership Size:	VCERA 15,838	SBCERS 7,579	StanCERA 8,023	TCERA 8,200	SamCERA 10,000	SJCERA 11,200	KCERA 16,000	ACERA 20,000	SCERS 24,000
Number of Staff by Dept:									
Payroll	2	1.75	0	1	2	3	1.75	6	1.5
Actives	5	1.75	2	1	4	3	1.75	6.67	8
Deaths	1	1.75	1	1	1	1	1.75	6.67	1.5
Divorces	1	1.75	1	0.5	1	2	1.75	6.66	7
31685?	Yes	Yes	No	Yes	Yes	Yes	No	Yes	Yes
Disability	1	3	2	0.5	1	1	2	3	3
Internal		X	X	X	X	X	X	X	X
Outsourced	X								
Total of Staff	10	10	6	4	9	10	9	29	21

MEMBERSHIP KEY:

Below VCERA
Same/ Mid VCERA
Above VCERA

Ratio of Members to Staff

