

VENTURA COUNTY EMPLOYEES' RETIREMENT ASSOCIATION

BOARD OF RETIREMENT

DISABILITY MEETING

June 3, 2013

AGENDA

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

TIME: 9:00 a.m.

ACTION ON AGENDA: When Deemed to be Appropriate, the Board of Retirement May Take Action on Any and All Items Listed Under Any Category of This Agenda, Including "Correspondence" and "Informational".

ITEM:

- | | | |
|-------------|--|-----------------|
| I. | <u>INTRODUCTION OF MEETING</u> | Master Page No. |
| II. | <u>APPROVAL OF AGENDA</u> | 1 – 2 |
| III. | <u>APPROVAL OF MINUTES</u> | |
| | A. Business Meeting of May 20, 2013. | 3 - 8 |
| IV. | <u>PENDING DISABILITY APPLICATION STATUS REPORT</u> | 9 - 54 |
| V. | <u>APPLICATIONS FOR DISABILITY RETIREMENT</u> | |
| | A. Application for Service Connected Disability Retirement;
Wayne Maynard; Case No. 10-039. | |
| | 1. Application for Service Connected Disability
Retirement and Supporting Documentation. | 55 - 249 |
| | 2. Hearing Notice. | 250 - 251 |

VI. OLD BUSINESS

- A. Disability Process Review and Educational Presentation.
 - 1. Review and Approval of the Updated Proposed Application Packet for Disability Retirement. 256 - 277
 - 2. Receive and File the Disability Retirement 101: Legal Standards Presentation (30 minutes). 278 - 319
 - 3. Disability Procedures Proposals.
 - a. Review and Approval of the Independent Medical Examination (IME) Cover Letter Template. 320 - 329
 - b. Review and Approval of the Board Report Template. 330 - 335

VII. NEW BUSINESS

- A. Review and Adoption of the Fiscal Year 2013-14 Proposed Budget. 336 - 340
 - 1. 2013-14 Proposed Budget Schedules. 341 - 375
- B. Set Dates and Designate Participants for Fall Due Diligence Planning. 376
- C. Review and Approval of Request to Attend SACRS Public Pension Investment Management Program 2013. 377 - 383
- D. 2013 SACRS Spring Conference Oral Reports.

VIII. PUBLIC COMMENT

IX. BOARD MEMBER COMMENT

X. ADJOURNMENT

VENTURA COUNTY EMPLOYEES' RETIREMENT ASSOCIATION

BOARD OF RETIREMENT

BUSINESS MEETING

May 20, 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
Mike Sedell, 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.

I. INTRODUCTION OF MEETING

Chairman Wilson called the Business Meeting of May 20, 2013, to order at 9:00 a.m.

The Board welcomed Trustee Mike Sedell, who was sworn in at 8:30 a.m. at the office of Mark Lunn, County Clerk and Recorder.

ITEM:

II. APPROVAL OF AGENDA

Ms. McCormick requested that item VI.A. Pensionable Compensation: Review of the County of Ventura CEO Letter and Review of What Consists of Pensionable Compensation be moved up to the front of the Agenda.

MOTION: Mr. Henderson moved, seconded by Mr. T. Johnston, to approve the Agenda as amended.

Motion passed unanimously.

VI. OLD BUSINESS

A. Pensionable Compensation: Review of the County of Ventura CEO Letter and Review of What Consists of Pensionable Compensation.

1. Pensionable Compensation Under CalPEPRA Letter - CEO
2. VRSD Pay Code Analysis – Staff
3. Manatt Presentation Slides - Implementing AB 340 and AB 197

After Board discussion, the following motion was made:

MOTION: Mr. Towner moved, seconded by Mr. T. Johnston, to receive and file the Pensionable Compensation: Review of the County of Ventura CEO Letter and Review of What Consists of Pensionable Compensation.

Motion passed unanimously.

After further Board discussion, the Board agreed that Board Counsel will post a legal notice on the VCERA website outlining the present status of CalPEPRA as it relates to pensionable compensation, the Board of Retirement's interpretation of the law and a disclaimer that it does not create any vested rights.

Heard public comment from Matt Carroll, County Executive Office, asking the Board to reconsider its interpretation of what comprises Pensionable Compensation.

VI. OLD BUSINESS (continued)

- A. Pensionable Compensation: Review of the County of Ventura CEO Letter and Review of What Consists of Pensionable Compensation. (continued)

After Board discussion, the following motion was made:

MOTION: Mr. Henderson moved to place this item on the next Agenda. Motion failed due to lack of a second.

After further discussion, the Chair directed staff to place an item after the Consent Agenda of the June 17 Business Meeting with an update on any developments surrounding Pensionable Compensation.

III. APPROVAL OF MINUTES

- A. Disability Meeting of May 6, 2013.

Mr. Goulet requested the following correction:

Master Page No. 5, item III. Approval of Minutes under Motion, delete the period after item "III" and change the uppercase "A" to a lowercase "a" immediately following.

MOTION: Mr. Goulet moved, seconded by Mr. T. Johnston, to approve the minutes as corrected.

Motion passed. Mr. Sedell abstaining.

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 April 2013.
- B. Report of Checks Disbursed in April 2013.
- C. Asset Allocation as of April 30, 2013.

IV. CONSENT AGENDA (continued)

- D. Statement of Plan Net Assets, Statement of Changes in Plan Net Assets, and Investments & Cash Equivalents for the Month Ended February 28, 2013.
- E. Budget Summary – Year to Date as of April 2013, Fiscal-Year 2012-13.

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

Motion passed unanimously.

END OF CONSENT AGENDA

V. INVESTMENT INFORMATION

- A. Annual Investment Presentation, State Street Global Advisors – Yolanda Diaz (Custodial Services) and John Muir (Securities Lending). (30 Minutes).

Yolanda Diaz and John Muir were present on behalf of State Street Global Advisors to review the firm's organization, investment results for VCERA's accounts, investment process, and outlook.

No Action Taken.

- B. Hewitt EnnisKnupp, Russ Charvonja, ChFC, CFP, Esq. and Kevin Chen.

- 1. First Quarter 2013 Performance Report.

MOTION: Mr. Henderson moved, seconded by Mr. Foy, to receive and file the First Quarter 2013 Performance Report.

Motion passed unanimously.

- 2. Monthly Manager Performance Report, April 2013.

MOTION: Mr. Goulet moved, seconded by Mr. Foy, to receive and file the Monthly Manager Performance Report, April 2013.

Motion passed unanimously.

- 3. Highlights and Research, May 2013.

- a. Private Equity Fees Discussion (Comparison).
- b. RREEF Retirement Update.
- c. Rethinking Fixed Income.
- d. HEK Client Webcast and Blog.

V. INVESTMENT INFORMATION (continued)

- B. Hewitt EnnisKnupp, Russ Charvonja, ChFC, CFP, Esq. and Kevin Chen.
(continued)
3. Highlights and Research, May 2013. (continued)

After Board discussion, the following motion was made:

MOTION: Mr. Foy moved, seconded by Mr. Henderson, to confirm the \$75M allocation to Adams Street Partners, including the direct allocation as originally proposed.

Motion passed. Mr. Goulet voting no due to including the direct allocation.

Staff reported that it will notify Manatt, Phelps, & Phillips, LLP to begin the review of the legal documents and will bring a public legal memo to the Board at either the June 3, 2013 or June 17, 2013 Board meeting.

After further discussion, the following motion was made:

MOTION: Mr. Henderson moved, seconded by Mr. Goulet, to receive and file the Highlights and Research, May 2013.

Motion passed unanimously.

- C. HarbourVest, Dover VIII, Legal Review Report.
1. Reed Smith Public Legal Memo.

After Board discussion, the following motion was made:

MOTION: Mr. Henderson moved, seconded by Mr. Goulet, to authorize the Chair to execute the legal documents for a \$60M allocation to the Dover VIII Fund and authorized the Retirement Administrator to execute legal documents with substantially identical provisions for an additional \$15M, should additional capacity become available in the fund.

Motion passed. Mr. Foy and Judge Hintz absent for this item.

VII. NEW BUSINESS

A. Pension Bridge Conference – Written Report.

1. Report from Trustees – Goulet/Henderson

MOTION: Mr. Henderson moved, seconded by Mr. T. Johnston, to receive and file the Pension Bridge Conference Report from Trustees Goulet and Henderson.

Motion passed. Mr. Foy and Judge Hintz absent for this item.

VIII. PUBLIC COMMENT

The Retirement Administrator announced an updated rolling calendar had been placed in the Trustee folders, a photographer would be available between 8:30 a.m. and 9:00 a.m. on June 3, 2013 for updated Trustee photos and that GMO would like to teleconference to present its annual report with staff coordinating presentation of slides. The Board concurred with GMO teleconferencing.

Board Counsel announced that in the matter of Michael R. Koevenig that no writ of mandamus was filed within the deadline and the decision of the Board at the February 25, 2013 Disability meeting is final.

Mr. Towner complimented Board Counsel on the court's ruling on the Lanquist/Temple petition.

IX. BOARD MEMBER COMMENT

Mr. Goulet asked about SACRS oral reports. Staff responded that this will be placed on next Agenda.

X. ADJOURNMENT

The meeting was adjourned at 11:35 a.m.

Respectfully submitted,



DONALD C. KENDIG, CPA, Retirement Administrator

Approved,

WILLIAM W. WILSON, Chairman

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>

June 3, 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 April 1, 2013, consultant Annette Paladino addressed your Board on the strengths and weaknesses of the current disability program, and formulated recommended changes to be reviewed by your Board by the end of the current fiscal year, or early next year. She presented a tutorial PowerPoint on the elements of a strong disability retirement program, and suggested a revised disability retirement application form for your review.

On May 6, 2013, the Disability Process Review and Educational presentation items were continued to the 06/03/13 meeting necessitated by Ms. Paladino's absence, due to illness.

Today, under this item, Miss Paladino will 1) re-submit the proposed disability application form with revisions for the Board's review and approval, 2) continue trustee education with a PowerPoint on retirement law legal standards, and 3) propose implementation of the retirement law standards into VCERA disability procedures by incorporating them into the current applicant medical examination process and the current presentation of disability cases, also for Board review and approval.

At the Board's June 17 Business meeting, Miss Paladino will 1) review the ground covered, 2) continue to propose ways to work the retirement law standards into VCERA disability procedures by incorporating them into the hearing officer report format as well as the hearing officer review and selection process, 3) review the final steps of the disability process review process, and 4) review her contract for the first quarter of 2013-14.

DISABILITY PROCEDURES REVIEW AND RECOMMENDATIONS

June 3, 2013

Page 2 of 4

1. Review and Approve the Proposed Disability Retirement Application

The revised application, with revisions as directed by the Board at the April 1, 2013 Board meeting, is re-submitted for your approval and implementation. The revisions are as follows:

- Informational Cover Letter to Applicants (added)
- Part A: Applicant Information
 - added space for applicant responses; separated industrial - non-industrial leave
 - added [] separated from service receiving no compensation or benefits
 - added “voluntary” statement to “position in lieu of disability retirement”
 - added §31455.5 to “under penalty of perjury” sworn statement; attached §31455.5
 - placed descriptions of statutes in parenthesis; attached §31725.8
 - added “after considering all the evidence including evidence on reasonable accommodation”
- Part B: Questionnaire
 - added reference to §31455.5
 - added “both” to question #3
 - adjusted response space for concurrent, past employers and self-employment
 - added §31455.5 reference to “under penalty of perjury” sworn statement
- Part C: Authorization for Release of Records
 - added “VCERA and any authorized agent thereof”
- Part D: Physician Statement
 - added “actually performing” to question #8
- Part E: Counseling Acknowledgement
 - added “but” to waiver

2. Disability Retirement 101 Presentation: Disability Retirement Legal Standards

The attached presentation explains the development of the legal standards for “incapacity,” “permanency” and “service-connection” under the retirement law, and describes how the standards should be incorporated into disability retirement procedures. Ms. Paladino will walk the Board through the details answering questions along the way. It is estimated to take 30 minutes.

DISABILITY PROCEDURES REVIEW AND RECOMMENDATIONS

June 3, 2013

Page 3 of 4

3. Incorporating the Legal Standards into VCERA Disability Procedures

Proposed Independent Medical Examination (IME) cover-letter: This is a proposed communication with a physician (*who is "independent" of the applicant's care*) retained for the specific purpose of examining the applicant for eligibility for disability retirement benefits from VCERA. The letter explicitly explains to the examining physician those specific legal standards that must be applied to the evaluation.

Proposed Board Report format: This is a suggested format for bringing disability cases to the Board. The format presents the facts of the case in terms of the legal standards specific to the disability retirement law. The purpose is to assist trustees in evaluating the application in terms of the appropriate legal standard.

a) Review and Approve the Independent Medical Examination (IME) Cover-letter

The attached cover letter template is suggested for communicating clearly with physicians retained to examine a member for the purpose of determining entitlement to disability retirement.

The purpose of the letter is to advise the examining physician of the correct legal standards for "permanent incapacity" and "service-connection" under the retirement law to be applied when formulating answers to questions about an applicant's medical condition and functional capacity. The goal is to insure that the expressed medical opinions obtained in disability retirement investigations 1) are relevant and not tainted by the use of Workers' Compensation, Social Security Disability, or other legal standards, 2) meet the "Substantial Evidence Test" and 3) are fully considered by the Board and its agents in deciding disability retirement cases.

Recommended use of the proposed cover letter:

- Limited use: Whenever the Board orders an examination of an applicant
- Ideal use: In each and every disability retirement case

Practical Issue: In the current structure where the investigation is performed on behalf of the employer rather than on behalf of the Retirement Board, implementation would require cooperation from Risk Management.

b) Review and Approve the Proposed Board Template for Presenting Disability Cases

The purpose of the suggested template (attached) is to insure that all of the pertinent facts of a disability case are brought to the Board for consideration in the context of the specific retirement law standards, and in a consistent manner from one disability case to the next. The focus is on the objective medical evidence, the expressed medical opinion and whether the applicant has met his burden of proof as defined by the applicable legal standards.

DISABILITY PROCEDURES REVIEW AND RECOMMENDATIONS

June 3, 2013

Page 4 of 4

Recommended use of the proposed Board format:

- Limited use: Whenever Risk Management recommends granting disability retirement
- Ideal use: Whenever Risk Management recommends granting or denying disability retirement

Conclusion

After the Board's review of the proposed disability retirement application, IME cover letter, and Disability Case Board Report Template, staff asks that they are approved as presented, or as modified, along with a motion to receive and file this item.

Annette and 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

DISABILITY RETIREMENT INFORMATION

TO OUR MEMBER:

Attached is the "Application for Disability Retirement Packet".

THE APPLICATION: This information may assist you in completing your application:

- You should file the application as soon as you are reasonably certain that your medical condition permanently prevents you from performing your usual duties.
- Please read the questions carefully and complete all parts of the application.
- If you do not understand a question, please call VCERA staff to discuss the question.
- Follow up with your treating doctor to make sure that the "Physician Statement" is promptly completed, and that you obtain a copy of your complete treating record.
- Submit to VCERA promptly all medical information supporting your application.

THE PROCESS: This information may help you understand the disability retirement procedures:

- To be granted a service-connected disability retirement, you must prove by a preponderance of substantial evidence that:
 - you are substantially unable to perform the usual duties of your assignment, and those of alternative assignments in your job class even with reasonable accommodations, and
 - that your incapacity is permanent, and
 - your incapacity arose out of the course of your employment, and such employment contributed substantially to the incapacity.
- To be granted a nonservice-connected disability, you must prove by a preponderance of substantial evidence that:
 - you are substantially unable to perform the usual duties of your assignment, and those of alternative assignments in your job class even with reasonable accommodations, and
 - that your incapacity is permanent
- The time to resolve your entitlement to disability benefits will vary depending upon the complexities of your condition, the facts of your case and whether a hearing is required.
- Retention of legal counsel is not required, but you may choose to be represented at your own cost at any time in the application process. VCERA recommends that you retain counsel, if your application is referred for an evidentiary hearing

Your application will not be considered complete until all parts have been received by VCERA.

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. Your application will not be considered complete until all parts have been received by VCERA.

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.

MEMBER EMPLOYMENT INFORMATION

EMPLOYER:

Ventura County: Department _____

District: Name: _____

Superior Court

JOB TITLE: (of the position from which you believe you are permanently incapacitated):

Title _____

WORK STATUS:

Working: Hours per/week _____

Off Work: Date last worked _____

Retired: Date _____

Resigned: Date _____

Terminated: Date _____

Other: _____

PAY STATUS:

On Workers Compensation leave (Check below all that apply to your current pay status while on leave)

<input type="checkbox"/> Receiving County pay: sick, holiday, vacation	<input type="checkbox"/> Receiving no County pay	<input type="checkbox"/> Receiving 4850 Safety Workers Compensation Temporary Disability payments	<input type="checkbox"/> Receiving TTD - Work Comp Total Temporary Disability pay <input type="checkbox"/> Receiving PD - Work Comp Permanent Disability payments
--	--	---	--

On Non-Industrial Sick Leave (Check below all that apply to your current pay status while on leave)

<input type="checkbox"/> Receiving County pay: sick, holiday, vacation	<input type="checkbox"/> Receiving no County pay	<input type="checkbox"/> Receiving SDI payments State Disability Insurance pay	<input type="checkbox"/> Receiving long term disability payments
--	--	--	--

Retired – Receiving retirement allowance

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. Your decision to accept a position is voluntary and does not influence the Board's decision on your application.

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. (G.C. §31455.5)

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

DISABILITY RETIREMENT APPLICATION PART A - ATTACHMENT

GOVERNMENT CODE SECTIONS

Government Code §31455.5. (false material statements to obtain benefits)

(a) It is unlawful for a person to do any of the following:

(1) Make, or cause to be made, any knowingly false material statement or material representation, to knowingly fail to disclose a material fact, or to otherwise provide false information with the intent to use it, or allow it to be used, to obtain, receive, continue, increase, deny, or reduce any benefit accrued or accruing to a person under this chapter.

(2) Present, or cause to be presented, any knowingly false material statement or material representation for the purpose of supporting or opposing an application for any benefit accrued or accruing to a person under this chapter.

(3) Knowingly accept or obtain payment from a retirement system with knowledge that the recipient is not entitled to the payment under the provisions of this chapter and with the intent to retain the payment for personal use or benefit.

(4) Knowingly aid, abet, solicit, or conspire with any person to do an act prohibited by this section.

(b) For purposes of this section, "statement" includes, but is not limited to, any oral or written application for benefits, report of family relationship, report of injury or physical or mental limitation, hospital records, test results, physician reports, or other medical records, employment records, duty statements, reports of compensation, or any other evidence material to the determination of a person's initial or continued eligibility for a benefit or the amount of a benefit accrued or accruing to a person under this chapter.

(c) A person who violates any provision of this section is punishable by imprisonment in a county jail not to exceed one year, or by a fine of not more than five thousand dollars (\$5,000), or by both that imprisonment and fine.

(d) A person violating any provision of this section may be required by the court in a criminal action to make restitution to the retirement system, or to any other person determined by the court, for the amount of the benefit unlawfully obtained, unless the court finds that restitution, or a portion of it, is not in the interests of justice. Any restitution order imposed pursuant to this section shall be satisfied before any criminal fine imposed under this section may be collected.

(e) The provisions provided by this section are cumulative and shall not be construed as restricting the application of any other law.

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.

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.

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. (G.C. §31455.5)*

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

an injury an illness both

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) both

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 _____

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. (G.C. 31455.5)

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), VCERA 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", VCERA 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", VCERA 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", VCERA 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 substantially caused/aggravated by applicant's performance of his Ventura County/district/court job duties
- Cumulative trauma injury substantially caused/aggravated by applicant's performance of County/district/court job duties
- Acute or cumulative trauma injury substantially caused/aggravated by applicant's performance of his job duties with **another employer**
- Acute or cumulative trauma injury not caused/aggravated by any employment
- Illness substantially caused/aggravated by applicant Ventura County/district/court employment
- Illness caused/aggravated by applicant's performance of his duties with **another employer**
- Illness not caused/aggravated by any employment

8. Have you reviewed a description of the duties the applicant was actually performing during the period that the injury/illness arose? 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 _____

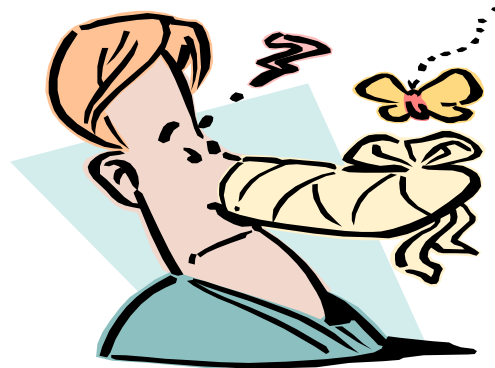
OR:

Waiver

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

Applicant Signature _____ Date _____

DISABILITY RETIREMENT “101”



Trustee Training – Part 2

DISABILITY RETIREMENT LEGAL STANDARDS



What are **Legal Standards**?

Standards: Specifications for required levels of quality or attainment

Legal Standards: Specifications for required levels of quality or attainment set out by statutes or agreed upon by courts

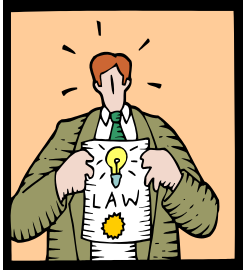
Here, the standards discussed are:

Legally agreed upon “Specifications” that applicants must meet to qualify for disability retirement benefits.

LEGAL STANDARDS ARE A GUIDE !

- **APPLICANT:** Specify what applicant must prove
- **STAFF:** Tell staff what to look for
Basis of investigative procedures
- **TRUSTEES:** Define circumstances for granting the benefit

The Creation of **Legal Standards**



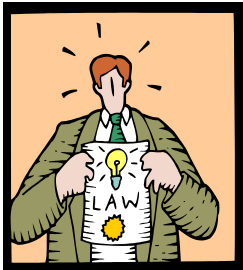
Statute



Published Case or Cases



Revised or New Statutes



Published Case or Cases



Authority for Disability Retirement Standards

1. Statutes



County Employees Retirement Law (CERL)
Article 10 (Government Code §§ 31720-31755.3)

2. Case Law

- CERL decisions
- PERL decisions
- Workers' Compensation decisions



Gov. C. § 31724

If the proof received...shows to the satisfaction of the Board that the member is **permanently incapacitated** physically or mentally for the performance of his duties..., it shall retire him



Judicial Decisions



- **Mansperger v. PERS (PERL)**
(1970) 6 Cal.App.3rd 873,876
- **Hosford v. Bd of Administration (PERL)**
(1987) 77 Cal.App.3rd 854
- **Barber v. Retirement Board**
(1971) 18 Cal.App3rd 273
- **Craver v. City of Los Angeles**
(1974) 42 Cal.App.3rd 76
- **Bowen v. Board of Retirement (CERL)**
(1986) 42 Cal.3d 572, 576-577

Judicial Decisions



- **Sweeney v. Indust. Accident Comm. (WC)**
(1951) 107 Cal.App.2d 155
- **Reynolds v. City of San Carlos (PERS)**
(1981) 126 Cal.App.3d 208
- **Indust. Indem. Exch. v. Ind. Accident Comm.**
(1949) 90 Cal.App.2d 99 (WC)
- **Montgomery v. Bd. of Retirement (CERL)**
(1973) 33 Cal.App.3d 450



APPLICANT HAS THE BURDEN OF PROOF

The applicant must carry his

“burden of proof”

by a preponderance of

“Substantial Medical Evidence”

Substantial Medical Evidence is:

An expert opinion based on:

1. Correct material facts
2. Complete information
3. Applicable legal theories
4. Supported by analysis



If a doctor:

- **relies on false information, or misunderstands the facts**
- **is unaware of complete applicable medical history**
- **ignores a material fact**
- **applies wrong legal standard (Work Comp, Social Security)**
- **provides no analysis to support his opinion,**

his opinion is not substantial evidence!!!

“PREPONDERANCE”

Preponderance is:

- A measure of the “weight” given to the evidence

Preponderance is not:

- A measure of the amount of evidence



1 piece of persuasive evidence is given more “weight” than 4 pieces of unpersuasive evidence

1 > 4

APPLICANT'S BURDEN OF PROOF

The applicant must prove that:

1. He is **Incapacitated** to perform his usual duties.
2. His incapacity is **Permanent**.
3. His job **Substantially Caused** the incapacity



INCAPACITY



Legal Standard INCAPACITY

“Incapacitated for the performance of duty ...
**means the substantial inability of the applicant
to perform his usual duties”**

Mansperger v. PERS (1970) 6 Cal.App.3d 873

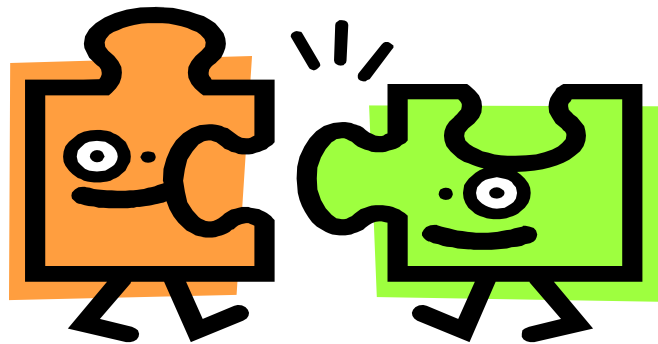


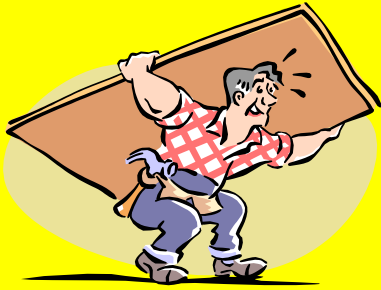
Applied to the CERL by:

Harmon v. Board of Retirement of San Mateo
Schrier v. San Mateo County ERS
Curtis v. Board of Retirement

ELEMENTS OF INCAPACITY

- **USUAL DUTIES**
- **SUBSTANTIAL INABILITY**





Legal Standard USUAL DUTIES



An Applicant's Usual duties are:

- Duties performed frequently (*Mansperger*)
- Duties of applicant's specific assignment
(*Barber*)

NOTE: Disability retirement standards are based on "Usual Duties" not Essential Functions. "Essential Functions" is an ADA term not applicable to disability retirement. Some essential functions are performed frequently, but "usual duties" are not necessarily essential functions.

How Staff Must Apply “Usual Duties” Standard

1. Study applicant’s job class to identify usual duties
– **not “Essential Functions” (ADA term)**
 - of applicant’s assignment
 - other assignments in applicant’s job class
2. Communicate **usual duties** to examining physicians with a Job Analysis
3. Target **usual duties** in investigations of reasonable accommodation





Applicant Meets “Usual Duties” Standard to Prove Incapacity, If

Substantial medical evidence shows he is:

- ✓ Unable to perform the **usual or frequent duties** of his specific assignment, and
- ✓ There is no accommodation that enables him to perform the **usual or frequent duties** of his assignment in an alternative way, and
- ✓ There is no other available assignment in his job class the **usual duties** of which he can perform



Applicant does not meet the “usual duties” standard, if

1. The duties that he cannot perform are:

- A remote or uncommon occurrence (*Mansperger*)
- Listed in his job description, but not actually performed in his specific assignment (*Hosford*)
- Voluntary duties

2. He is capable of performing the usual duties of another available assignment in his job class

(*Barber, Craver, O’Toole*)

(*Reasonable Accommodation*)

Legal Standard

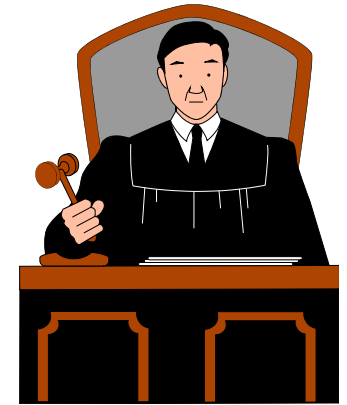
SUBSTANTIAL INABILITY

“Substantial Inability” means:

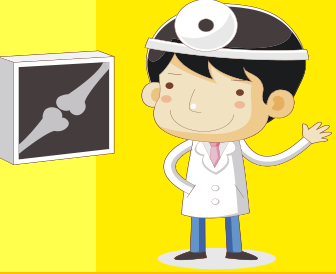
1. Cannot perform a duty at all.
Ex. truck driver goes blind; can't drive

or

2. Performing the duty creates high probability of **further injury**, or **discomfort so severe** as to preclude further effective performance.



Hosford v. Bd. of Admin.; Wolfman v. Bd. of Trustees; Thelander v. City of El Monte



How Staff Must Apply the “Substantial Inability” Standard

Staff must ask examining doctors to include in their reports the answer to this question:

“What is the **likely medical consequence** of an applicant performing the duties he states he cannot perform?”

ANSWER (information given in terms of the standard)

- N/A - physically impossible to perform duty
- Temporary increase in pain or discomfort
- Moderate/high risk of severe pain
- Moderate/high risk of injury

Applicant meets the “**SUBSTANTIAL INABILITY**” Standard, if

Substantial medical evidence indicates that:

- It is **physically impossible** for him to perform a duty, or
- He can perform the duty, but to do so would cause **further injury** or **extreme pain/discomfort** that would prevent him from continuing to performing the duty effectively



An Applicant does not prove “Substantial Inability”, if

- Performing a duty causes mild pain or discomfort
Thelander v. City of El Monte
- He won't perform a duty for fear he might be hurt
Hosford v. Board of Administration
Wolfman v. Board of Trustees
- Performing the duty might cause disability in the future
Wolfman v. Board of Trustees
Hosford v. Board of Administration
- He is unable to perform the “full range” of duties in his job class
Harmon v. Board of Retirement



PERMANENCY



LEGAL STANDARD PERMANENCY

An incapacity is permanent when:

Further **change** in an applicant's condition that would render him **able to perform** his duties is **unlikely**, with standard medical care.

(Sweeney v. Industrial Acc. Com.)



How Staff Must Apply the Standard for “PERMANENCY”

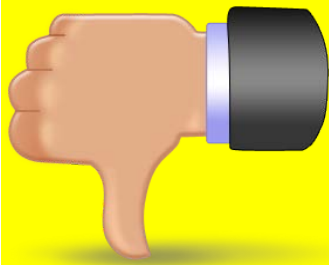
Staff must ask examining doctors to answer these questions:

1. Are there **untried low-risk medical** treatments that are likely to improve applicant’s condition allowing him to perform his usual duties with or without accommodation?”
2. Has applicant **unreasonably refused** standard treatment?”
3. Is there a **co-existing condition** (drugs, alcohol, obesity), that if treated, would improve applicant’s all over condition to allow him to perform his duties?”
4. Is there **an accommodation** that will allow applicant to perform his usual duties in an alternate way?

Applicant meets the Permanency Standard, if

substantial medical evidence indicates that:

- Further change of his condition for the better is not reasonably anticipated under usual medical standards. (Sweeney v. Industrial Acc. Com.)
- Applicant exhausted standard medical treatment with no material improvement (Reynolds v. City of San Carlos)
- Applicant has **religious beliefs** preventing him from pursuing promising low-risk treatment. (*Montgomery v. Bd. of Retirement*)
- Applicant reasonably refused **high-risk** treatment. (*Indust. Indemnity Exch v. Indust. Accid. Comm. (Riccardi)*)
- Reasonable accommodation to allow the applicant to perform usual duties in an alternative way is not possible.



An Applicant Does Not meet the Permanency Standard

- With **speculative** medical opinions that indicate the permanency is “**indefinite**” or “**uncertain**”
(Sweeney v. Indust. Accid. Comm.)
- He is non-compliant with his treatment routine.
- He unreasonably refuses promising untried low-risk treatment. *(Indust. Indemnity Exch v. Indust. Accid. Comm. (Riccardi)*
- He has an unaddressed treatable co-existing medical condition that hampers treatment of the disabling condition.
- If he **refuses a reasonable accommodation** that will enable him to perform the usual duties of his assignment or the usual duties of another assignment in his job class.

(Barber, Craver) 29

SERVICE CONNECTION



Gov. Code Section 31720

“Any member permanently incapacitated for the performance of duty shall be retired for disability regardless of age if, and only if, (a) the member’s incapacity is a result of **injury or disease arising out of and in the course of his employment, and such employment contributes substantially to such incapacity.**”

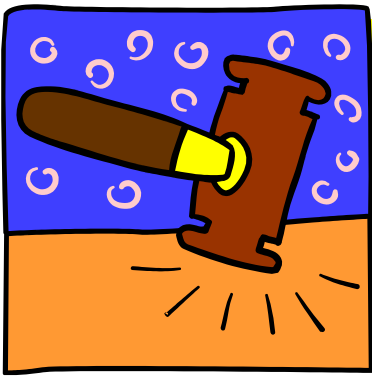


LEGAL STANDARD SERVICE-CONNECTION



- ***Substantial evidence*** of a ***connection*** between the job and the disability
- Connection must be ***real*** and ***measurable***.

Bowen v. Board of Retirement (1986) 42 Cal.3d 572, 578



LEGAL STANDARD SERVICE-CONNECTION

- ✓ Job does **not** need to be the **only cause**
- ✓ The job does **not** need to be the **original cause** (*Gelman v Board of Retirement*)
- ✓ The job **can be** an **aggravating** cause
- ✓ Job **can be** a **small part** of the cause, but must be more than an infinitesimal part (*Bowen*)
- ✓ Job does **not** need to be **51%** of the cause

HOW STAFF APPLIES THE SERVICE-CONNECTION STANDARD

Communicate the
Bowen Standard to:



- Evaluating Physicians
- Hearing Officers
- Judges



HOW STAFF APPLIES THE SERVICE-CONNECTION STANDARD

Staff must **ask evaluating physicians** to answer these questions:

What is the **“mechanism of injury”** by which the job caused the applicant’s disability?

Is the job’s contribution to the disability so small that it **cannot be measured**?

Did the **job aggravate** a pre-existing condition causing it to become disabling?

Did the pre-existing condition become disabling by **“natural progression”** independent of the job?





An Applicant Meets the Service-Connection Standard, if

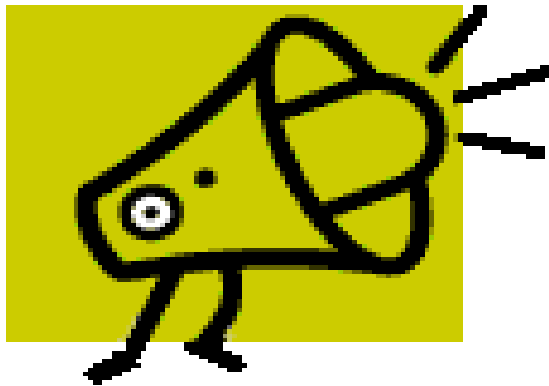
- There is substantial medical evidence showing a **real and measurable link** between the job and his incapacity (Bowen, Hoffman, Pacheco)
- The job is not the sole cause, but is a substantial cause (*Heaton v. Marin County Board of Retirement*)
- Substantial medical evidence shows the job aggravated a pre-existing condition making it disabling at an earlier time than it would have had he not performed the job
- He relies on the heart, cancer, MERSA, blood-bourn disease or biochemical presumptions, and the presumptions have not been rebutted.

Applicant does not meet the service-connection standard, if

- The job is merely a “**passive stage**” (not an active element of causation) upon which his incapacity appeared (*Atascadero Unified School District v WCAB*)
- The medical evidence **does not contain a plausible** “mechanism of injury” linking the job to the incapacity
- The job’s contribution to the incapacity is infinitesimal, speculative and cannot be measured.



GOAL:
**Making the legal standards
explicit in the disability
retirement program**



THE LEGAL STANDARDS SHOULD

- Be **communicated in brochures** about the disability program
- **Shape the questions in** the application for benefits
- Be **provided to evaluating physicians** for use in rendering their medical opinions
- Be clearly **referenced in Medical Analysis** documents and other documents provided to the Board
- Form the **basis of hearing officer conclusions**

THE DISABILITY RETIREMENT PROCEDURES SHOULD **DISTINGUISH OTHER STANDARDS**

Documents and communications of the disability retirement (D.R.) program should clarify:

- Permanent Disability (WC) \neq Permanent Incapacity (P.I.)
- QIW status (WC) alone does not qualify for DR benefits
- P & S (WC) \neq Permanent Incapacity
- 100% permanent disability (WC) \neq Permanent Incapacity
- Diminished ability to compete in the labor market \neq P.I.
- Soc.Security Standard (12 months duration) \neq Perm. Incapacity

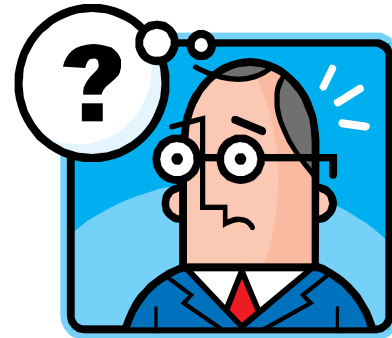
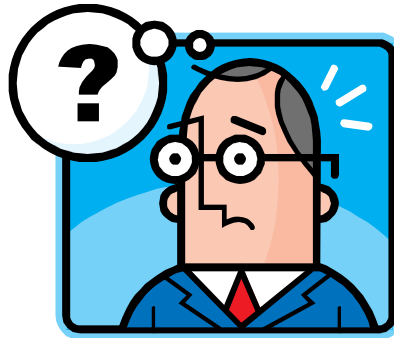
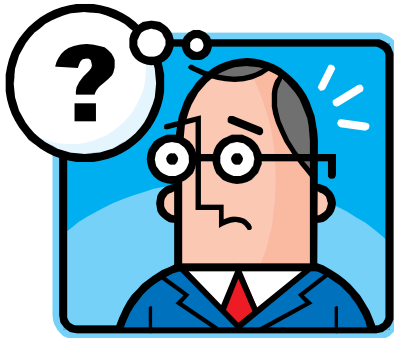
Trustees As “Decision Makers”

You must evaluate eligibility for disability benefits based on the correct legal standards.

- Look for substantial evidence
 - **Did the applicant meet their burden of proof on incapacity, permanency and causation based on the correct standards?**
- Ask questions in terms of the standards to:
 - Counsel
 - Staff
 - Medical experts



QUESTIONS???



REFERRAL FOR INDEPENDENT MEDICAL EXAMINATION

Applicant Name: *(applicant name)*

Appointment Date: *(appointment date)*

Time: *(time)*

Dear Dr. *(Examining Physician name)*:

On behalf of the Board of Retirement of the Ventura County Employees' Retirement Association (VCERA), thank you for agreeing to perform an independent medical examination of *(applicant name)*.

EXAMPLE: *(Applicant name)* is a 58-year old male who filed an application with VCERA for lifetime disability retirement benefits, claiming to be "permanently incapacitated" for performance of his duties as a *(job class title)*, due to:

- Orthopedic complaints of the upper extremities, and
- Orthopedic/neurological complaints of the lumbar spine

(Mr./Ms. Applicant last name) further contends that his/her Ventura County/District/Court employment substantially caused his/her incapacity, due to:

- An industrial slip and fall on 1/22/04 in which he injured his lumbar spine, and
- Cumulative trauma injury to his upper extremities while performing repetitive motion activities.

YOUR ROLE IN THIS PROCESS

You are asked to opine on (1) whether the member is "permanently incapacitated" for performance of the usual duties of his/her current assignment and for any described alternative assignments within his/her job class, and, (2) if applicant is permanently incapacitated, whether the member's County/District/Court employment substantially caused or aggravated such incapacity.

The Board of Retirement ultimately determines whether a member is entitled to disability retirement by considering a variety of information, ***including your expert opinion***. The Board asks that you (1) review the attached records, (2) perform a comprehensive medical examination and (3) provide written answers to the questions below. In responding to the posed questions, **you must apply the legal standards specific to the County Employees Retirement Law (CERL) and associated case law.** The applicable legal standards are explained in detail below. Please state your opinions in lay terms, with an explanation of the facts and reasoning supporting your conclusions.

DISABILITY RETIREMENT STANDARDS

The following is a description of the legal standards for determining eligibility for disability retirement under the CERL and applicable case law:

* * * **STANDARD FOR INCAPACITY** * * *

Under the Retirement Law, “incapacity” means that a member is ***substantially unable to perform his usual duties, and reasonable accommodation is not possible.***

Usual Duties: Usual duties are job duties the member actually performs frequently, as opposed to duties included in a job description, but which the member rarely or never performs.

Reasonable Accommodation: Any change or adjustment to duties or work environment that allows applicant to perform his usual duties in an alternative way without exceeding his medical limitations.

- **Incapacitated:** A member **is incapacitated** (*substantially unable*) to perform a job duty or an activity if:
 - (1) The member cannot physically perform the duty at all, or
 - (2) The member can actually perform the duty, but performance would cause severe pain or discomfort making further effective performance exceedingly difficult or impossible, or
 - (3) The member can actually perform the duty for a period of time, but it is medically likely that performance of the duty will cause further injury, **and**
 - (4) There is no accommodation that allows applicant to perform his usual duties in an alternative way without exceeding his medical limitations

- **Not Incapacitated:** A member is **not incapacitated** from a duty or an activity if:
 - (1) performance would cause some pain or discomfort, or
 - (2) performance would cause fear of further injury, or
 - (3) performance creates some risk of future injury that *is less than probable*, **or**
 - (4) an accommodation exists that will allow applicant to perform the duties in an alternative way without exceeding his medical restrictions.

* * * **STANDARD FOR PERMANENCY** * * *

Under retirement law, incapacity **is permanent** when further improvement in an applicant's medical condition that would enable him to perform his usual duties is unlikely, and there is no possible accommodation that would allow the member to perform the duties in an alternative manner within his medical restrictions.

- **Permanent:** An applicant's incapacity **is permanent** when
 - (1) All standard medical treatments have been exhausted, and there has been no *material improvement* in the condition that will allow applicant to perform his usual duties, or
 - (2) Further treatment is available that may bring a material improvement in applicant's condition, but such treatments are experimental, not easily available, have high risk of failure, **and**.
 - (3) There is no accommodation that allows applicant to perform his duties in an alternative manner within his medical restrictions.

- **Not Permanent:** An applicant's incapacity **is not permanent** where:
 - (1) It is probable that further care with either tried or yet untried available standard, low-risk medical treatment, will bring about a *material improvement* in the member's medical condition that will enable him to perform his usual duties, or
 - (2) The Applicant **unreasonably refuses** further low-risk conventional treatment that is likely to materially improve the applicant's condition enabling him to perform his duties, or

NOTE: An applicant's refusal may be considered **reasonable** where the medical treatment has substantial risk, or is not likely to materially improve the applicant's condition, or if the applicant has bona fide religious beliefs that interfere with pursuit of the treatment.
 - (3) Applicant has an **untreated co-existing medical condition** (i.e. alcoholism, drug addiction, obesity, hypertension, depression, etc) that interferes with accurate evaluation, treatment and improvement of the claimed incapacitating condition, or
 - (4) The permanency is speculative, indefinite or unable to be ascertained, or
 - (5) Reasonable accommodation exists that would allow applicant to perform his usual duties in an alternative way within his medical limitations.

* * * **STANDARD FOR SERVICE-CONNECTION** * * *

Under the retirement law, an incapacity is “service-connected,” if there is substantial evidence of **a demonstrated real and measurable link** between the applicant’s employment and his incapacity.

- **Service-connection:** An incapacity **is service-connected**, if substantial evidence indicates

- (1) a clear “**mechanism of injury**” that links the employment to the incapacity.
- (2) the employment is not the sole cause of the incapacity, but is a **substantial** cause.

NOTE: Unlike Workers’ Compensation, under the retirement law, the employment can be less than a 50% causal factor and still be a real and measurable link to the incapacity.

- (3) the employment is not the original cause, but the **job did materially aggravate or accelerate** the underlying pathology of a pre-existing condition causing the applicant to be disabled *at an earlier time than if he had not worked for the employer*.

- **No service-connection:** A member’s incapacity is **not service-connected**, when

- (1) the applicant’s employment merely causes *a temporary aggravation of symptoms*.
- (2) the link to employment is **infinitesimal** or merely **speculation**
- (3) there ***is no identifiable mechanism of injury*** to establish a real and measurable link between the employment and the incapacity
- (4) the employment played a **passive role** in the development of the incapacity; that is, the job is merely a *“stage” for the natural progression of a non-industrial condition*.

**COMPARISON
RETIREMENT LAW AND WORKERS COMPENSATION**

“PERMANENT DISABILITY” ≠ “PERMANENT INCAPACITY”

Permanent Disability under Workers’ Compensation Law is lasting disability, following maximum medical improvement, that (1) **reduces an injured worker’s earning capacity** and (2) **limits the worker’s ability to compete in the labor market**.

Permanent Disability is rated using various schedules and factors to establish a percentage that reflects how much the injury limits the kinds of work the worker can do. A member may have some percentage of “permanent disability” under Workers’ Compensation Law, or be “a Qualified Injured Worker”, but such findings alone do not equate to “permanently incapacity” under the Retirement Law.

Permanent Incapacity under Retirement Law is “the substantial inability to perform usual duties”, where material improvement is unlikely and accommodation is not possible. Eligibility for benefits under retirement law is **not established** by evidence of the applicant’s **reduced earning capacity** or **inability to compete in the open labor market**.

FORMAT OF YOUR REPORT

Your written report should contain **(1)** your answers to the specific questions posed at the end of this letter, and **(2)** discussion of the following items to support your opinion:

- A. **Record Review:** A listing or description of the medical, personnel and job description records provided to you with this letter and that you actually reviewed;
- B. **Medical History:** A summary of your understanding of the applicant's medical history pertaining to the subject injury/illness, obtained from both the applicant and the attached medical records and any discrepancies between the two sources;
- C. **Current Condition:** A discussion of the applicant's current complaints and symptoms;
- D. **Objective Findings:** A discussion of your objective findings, if any, upon examination or testing; **and** other objective findings contained in the medical record; similarities, differences
- E. **Diagnosis:** A discussion of your impression/diagnosis of applicant's condition;
- F. **Functional Capacity:** Identification of any physical/mental activity that the applicant is incapacitated from performing; **(Please use the specific standards described above to determine if an applicant is incapacitated from performance of an activity)** and **state the medically probable consequences of the applicant performing the activity;**
- G. **Permanency:** Your conclusions and reasoning as to whether the claimed incapacity is permanent; **(Please refer to the specific standards listed above on permanency);**
- H. **Causation:** Your opinions and reasoning as to whether any claimed permanent incapacity is a result of injury or disease arising out of and in the course of the member's employment, and whether that employment contributed substantially **(real and measurable link)** to the permanent incapacity; describe "mechanism of injury"; whether link to the job is infinitesimal or substantial; and
- I. **Questions:** Your answers to the questions posed at the end of this letter

SUMMARY OF APPLICANT'S CLAIM (EXAMPLE)

Claim

The applicant claims to be permanently incapacitated to perform his duties as an Administrative Office Professional III, due to orthopedic conditions of his bilateral upper extremities and the lumbar spine. Applicant claims that his conditions are the result of an acute industrial slip/fall injury to his spine and a cumulative trauma injury to the upper extremities.

Current Symptoms

- pain and weakness of both wrists, hands and fingers
- occasional numbness and tingling of both hands
- right shoulder pain
- low back pain, radiating into the right leg

Claimed Functional Limitations

- limited to working 6 hours a day
- unable to perform heavy, repetitive use of both arms
- difficulty reaching above shoulder level
- unable to sit or stand for longer than 1 hour

Claimed Industrial Injury History

- **Claimed Acute Industrial Injury:**

Applicant sustained injuries to his low lumbar spine in a slip and fall at work on 1/22/04, when he slipped on a freshly mopped wet floor landing on his back and left hip.

- **Claimed Cumulative Trauma Injury**

Applicant claims cumulative trauma injury to both upper extremities from performing computer keyboarding activities at work from 2001 to 2010.

Additional Information

Please note medical records dated 02/12/04 describing water skiing injury for any possible medical relevancy to evaluation of the issues in this matter.

Job Duties (note: this to be deleted, if job analysis not provided to examining physician)

Please see the attached description of the physical demands of the member's job assignments and those of alternative assignments within the member's job class. Please take special notice of any described possible accommodations that would allow the member to be excused from performing certain activities or allow performance in an alternative way within the member's work restrictions.

MEDICAL-LEGAL QUESTIONS

Please provide written answers to the following questions:

1. OBJECTIVE MEDICAL FINDINGS:

Is there any **objective evidence** of a (*insert medical condition*) disorder? If so, please state:

- a) What diagnostic tests and measurements were performed by you and other physicians (as noted in the attached medical records), and indicate the resultant objective findings;
- b) Did any diagnostic test/ measurement produce, in your opinion, an abnormal result? If so,
 - Is the test subject to the volition of the applicant?
 - Do you feel the applicant fairly performed the test?
- c) In your opinion, is the presence, absence, or degree of any objective finding remarkable considering the applicant's subjective complaints or the applicant's given medical history?

2. APPLICANT SUBJECTIVE COMPLAINTS AND SYMPTOMS

Does the applicant currently have subjective complaints related to the disorder? If so, please state:

- a) The frequency, intensity, and duration of those complaints, both claimed by the applicant and as evaluated by you;
- b) Any factors that bring about the complaints or cause them to go away;
- c) Whether, in your opinion, any aspect of any subjective complaint is remarkable in light of the objective findings or the given medical history.

3. THE PRESENCE OF PAIN

If the member's **subjective complaints include pain**, please answer the following questions:

- a) What is the frequency, intensity and duration of the member's complaints of pain?
- b) Are there objective methods or tests to verify member's complaints of pain?
- c) Are the member's complaints of pain credible and consistent with the level of pain you would expect considering the objective findings of the pathology of applicant's condition, and consistent with that reported by other patients you've treated with similar pathology?
- d) Is the pain you would expect to occur from applicant's pathology serious enough in your opinion to make performance of certain duties extremely difficult or impossible? If the answer is "yes", please specify the duties affected. (refer to standards above)

4. STABILITY OF MEDICAL CONDITION

At the time of your evaluation, would you say the applicant's medical condition is:

- a) Worsening; or
- b) Improving; or
- c) Remaining the same? (If remaining the same, how long has it been so?)

5. EVALUATION OF PAST AND FUTURE MEDICAL TREATMENT:

Regarding applicant's medical treatment as contained in the attached medical records:

- a) Has applicant's medical treatment been appropriate for his medical condition?
- b) Has applicant's past treatment been adequate in terms of proper diagnostic tools, medication choices and dosages, appropriate duration of treatment to bring about maximum effectiveness, etc?
- c) Do you feel applicant has been compliant with past courses of treatment?
- d) Are there other available standard medical treatments, therapies, etc that applicant has not yet tried that are likely to bring benefit? If so, please explain.
- e) Does applicant have any untreated **co-existing** medical condition - i.e. obesity, drug/alcohol addiction, hypertension, depression/anxiety, etc-that interferes with accurate evaluation and treatment of the claimed disabling medical condition? If so, please explain.

6. SUBSTANTIAL INABILITY TO PERFORM USUAL DUTIES

Applying the legal standards set forth above for **"INCAPACITY"**, does the applicant's medical condition presently **"incapacitate"** him from any activity described in the attached Job Analysis? Please consider any **reasonable accommodations** that may be possible as described in the attached Job Analysis. If so, for each function please state:

- a) The nature of the function from which applicant is incapacitated;
- b) whether or not it is **physically impossible** for the applicant to perform that function effectively even once (and why);
- c) If it is possible for the applicant to perform that function effectively at least once:
 - How frequently could the applicant perform it effectively (and why);
 - What **specific medical consequences** would likely ensue if the applicant were to exceed the frequency stated above (and why)

(NOTE: If specific physical demands of applicant's job are not provided, ask examining doctor whether applicant is incapacitated from any "physical or mental activity")

7. PERMANENCY

If you find that the applicant is currently incapacitated from performance of any job function (*insert "mental/physical activity", if job analysis is not provided*), please apply the legal standard set out above for **"PERMANENCY"** to determine if such incapacity is:

- a) permanent;
- b) likely to materially improve with additional treatment, or passage of time to the point where the applicant can perform his usual duties with or without reasonable accommodation; or

(If you conclude that applicant's present incapacity is likely to materially improve with additional treatment, please describe the treatment likely to bring about such a material improvement in the applicant's functional capacity.)

- c) not presently ascertainable as either temporary or permanent.

8. RETURN TO WORK (*delete question if job analysis is not provided to examining doctor*)

Based on your response to questions 6 and 7 above, and your review of the Job Analysis and any other materials in the binder regarding job duties, do you feel that the member:

- a) can return to his described usual assignment, or any described Alternative Assignments with no work restrictions; or
- b) can return to his described usual assignment **with accommodations** as described in the Job Analysis; or
- c) can return to any of the described **Alternative Assignments within his job** class the demands of which are more congenial to his work restrictions (if so, please list the names of the appropriate alternative assignments); or
- d) cannot return to his usual assignment regardless of the described reasonable accommodations; or
- e) cannot return to any of the described alternative assignments.

9. CAUSATION: SERVICE-CONNECTION

Applying the legal standards set out above for **"SERVICE-CONNECTION"**, describe the contribution, if any, of applicant's Ventura County/district/court employment to his claimed incapacity.

- a) There is a real and measureable link between applicant's employment and his incapacity, and such employment contributed substantially to cause or aggravate the incapacity.
- b) the role of applicant's employment is so inconsequential and speculative that it cannot be measured, or

- c) Absent applicant's employment, his medical condition would presently be substantially the same, due to the natural progression of a condition that pre-existed or arose independent of the applicant's employment.
- d) the employment setting contributed not at all to the alleged incapacity and was merely a passive stage or backdrop upon which the natural progression of applicant's underlying condition manifested.

10. **CAUSATION (continued)**

- a) If you opine that applicant's employment substantially contributed to applicant's claimed incapacity, please explain the nature of the "**mechanism of injury**" that is a real and measurable link between the employment and the alleged incapacity.
- b) If you opine that applicant's employment did not substantially contribute to any alleged incapacity, what is the likely cause of applicant's alleged incapacity?

11. **PERFORMANCE OF OTHER DUTIES**

- a) Do you feel that applicant's current condition will allow him to perform other duties in a different job classification in county/district/court service? If yes, what kind of duties, in physical terms, would the applicant be able to perform.

The Board of Retirement thanks you for your attention to this matter. If you have any questions regarding the Independent Medical Examination process, the format of your written report or if you need clarification of anything in this letter, please contact the undersigned at ***(insert phone number)***

Your written report as well as your invoice for services should be directed to my attention at the following address:

(insert address)

Sincerely,

Chuck Pode
Risk Manager

Paul Hilbun
Claims Manager

**VENTURA COUNTY
EMPLOYEES' RETIREMENT ASSOCIATION**

BOARD OF RETIREMENT

DISABILITY MEETING

06-03-13

DISABILITY AGENDA ITEM

(CONFIDENTIAL)

APPLICANT	(Insert Applicant Name)
RECOMMENDATION	Grant SCD
PRIOR BOARD ACTION	(Insert any prior action, i.e.) Referred for examination 04/01/13 Continued-applicant request 3/01/13 None

ATTACHED DOCUMENTATION

ITEM	DESCRIPTION	DATE	PAGES
1	Risk Management Report and Recommendation	05-01-13	3-6
2	Treating Report of John Crawford, M.D.	02-19-12	6-15
3	IME Report of Gary Daniels, M.D.	12-07-12	16-21
4	QME Report of Mario Arteaga, DC	01-12-13	22-32
5	MRI-lumbrosacral spine	10-30-10	33-35
6	MRI-lumbrosacral spine	10-31-11	36-37
7	Disability Application of (applicant name)	03-02-12	33-47
8	Job Analysis/Job description	05-18-12	48-61

VENTURA COUNTY RISK MANAGEMENT REPORT AND RECOMMENDATION

TO: BOARD of RETIREMENT

DATE: 05-01-13

I. THE APPLICANT

Name	John Doe
Case #	123456
Age	54
Sex	Male
Employer	Ventura County Sheriff Department
Job Class	Deputy Sheriff
Service credit	27.12345 years
Date of Injury	cumulative trauma over 27 years
Last day worked	11-12-11
Employment status	service retirement: 02-04-13

II. THE CLAIM

Incapacity: The applicant claims to be permanently incapacitated by an **injury to his low back** that prevents him from performing the following job duties.

- Wear a duty belt
- Walk and run distances
- Use force to apprehend and restrain suspects
- Lift, carry, pull larger objects

Causation: The applicant claims that his injury was substantially caused by performance of his Ventura County job duties.

III. DESCRIPTION OF INJURY OR ILLNESS

Applicant contends that his injury to his lumbar spine occurred gradually over the 27 year span of his County employment. Applicant specifically cites the following specific causes of his cumulative trauma injury:

- Daily wearing of a 45 pound gun belt
- Prolonged sitting in patrol car
- Frequent lifting of objects over 100 pounds

IV. APPLICANT'S PERTINENT MEDICAL HISTORY

- **LUMBAR SPINE**

Applicant reports complaints of intermittent back pain dating back to the mid 80's. His history includes minor early sports injuries which quickly resolved with minimal medical care. There is also a history of a muscular injury to his back many years ago while participating in the Contra Costa Police Academy. At this time, his congenital spondylolisthesis condition was diagnosed.

In 1999, 2002 and 2004 and 2007, applicant sought chiropractic care for intermittent complaints of low back pain. He was treated mainly with standard chiropractic care and acupuncture, with initial good control of his complaints.

In 2009, applicant's complaints of low back pain increased, with no acute injury. Prior treatment modalities were no longer effective in controlling his symptoms; however, he continued to work.

On 10-30-10, an MRI scan of the lumbosacral spine revealed objective findings of a moderate diffuse degenerative disk disease and degenerative facet joint disease, with evidence of neural narrowing and nerve compression at L5-S1.

In August 2011, applicant's complaints increased to include pain radiating down his right leg, with no acute injury. A repeat MRI on 10-31-11 showed objective findings of increased degenerative disk disease and degenerative facet joint disease, with evidence of increased neural narrowing, and increased disc bulging with moderate nerve compression at several lumbosacral levels. He was briefly taken off work and treated unsuccessfully with anti-inflammatory medications.

In December 2011, applicant returned to work and began a 12 week treatment with epidural injections. This course of treatment did not bring lasting relief. Applicant's treating physician noted that fusion or disc replacement surgery was unlikely to successfully relieve applicant's symptoms due to his congenital spondylolisthesis.

Applicant left work for the last time on 11-12-11, due to severe back pain. He retired for service on 02-04-13. He indicates that he currently has severe pain on walking more than 10 minutes, when walking up stairs, on lifting, with standing longer than 15-20 minutes and on prolonged sitting.

V. Objective Medical evidence

- **10-30-10: MRI-lumbosacral spine**

Objective Findings: a moderate diffuse degenerative disk disease; degenerative facet joint disease, neural narrowing; nerve compression at L5-S1.

- **10-31-11: MRI-lumbosacral spine**

Objective Findings: comparison to 2010 MRI: increased degenerative disk disease; increased degenerative facet joint disease, increased neural narrowing; disc bulging with moderate nerve compression at several lumbar levels

V. REASONABLE ACCOMMODATION

After discussions with the Sheriff Department to explore Reasonable Accommodation, it appears that there are no possible changes to applicant's assignment and duties that will allow him to perform the usual duties of his assignment or the usual duties of another assignment within the Deputy Sheriff job classification.

VI. LEGAL STANDARDS

Permanent Incapacity Criteria

- substantially unable *to perform usual duties; performance would result in severe pain or high risk of further injury*
- further *material improvement* in an applicant's medical condition is unlikely, and
- there is no possible **reasonable accommodation**

The following is a summary of the medical opinion on the issue of permanent incapacity:

- 02-19-12** **Report** of treating physician John Crawford, MD: Applicant has work restrictions of no lifting over 100 pounds to prevent rupturing discs and other further increase in lumbar pathology. He should avoid repeated getting in/out of patrol cars to prevent twisting that may cause severe sudden pain and moderate risk of further injury.
- 12-07-12** **IME Report** of Gary Daniels, MD: Applicant cannot wear a heavy gun belt without resultant severe and incapacitating pain down the right leg from nerve impingement. He also cannot perform any activity that involves heavy lifting as that carries high risk of further injury. He has tried the standard treatments to no available. Surgery is not likely to bring a positive result. It is my understanding that accommodation is not possible in his job. I feel he is permanently incapacitated from his job as I understand the legal requirements under the retirement law.

Service-Connected Criteria

- substantial evidence of a **real and measurable link** between the applicant's employment and his incapacity;
- a substantial cause or substantially aggravated a pre-existing condition
- a clear "**mechanism of injury**" that links the employment to the incapacity.

The following is a summary of the medical opinion on the issue of causation:

- 12-07-12** **IME Report** of Gary Daniels, MD: It is probable that his pain developed as a consequence of his continued work activities on a cumulative trauma basis. Daily wear of a heavy gun belt as well as frequent heavy lifting and frequent twisting in/out of patrol

car place a stress on the spinal pathology causing moisture to dissipate resulting in disc bulging and nerve impingement.

01-12-13 QME Report of Mario Arteaga, DC: There is no history of major prior acute injury that would account for his development of degenerative disc disease. It is possible that the degenerative disc disease is related to his congenital spinal condition. However, in reviewing his duties as a Deputy Sheriff, I find many activities that include heavy lifting, sustained standing and frequent twisting at the waist plus the daily wearing of a heavy gun belt that likely worsened his condition. It is medically likely that these activities weakened the spine pathology through wear and tear, increasing the severity and progression of his degenerative disc disease significantly.

VII. ANALYSIS

Based on the substantial evidence of expressed opinions by Drs. Crawford, Daniels and Arteaga, it appears that:

- Applicant is substantially unable to perform his usual duties;
- There is no further available medical treatment that will materially improve his incapacity to the point where he can perform his usual duties; and
- There is no possible reasonable accommodation that will allow applicant to perform his usual duties or those of another assignment in his job class.
- His incapacity is permanent
- His Ventura County substantially caused or aggravated his incapacity

VIII. RECOMMENDATION

On behalf of the County of Ventura, Risk Management recommends that (insert applicant name) be granted a service-connected disability retirement.

Submitted by

Paul Hilbun, Claims Manager

Concurring with recommendation:

_____, Risk Manager Date _____

_____, Deputy County Counsel Date _____

(attach Statement of Position document)

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>

June 3, 2013

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

SUBJECT: REVIEW AND ADOPTION OF THE FISCAL YEAR 2013-14 PROPOSED BUDGET

Dear Board Members:

Overview

Government Code section 31580.2(a), as amended, requires the Board to annually adopt a budget covering the entire expense of administration of the retirement system. The total administrative expenses, which are direct charges against the earnings of the fund, may not exceed the greater of twenty-one hundredths of one percent of the accrued actuarial liability of the system, or two million dollars (\$2,000,000), as adjusted annually by the amount of the annual cost of living adjustment (CAP).

Government Code section 31580.2(b), as amended, provides an exclusion from the CAP for expenditures for computer software, computer hardware, and computer technology consulting services in support of these computer products. These costs are identified as information technology costs herein.

Separate Identification of Information Technology and Contingency

While the inclusion of information technology costs in the administrative costs would not exceed the CAP, the information technology costs are now being separately identified and disclosed in the attached proposed budget schedules in order to comply with the Government Code and to make future year budgets by major divisions and projects more comparable. Additionally, as recommended by your Board, staff includes a contingency line item in the Budget equal to ten percent of the Administrative and Information Technology Budgets less total Extra-Help costs, to arrive at an adjusted total that is then further reduced by total Extra-Help costs. While the inclusion of the Contingency in the administrative costs would not have exceeded the CAP, it is separately identified and disclosed in the attached proposed budget schedules because it is not a cost of administration until a later budget revision incorporates all or a portion of it into the administrative budget.

REVIEW AND ADOPTION OF THE FISCAL YEAR 2013-14 PROPOSED BUDGET

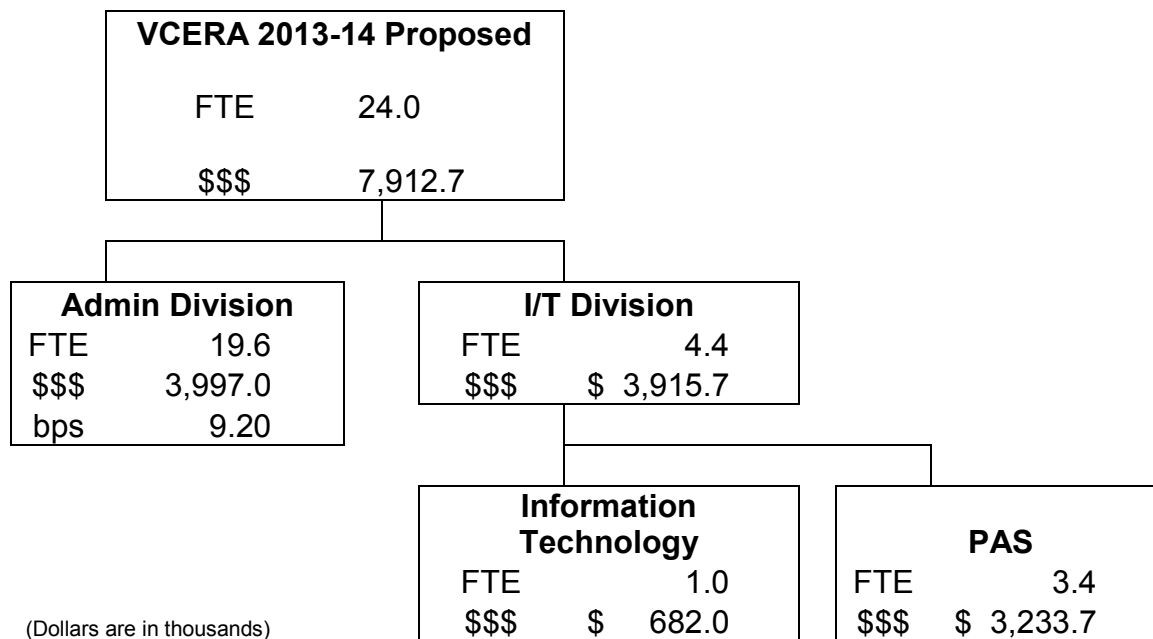
June 3, 2013

Page 2 of 5

VCERA Budget at a Glance

The chart below highlights the VCERA total budget and division totals, inclusive of contingency and all information technology (I/T) costs, and provides I/T subdivision details, breaking out the Pension Administration System (PAS) project costs. In addition, the Admin Division shows a basis point calculation against Association liabilities. Given that the following Division totals are gross of the contingency, Administrative Costs are slightly overstated when compared to statutory limits; however, giving a complete picture of the total potential budget for the fiscal year. Administrative costs, when compared to the statutory provisions, total \$3,658.6 (in thousands) and 8.37 bps.

**VENTURA COUNTY EMPLOYEE'S RETIREMENT ASSOCIATION
PROPOSED BUDGET
FISCAL YEAR 2013-2014**



VCERA Budget Changes at a Glance

The total proposed budget for Fiscal Year 2013-14 is \$7,912,600 and includes 24.0 Full Time Equivalent (FTE) positions. The amount includes administrative expenses, information technology costs, and the contingency. This represents an increase of \$1,074,700 (15.7%) and 1.0 additional net FTE from the prior year adjusted budget. However, \$551,200 of the increase is attributable to the increase in contingency as compared to the prior year's adjusted budget contingency of \$128,100. The remaining \$523,500 increase will be discussed in the paragraphs that follow.

REVIEW AND ADOPTION OF THE FISCAL YEAR 2013-14 PROPOSED BUDGET

June 3, 2013

Page 3 of 5

Administrative Budget

Salaries and Benefits:

The Administrative Budget is comprised of Salaries and Benefits, and Services and Supplies. The total Salaries and Benefits being proposed for Fiscal Year 2013-14 is \$2,177,500 with 19.6 FTE's, a net decrease of (\$211,000) or (-8.8%) and -4.4 FTE's from the prior fiscal year adjusted budget. The decrease is mostly attributable to the following, offset by planned merit increases, increased retirement costs, and other benefit components:

1. Staff has budgeted Salaries and Benefit costs directly related to Information Technology separately in its own specific division budget to better reflect where the costs are being expended as opposed to the Administrative budget, and to better report the costs of administering the pension plan. The Information Technology budget, which is comprised of I/T Operations and Pension Administration System (PAS), now includes \$529,900 in Salary and Benefits with approximately 4.4 FTE, decreasing the Administrative Budget by the same amount.
2. The Board approved the addition of two permanent Program Administrator II positions (Retirement Benefit Specialists), converted two fixed-term Program Administrator positions to permanent, and eliminated a fixed-term Office Systems Coordinator IV position. The two converted fixed term positions were included in the FY 2012-13 adopted budget and do not change the costs. The budget impact of the two additional permanent Program Administrator II positions is \$258,300, and offsets the \$529,900 decrease.

There are no requests for additional staff in the fiscal year 2013-14 proposed budget.

Services and Supplies Changes:

The total Services and Supplies proposed for Fiscal Year 2013-14 is \$1,481,100, an increase of \$178,900 (13.7%) from the prior fiscal year which is comprised of adjustments to the Base budget totaling \$66,900 and budget enhancement requests totaling \$112,000. The increase in the base budget is predominately the result of an increase in cost allocation charges \$91,400, and telecommunications of \$23,600 offset by a decrease in equipment of (\$18,500), facilities (\$13,800) and office lease of (\$11,300) that is now budgeted in the I/T budget.

Budget Enhancement Requests:

In addition to the base, staff is requesting that your Board approve the addition of \$112,000 to the Administrative budget to fund the following three requests:

REVIEW AND ADOPTION OF THE FISCAL YEAR 2013-14 PROPOSED BUDGET

June 3, 2013

Page 4 of 5

- 1) A request for \$15,000 to fund additional audio/video equipment for the Board room. The current equipment does not provide sufficient viewing area for the general public and also limits the viewing of some Board members. The funds will be used to develop a plan and install a configuration that will address the deficiencies noted.
- 2) A request for \$22,000 to complete the security access of the office. In the FY 2012-13 budget funds were included to install security to limit access to certain areas of the office. Four access areas to restrict access were completed and are functioning well. This request would allow for the installation of equipment to restrict access for the remaining employee areas of the office, where sensitive data resides.
- 3) \$75,000 to fund the cost of performing an actuarial audit of the plans actuarial valuation and to opine on the validity of the actuarial process with respect to the reasonableness of assumption and consistency of recent results.

Information Technology (I/T) Budget

In past budgets a separate I/T budget was not presented to your Board. However, with the recent changes to Government Code 31580.2 (b), I/T costs are now specifically excluded from the CAP. For fiscal year 2013-14, we have begun to separately identify I/T costs from the Administrative budget and have created a separate budget document. The I/T budget is further divided and consists of an Operational and a Pension Administration System budget. An additional benefit of separating out the I/T costs is to provide better comparability among other pension systems who are also budgeting programmatically. These budgets now reflect all I/T expenditures including Salaries and Benefits and Services and Supplies that have been historically included in the Administrative budget. The total I/T budget being proposed for Fiscal Year 2013-14 is \$3,915,700, an increase of \$768,400 (24.3%), with 4.4 FTE's. The PAS project represents \$3,233,700 and 3.4 FTE's or approximately 83% of the cost of total I/T budget. The overall increase is attributable to the transfer of Salary and Benefits of \$529,900 and Service and Supplies of \$77,300 including two budget enhancement requests totaling \$37,000, offset by a decrease of (\$51,400) in technology.

Budget Enhancement Requests:

In addition to the base, staff is requesting that your Board approve the addition of \$37,000 to the Information Technology budget to fund the following two requests:

- 1) A request for \$12,500 to convert the existing server room to be fire suppression compliant. Currently, the server room is maintained in a small closet area that was converted to serve as the server room. However, the room was never made compliant in the event a fire was experienced. Currently, the room does have a sprinkler head that would put out a fire, but would also destroy the thousands of dollars worth of equipment at the same time, and disrupt operations until replaced.

REVIEW AND ADOPTION OF THE FISCAL YEAR 2013-14 PROPOSED BUDGET

June 3, 2013

Page 5 of 5

- 2) A request for \$24,500 to fund the expansion of the server room. Currently the server is in a very small area and is very cramped and is not well ventilated. Overheating during the summer months, causing premature failure, and bringing the systems down is a strong possibility. This request will allow for the construction of an actual server room with adequate conditioned ventilation, and an expansion of the room that exists now in order to be compliant with current safety standards and to be prepared for future computing needs.

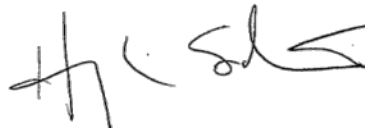
Staff will walk the Board through the proposed budget schedules and after adequate deliberation, please approve the attached Fiscal Year 2013-14 Proposed Budget as presented, or as modified for Board directed changes.

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

Sincerely,



Donald C. Kendig, CPA
Retirement Administrator



Henry C. Solis, CPA
Chief Financial Officer

Attachments

**VENTURA COUNTY EMPLOYEES' RETIREMENT
ASSOCIATION**

PROPOSED BUDGET

**FISCAL YEAR
2013 - 2014**

VENTURA COUNTY EMPLOYEES' RETIREMENT ASSOCIATION

STATUTORY LIMIT SCHEDULE

FISCAL YEAR 2013 – 2014

Government Code section 31580.2 provides for the adoption by the Board of Retirement an annual budget covering the entire expense of administration. This expense of administration is a direct charge against the earnings of the fund and shall not exceed the greater of twenty-one hundredths of one percent of the accrued actuarial liability of the system or two million dollars (\$2,000,000), as adjusted annually by the amount of the annual cost-of-living adjustment. Government Code section 31580.2(b) provides that expenditures for software, hardware and computer technology are not considered a cost of administration. The calculations of the maximum allowable budget and requested budget are summarized below.

	2012 -2013 ADOPTED	%	2013 -2014 ADJUSTED	%	2013 -2014 BASE	%	2013 -2014 PROPOSED	%
Accrued Actuarial Liability (6/30/11, 6/30/12)	\$ 3,995,352,000	N/A	\$ 3,995,352,000	N/A	\$ 4,373,227,000	N/A	\$ 4,373,227,000	N/A
Allowable Budget for Cost of Administration (21/100 of 1.0%)	8,390,239	0.21%	8,390,239	0.21%	9,183,800	0.21%	9,183,800	0.21%
Administrative:								
Salaries and Benefits	\$ 2,483,200	0.062%	\$ 2,388,500	0.060%	\$ 2,177,500	0.050%	\$ 2,177,500	0.050%
Services and Supplies	1,223,700	0.031%	1,302,200	0.033%	1,369,100	0.031%	1,481,100	0.034%
Sub-Total	3,706,900	0.093%	3,690,700	0.092%	3,546,600	0.081%	3,658,600	0.084%
Contingency	-	-	-	-	327,200	0.007%	338,400	0.008%
Total Administrative	\$ 3,706,900	0.093%	\$ 3,690,700	0.092%	\$ 3,873,800	0.088%	\$ 3,997,000	0.092%
Under Statutory Limitation	\$ 4,683,339	0.117%	\$ 4,699,539	0.118%	\$ 5,310,000	0.122%	\$ 5,186,800	0.118%

VENTURA COUNTY EMPLOYEES' RETIREMENT ASSOCIATION

STATUTORY LIMIT SCHEDULE

FISCAL YEAR 2013 – 2014

Government Code section 31580.2 provides for the adoption by the Board of Retirement an annual budget covering the entire expense of administration. This expense of administration is a direct charge against the earnings of the fund and shall not exceed the greater of twenty-one hundredths of one percent of the accrued actuarial liability of the system or two million dollars (\$2,000,000), as adjusted annually by the amount of the annual cost-of-living adjustment. Government Code section 31580.2(b) provides that expenditures for software, hardware and computer technology are not considered a cost of administration. The calculations of the maximum allowable budget and requested budget are summarized below.

	2012 -2013 ADOPTED	%	2013 -2014 ADJUSTED	%	2013 -2014 BASE	%	2013 -2014 PROPOSED	%
Technology:								
Salaries and Benefits	\$ -	0.000%	\$ -	0.000%	\$ 529,500	0.012%	\$ 529,500	0.012%
Services and Supplies	-	0.000%	-	0.000%	40,500	0.001%	77,500	0.002%
Systems & Applications	2,534,400	0.063%	3,019,200	0.076%	2,967,700	0.068%	2,967,700	0.068%
Sub-Total	2,534,400	0.063%	3,019,200	0.076%	3,537,700	0.081%	3,574,700	0.082%
Contingency	-	-	-	-	337,300	0.008%	341,000	0.008%
Total Technology	\$ 2,534,400	0.063%	\$ 3,019,200	0.076%	\$ 3,875,000	0.089%	\$ 3,915,700	0.090%
Combined:								
Administrative	\$ 3,706,900	0.093%	\$ 3,690,700	0.092%	\$ 3,546,600	0.081%	\$ 3,658,600	0.084%
Technology	2,534,400	0.063%	3,019,200	0.076%	3,537,700	0.081%	3,574,700	0.082%
Contingency	596,600	0.015%	128,000	0.003%	664,500	0.015%	679,400	0.016%
Total Budget	\$ 6,837,900	0.171%	\$ 6,837,900	0.171%	\$ 7,748,800	0.177%	\$ 7,912,700	0.182%

VENTURA COUNTY EMPLOYEES' RETIREMENT ASSOCIATION
TOTAL PROPOSED BUDGET
FISCAL YEAR 2013 – 2014
 In thousands

ACCOUNT	2011-2012 ACTUAL	2012-2013 ADJUSTED	2012-2013 PROJECTED	2013-2014 BASE	BASE/ ADJUSTED VARIANCE	REQUESTS	2013-2014 PROPOSED	PROPOSED/ ADJUSTED VARIANCE	% INCREASE (DECREASE)
Salaries and Benefits:									
Full-Time Equivalents	18.0	24.0	24.0	24.0	0.0	0.0	24.0	0.0	0.0%
Salaries:									
Salaries	\$ 1,113.9	\$ 1,558.9	\$ 1,508.7	\$ 1,725.6	\$ 166.7	\$ -	\$ 1,725.6	\$ 166.7	10.7%
Extra-Help	63.7	25.0	40.2	40.0	15.0	-	40.0	15.0	60.0%
Overtime	2.5	7.6	1.8	1.5	(6.1)	-	1.5	(6.1)	-80.3%
Total Salaries	1,180.1	1,591.5	1,550.7	1,767.1	175.6	-	1,767.1	175.6	11.0%
Benefits:									
Supplemental Payments	29.5	47.0	45.2	53.7	6.7	-	53.7	6.7	14.3%
Vacation Redepemption	81.1	71.7	66.6	87.5	15.8	-	87.5	15.8	22.0%
Retirement Contributions	225.5	350.2	325.5	424.8	74.6	-	424.8	74.6	21.3%
OASDI Contributions	70.5	79.0	93.6	107.8	28.8	-	107.8	28.8	36.5%
FICA-Medicare	17.3	24.4	23.0	27.0	2.6	-	27.0	2.6	10.7%
Retiree Health Benefit	12.0	15.6	13.0	16.2	0.6	-	16.2	0.6	3.8%
Medical Insurance	108.0	152.7	148.8	170.8	18.1	-	170.8	18.1	11.9%
Life Insurance/Mgmt	0.7	0.9	1.0	1.0	0.1	-	1.0	0.1	11.1%
Unemployment Insurance	2.2	2.4	2.3	2.2	(0.2)	-	2.2	(0.2)	-8.3%
Management Disability Ins.	2.7	3.9	3.7	4.2	0.3	-	4.2	0.3	7.7%
Workers' Compensation Ins.	6.9	9.8	9.8	10.9	1.1	-	10.9	1.1	11.2%
401k Plan Contribution	22.1	39.4	33.0	33.8	(5.6)	-	33.8	(5.6)	-14.2%
Total Benefits	578.4	797.0	765.5	939.9	142.9	-	939.9	142.9	17.9%
Transfers In	-	-	-	60.8	60.8	-	60.8	60.8	
Transfers Out	-	-	-	(60.8)	(60.8)	-	(60.8)	(60.8)	
Total Salaries and Benefits	\$ 1,758.6	\$ 2,388.5	\$ 2,316.2	\$ 2,707.0	\$ 318.5	\$ -	\$ 2,707.0	\$ 318.5	13.3%

The source for Salaries and Benefits, Internal Service Funds and Cost Allocation charges is the County of Ventura Budget Development Manual.

VENTURA COUNTY EMPLOYEES' RETIREMENT ASSOCIATION
TOTAL PROPOSED BUDGET
FISCAL YEAR 2013 – 2014
In thousands

ACCOUNT	2011-2012 ACTUAL	2012-2013 ADJUSTED	2012-2013 PROJECTED	2013-2014 BASE	BASE/ ADJUSTED VARIANCE	REQUESTS	2013-2014 PROPOSED	PROPOSED/ ADJUSTED VARIANCE	% INCREASE (DECREASE)
Services and Supplies:									
Telecommunication Services - ISF	\$ 36.3	\$ 21.4	\$ 41.1	\$ 46.6	\$ 25.2	\$ -	\$ 46.6	\$ 25.2	117.8%
General Insurance - ISF	8.7	9.6	9.6	12.3	2.7	-	12.3	2.7	28.1%
Office Equipment Maintenance	1.4	1.0	1.5	1.0	-	-	1.0	-	0.0%
Membership and Dues	8.6	9.7	8.9	9.3	(0.4)	-	9.3	(0.4)	-4.1%
Education Allowance	2.0	6.0	2.0	6.0	-	-	6.0	-	0.0%
Cost Allocation Charges	34.0	(34.1)	(34.1)	57.3	91.4	-	57.3	91.4	-268.0%
Printing Services - Not ISF	4.7	5.5	4.2	6.0	0.5	-	6.0	0.5	9.1%
Books & Publications	1.9	2.5	1.6	2.0	(0.5)	-	2.0	(0.5)	-20.0%
Office Supplies	23.9	18.0	15.3	20.0	2.0	-	20.0	2.0	11.1%
Postage & Express	54.9	55.0	43.0	55.0	-	-	55.0	-	0.0%
Printing Charges - ISF	0.2	12.0	7.3	12.5	0.5	-	12.5	0.5	4.2%
Copy Machine Services - ISF	7.1	5.9	6.9	7.1	1.2	-	7.1	1.2	20.3%
Board Member Fees	10.0	11.5	10.5	11.0	(0.5)	-	11.0	(0.5)	-4.3%
Professional Services	849.0	887.9	994.4	885.4	(2.5)	75.0	960.4	72.5	8.2%
Storage Charges	3.2	3.2	3.5	4.0	0.8	-	4.0	0.8	25.0%
Equipment	0.9	18.5	13.3	-	(18.5)	15.0	15.0	(3.5)	-18.9%
Office Lease Payments	158.1	178.6	177.5	186.4	7.8	-	186.4	7.8	4.4%
Private Vehicle Mileage	3.8	8.0	8.8	8.3	0.3	-	8.3	0.3	3.7%
Conference, Seminar and Travel	54.8	60.0	42.8	65.0	5.0	-	65.0	5.0	8.3%
Furniture	100.6	7.0	0.7	11.2	4.2	-	11.2	4.2	60.0%
Facilities Charges	6.7	15.0	21.4	3.2	(11.8)	59.0	62.2	47.2	314.7%
Judgements & Damages	30.9	-	-	-	-	-	-	-	0.0%
Transfers In	-	-	-	10.3	10.3	-	10.3	10.3	0.0%
Transfers Out	-	-	-	(10.3)	(10.3)	-	(10.3)	(10.3)	0.0%
Total Services and Supplies	\$ 1,401.5	\$ 1,302.2	\$ 1,380.2	\$ 1,409.6	\$ 107.4	\$ 149.0	\$ 1,558.6	\$ 256.4	19.7%
Total Sal, Ben, Serv & Supp	\$ 3,160.1	\$ 3,690.7	\$ 3,696.4	\$ 4,116.6	\$ 425.9	\$ 149.0	\$ 4,265.6	\$ 574.9	15.6%

The source for Salaries and Benefits, Internal Service Funds and Cost Allocation charges is the County of Ventura Budget Development Manual.

VENTURA COUNTY EMPLOYEES' RETIREMENT ASSOCIATION
TOTAL PROPOSED BUDGET
FISCAL YEAR 2013 – 2014
 In thousands

ACCOUNT	2011-2012 ACTUAL	2012-2013 ADJUSTED	2012-2013 PROJECTED	2013-2014 BASE	BASE/ ADJUSTED VARIANCE	REQUESTS	2013-2014 PROPOSED	PROPOSED/ ADJUSTED VARIANCE	% INCREASE (DECREASE)
Technology:									
Computer Hardware	\$ 52.0	\$ 20.0	\$ 26.3	\$ 22.2	2.2	\$ -	\$ 22.2	2.2	11.0%
Computer Software	14.1	8.8	14.2	46.2	37.4	-	46.2	37.4	425.0%
Systems & Applications Support	397.4	416.4	411.3	419.9	3.5	-	419.9	3.5	0.8%
Pension Administration System	598.9	2,574.0	2,595.0	2,479.4	(94.6)	-	2,479.4	(94.6)	-3.7%
Total Technology	\$ 1,062.5	\$ 3,019.2	\$ 3,046.8	\$ 2,967.7	\$ (51.5)	\$ -	\$ 2,967.7	\$ (51.5)	-1.7%
Total Before Contingency	\$ 4,222.6	\$ 6,709.9	\$ 6,743.2	\$ 7,084.3	\$ 374.4	\$ 149.0	\$ 7,233.3	\$ 523.4	7.8%
Contingency	-	128.0	-	664.5	536.5	14.9	679.4	551.4	430.8%
Total Proposed	\$ 4,222.6	\$ 6,837.9	\$ 6,743.2	\$ 7,748.8	\$ 910.9	\$ 163.9	\$ 7,912.7	\$ 1,074.8	15.7%

The source for Salaries and Benefits, Internal Service Funds and Cost Allocation charges is the County of Ventura Budget Development Manual.

VENTURA COUNTY EMPLOYEES' RETIREMENT ASSOCIATION
POSITION DETAIL BY CLASSIFICATION
FISCAL YEAR 2013-14 PROPOSED BUDGET

Position Code	Position/Class	Biweely Salary Range		ADOPTED FY 2012-13		ADJUSTED FY 2012-13		PROPOSED FY 2013-14	
				FTE	ATH	FTE	ATH	FTE	ATH
000623	Benefits Specialist (Program Administrator II)	2,098.13	2,937.38	10.0	10.0	14.0	14.0	14.0	14.0
000623	Benefits Specialist (Program Administrator II-Fixed Term)	2,098.13	2,937.38	2.0	2.0	0.0	0.0	0.0	0.0
000981	Chief Financial Officer	4,066.17	5,692.64	1.0	1.0	1.0	1.0	1.0	1.0
001026	Sr Office Systems Coordinator (IT)	2,514.19	3,519.87	1.0	1.0	1.0	1.0	1.0	1.0
001350	Office Assistant III - Confidential	1,272.40	1,781.36	2.0	2.0	2.0	2.0	2.0	2.0
001489	Program Assistant - NE	1,898.10	2,657.33	1.0	1.0	1.0	1.0	1.0	1.0
001621	Office Systems Coordinator IV (Fixed Term)	2,464.98	3,273.37	1.0	1.0	0.0	0.0	0.0	0.0
001710	Benefits Manager (Staff Services Manager II)	2,478.18	3,469.44	1.0	1.0	1.0	1.0	1.0	1.0
001711	Operations Manager (Staff Services Manager III)	2,662.32	3,727.24	1.0	1.0	1.0	1.0	1.0	1.0
001814	Retirement Administrator	4,684.51	6,558.32	1.0	1.0	1.0	1.0	1.0	1.0
002069	Fiscal Manager I	2,626.59	3,469.44	1.0	1.0	1.0	1.0	1.0	1.0
002092	Accounting Officer IV - MB	2,246.82	2,968.00	1.0	1.0	1.0	1.0	1.0	1.0
	Total			23.0	23.0	24.0	24.0	24.0	24.0

VENTURA COUNTY EMPLOYEES' RETIREMENT ASSOCIATION
ADMIN BUDGET
FISCAL YEAR 2013 – 2014
 In thousands

ACCOUNT	2011-2012 ACTUAL	2012-2013 ADJUSTED	2012-2013 PROJECTED	2013-2014 BASE	BASE/ ADJUSTED VARIANCE	REQUESTS	2013-2014 PROPOSED	PROPOSED/ ADJUSTED VARIANCE	% INCREASE (DECREASE)
Salaries and Benefits:									
Full-Time Equivalents	18.0	24.0	24.0	19.6	(4.4)	0.0	19.6	(4.4)	-18.2%
Salaries:									
Salaries	\$ 1,113.9	\$ 1,558.9	\$ 1,508.7	\$ 1,424.0	\$ (134.9)	\$ -	\$ 1,424.0	\$ (134.9)	-8.7%
Extra-Help	63.7	25.0	40.2	25.0	-	-	25.0	-	0.0%
Overtime	2.5	7.6	1.8	1.5	(6.1)	-	1.5	(6.1)	-80.3%
Total Salaries	1,180.1	1,591.5	1,550.7	1,450.5	(141.0)	-	1,450.5	(141.0)	-8.9%
Benefits:									
Supplemental Payments	29.5	47.0	45.2	44.6	(2.4)	-	44.6	(2.4)	-5.1%
Vacation Redemption	81.1	71.7	66.6	78.5	6.8	-	78.5	6.8	9.5%
Retirement Contributions	225.5	350.2	325.5	351.6	1.4	-	351.6	1.4	0.4%
OASDI Contributions	70.5	79.0	93.6	88.0	9.0	-	88.0	9.0	11.4%
FICA-Medicare	17.3	24.4	23.0	22.4	(2.0)	-	22.4	(2.0)	-8.2%
Retiree Health Benefit	12.0	15.6	13.0	16.2	0.6	-	16.2	0.6	3.8%
Medical Insurance	108.0	152.7	148.8	142.4	(10.3)	-	142.4	(10.3)	-6.7%
Life Insurance/Mgmt	0.7	0.9	1.0	0.9	-	-	0.9	-	0.0%
Unemployment Insurance	2.2	2.4	2.3	1.8	(0.6)	-	1.8	(0.6)	-25.0%
Management Disability Ins.	2.7	3.9	3.7	3.5	(0.4)	-	3.5	(0.4)	-10.3%
Workers' Compensation Ins.	6.9	9.8	9.8	9.2	(0.6)	-	9.2	(0.6)	-6.1%
401k Plan Contribution	22.1	39.4	33.0	28.7	(10.7)	-	28.7	(10.7)	-27.2%
Total Benefits	578.4	797.0	765.5	787.8	(9.2)	-	787.8	(9.2)	-1.2%
Transfers In	-	-	-	-	-	-	-	-	N/A
Transfers Out	-	-	-	(60.8)	(60.8)	-	(60.8)	(60.8)	N/A
Total Salaries and Benefits	\$ 1,758.6	\$ 2,388.5	\$ 2,316.2	\$ 2,177.5	\$ (211.0)	\$ -	\$ 2,177.5	\$ (211.0)	-8.8%

VENTURA COUNTY EMPLOYEES' RETIREMENT ASSOCIATION
ADMIN BUDGET
FISCAL YEAR 2013 – 2014
In thousands

ACCOUNT	2011-2012 ACTUAL	2012-2013 ADJUSTED	2012-2013 PROJECTED	2013-2014 BASE	BASE/ ADJUSTED VARIANCE	REQUESTS	2013-2014 PROPOSED	PROPOSED/ ADJUSTED VARIANCE	% INCREASE (DECREASE)
<u>Services and Supplies:</u>									
Telecommunication Services - ISF	\$ 36.3	\$ 21.4	\$ 41.1	\$ 45.0	\$ 23.6	-	\$ 45.0	\$ 23.6	110.3%
General Insurance - ISF	8.7	9.6	9.6	12.3	2.7	-	12.3	2.7	28.1%
Office Equipment Maintenance	1.4	1.0	1.5	1.0	-	-	1.0	-	0.0%
Membership and Dues	8.6	9.7	8.9	9.1	(0.6)	-	9.1	(0.6)	-6.2%
Education Allowance	2.0	6.0	2.0	4.0	(2.0)	-	4.0	(2.0)	-33.3%
Cost Allocation Charges	34.0	(34.1)	(34.1)	57.3	91.4	-	57.3	91.4	-268.0%
Printing Services - Not ISF	4.7	5.5	4.2	6.0	0.5	-	6.0	0.5	9.1%
Books & Publications	1.9	2.5	1.6	2.0	(0.5)	-	2.0	(0.5)	-20.0%
Office Supplies	23.9	18.0	15.3	20.0	2.0	-	20.0	2.0	11.1%
Postage & Express	54.9	55.0	43.0	55.0	-	-	55.0	-	0.0%
Printing Charges - ISF	0.2	12.0	7.3	12.5	0.5	-	12.5	0.5	4.2%
Copy Machine Services - ISF	7.1	5.9	6.9	7.1	1.2	-	7.1	1.2	20.3%
Board Member Fees	10.0	11.5	10.5	11.0	(0.5)	-	11.0	(0.5)	-4.3%
Professional Services	849.0	887.9	994.4	885.4	(2.5)	75.0	960.4	72.5	8.2%
Storage Charges	3.2	3.2	3.5	4.0	0.8	-	4.0	0.8	25.0%
Equipment	0.9	18.5	13.3	-	(18.5)	15.0	15.0	(3.5)	-18.9%
Office Lease Payments	158.1	178.6	177.5	167.3	(11.3)	-	167.3	(11.3)	-6.3%
Private Vehicle Mileage	3.8	8.0	8.8	8.0	(0.0)	-	8.0	(0.0)	0.0%
Conference, Seminar and Travel	54.8	60.0	42.8	60.0	-	-	60.0	-	0.0%
Furniture	100.6	7.0	0.7	11.2	4.2	-	11.2	4.2	60.0%
Facilities Charges	6.7	15.0	21.4	1.2	(13.8)	22.0	23.2	8.2	54.7%
Judgements & Damages	30.9	-	-	-	-	-	-	-	0.0%
Transfers In	-	-	-	-	-	-	-	-	N/A
Transfers Out	-	-	-	(10.3)	(10.3)	-	(10.3)	(10.3)	N/A
Total Services and Supplies	\$ 1,401.5	\$ 1,302.2	\$ 1,380.2	\$ 1,369.1	\$ 66.9	\$ 112.0	\$ 1,481.1	\$ 178.9	13.7%
Total Sal, Ben, Serv & Supp	\$ 3,160.1	\$ 3,690.7	\$ 3,696.4	\$ 3,546.6	\$ (144.1)	\$ 112.0	\$ 3,658.6	\$ (32.1)	-0.9%

VENTURA COUNTY EMPLOYEES' RETIREMENT ASSOCIATION
ADMIN BUDGET
FISCAL YEAR 2013 – 2014
In thousands

ACCOUNT	2011-2012 ACTUAL	2012-2013 ADJUSTED	2012-2013 PROJECTED	2013-2014 BASE	BASE/ ADJUSTED VARIANCE	REQUESTS	2013-2014 PROPOSED	PROPOSED/ ADJUSTED VARIANCE	% INCREASE (DECREASE)
<u>Technology:</u>									
Computer Hardware				\$ -	\$ -	\$ -	\$ -	\$ -	-
Computer Software				-	-	-	-	-	-
Systems & Applications Support				-	-	-	-	-	-
Pension Administration System				-	-	-	-	-	-
Total Technology	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	-
Total Before Contingency	\$ -	\$ -	\$ -	\$ 3,546.6	\$ 3,546.6	\$ 112.0	\$ 3,658.6	\$ 3,658.6	N/A
Contingency	-	-	-	327.2	327.2	11.2	338.4	338.4	N/A
Total Proposed	\$ 3,160.1	\$ 3,690.7	\$ 3,696.4	\$ 3,873.8	\$ 183.1	\$ 123.2	\$ 3,997.0	\$ 306.3	8.3%

VENTURA COUNTY EMPLOYEES' RETIREMENT ASSOCIATION
ADMIN BUDGET
SERVICES AND SUPPLIES DETAILED ACCOUNT SUMMARY
FISCAL YEAR 2013 – 2014

	2011-2012 ACTUAL	2012-2013 ADJUSTED	2012-2013 PROJECTED	2013-2014 BASE	BASE/ ADJUSTED VARIANCE	% INCREASE (DECREASE)
TELECOMMUNICATIONS SERVICES - ISF:	\$ 36,300	\$ 21,400	\$ 41,100	\$ 45,000	\$ 23,600	110.3%
Account Detail:						
Phone equipment			11,500	17,400		
Voice & data network services			13,500	15,500		
Network & systems access (microwave)			9,600	9,600		
Service requests			6,500	2,500		
GENERAL INSURANCE - ISF:	\$ 8,700	\$ 9,600	\$ 9,600	\$ 12,300	\$ 2,700	28.1%
County Executive Office (Risk Management): Included are liability claims processing and management, legal defense, insurance purchase for general liability and automobile. Budget amount from County of Ventura Budget Development Manual.						
OFFICE EQUIPMENT MAINTENANCE:	\$ 1,400	\$ 1,000	\$ 1,500	\$ 1,000	\$ -	0.0%
MEMBERSHIP AND DUES:	\$ 8,600	\$ 9,700	\$ 8,900	\$ 9,100	\$ (600)	-6.2%
Account Detail:						
State Association of County Retirement Systems		4,500	\$ 4,000	4,000		
California Association of Public Retirement		1,500	2,000	2,000		
International Foundation of Employee Benefit Plans		800	850	1,000		
Government Finance Officers Association		650	450	650		
National Association of Pension Plan Attorneys		450	450	450		
Other Memberships (Organization and eligible staff)		1,800	1,150	1,000		
EDUCATION ALLOWANCE:	\$ 2,000	\$ 6,000	\$ 2,000	\$ 4,000	\$ (2,000)	-33.3%
Textbook & tuition reimbursement				4,000		

**VENTURA COUNTY EMPLOYEES' RETIREMENT ASSOCIATION
ADMIN BUDGET
SERVICES AND SUPPLIES DETAILED ACCOUNT SUMMARY
FISCAL YEAR 2013 – 2014**

	2011-2012 ACTUAL	2012-2013 ADJUSTED	2012-2013 PROJECTED	2013-2014 BASE	BASE/ ADJUSTED VARIANCE	% INCREASE (DECREASE)
<u>COST ALLOCATION CHARGES:</u>	\$ 34,000	\$ (34,100)	\$ (34,100)	\$ 57,300	\$ 91,400	-268.0%
Cost allocation charges include administrative service charges for the County Executive Office, Auditor-Controller and County Counsel.						
<u>PRINTING SERVICES - NOT ISF:</u>	\$ 4,700	\$ 5,500	\$ 4,200	\$ 6,000	\$ 500	9.1%
Printing of business cards, envelopes, Annual CAFR Report, Board election material, etc.						
<u>BOOKS AND PUBLICATIONS:</u>	\$ 1,900	\$ 2,500	\$ 1,600	\$ 2,000	\$ (500)	-20.0%
Publications include Wall Street Journal, Institutional Investor, Public Retirement Journal, IFEBP Benefits Quarterly, GFOA Reference Material, Ventura Star, Human Resource, Information Technology and other reference material.						
<u>OFFICE SUPPLIES:</u>	\$ 23,900	\$ 18,000	\$ 15,300	\$ 20,000	\$ 2,000	11.1%
Regular Office Supplies				11,000		
Printer Toner Cartridges				9,000		
<u>POSTAGE AND EXPRESS:</u>	\$ 54,900	\$ 55,000	\$ 43,000	\$ 55,000	\$ -	0.0%
Mailing of monthly retirement checks, correspondence, 1099-Rs, mailroom delivery charges, special mailings (including elections) and Federal Express charges.				55,000		
<u>PRINTING SERVICES - ISF:</u>	\$ 200	\$ 12,000	\$ 7,300	\$ 12,500	\$ 500	4.2%
County graphics services charges for printing employee handbooks, forms, disability packets, newsletters, etc.						
<u>COPY MACHINE SERVICE:</u>	\$ 7,100	\$ 5,900	\$ 6,900	\$ 7,100	\$ 1,200	20.3%
<u>BOARD MEMBER FEES:</u>	\$ 10,000	\$ 11,500	\$ 10,500	\$ 11,000	\$ (500)	-4.3%

VENTURA COUNTY EMPLOYEES' RETIREMENT ASSOCIATION
ADMIN BUDGET
SERVICES AND SUPPLIES DETAILED ACCOUNT SUMMARY
FISCAL YEAR 2013 – 2014

	2011-2012 ACTUAL	2012-2013 ADJUSTED	2012-2013 PROJECTED	2013-2014 BASE	BASE/ ADJUSTED VARIANCE	% INCREASE (DECREASE)
PROFESSIONAL SERVICES:	\$ 849,000	\$ 887,900	\$ 994,400	\$ 885,400	\$ (2,500)	-0.3%
Account Detail:						
Fiduciary Liability Insurance		68,000	74,800	80,000		
Legal Services:						
County Counsel		280,000	295,000	300,000		
Outside Legal Counsel		50,000	47,300	50,000		
Retiree Payroll Processing (ADP)		115,000	113,400	116,500		
Hearing Officer Fees		100,000	98,000	110,000		
Financial Auditor (Brown Armstrong)		42,300	42,300	42,300		
Court Reporters (Alssi Barney Ungermann)		15,000	14,000	16,000		
Trustee Elections (County Elections Division)		1,200	5,100	6,300		
Courier Services (Central Courier)		5,200	1,000	-		
Document Shredding Svcs (Cintas)		1,500	1,500	1,500		
Employee Health Services (New Hires)		4,000	2,000	3,000		
Actuary (Segal)		64,000	176,000	66,000		
Employee Benefit Statements (Towers Watson)		55,000	55,000	55,000		
Death Audit Services (PBI)		2,200	2,200	2,200		
Retirement Videos			4,500	2,000		
Employee Service Awards			300	600		
Disability consultant		30,000	27,000	9,000		
Investment Search		29,500	15,000			
Miscellaneous		25,000	20,000	25,000		
STORAGE CHARGES:	\$ 3,200	\$ 3,200	\$ 3,500	\$ 4,000	\$ 800	25.0%
Offsite storage of VCERA files						
EQUIPMENT:	\$ 900	\$ 18,500	\$ 13,300	\$ -	\$ (18,500)	-100.0%

Audio/Visual Equipment

VENTURA COUNTY EMPLOYEES' RETIREMENT ASSOCIATION
ADMIN BUDGET
SERVICES AND SUPPLIES DETAILED ACCOUNT SUMMARY
FISCAL YEAR 2013 – 2014

	2011-2012 ACTUAL	2012-2013 ADJUSTED	2012-2013 PROJECTED	2013-2014 BASE	BASE/ ADJUSTED VARIANCE	% INCREASE (DECREASE)
<u>OFFICE LEASE PAYMENTS:</u>	\$ 158,000	\$ 178,600	\$ 177,500	\$ 167,300	\$ (11,300)	-6.3%
Lease of Office Space from MF Daily, Inc.						
7,778 square feet @ \$1.78/sq. ft for 9 months				124,600		
7,778 square feet @ \$1.83/sq. ft (3% CPI) for 3 months				42,700		
<u>PRIVATE VEHICLE MILEAGE:</u>	\$ 3,800	\$ 8,000	\$ 8,800	\$ 8,000	\$ (0)	0.0%
Auto Allowance - Administrator				4,500		
Trustees and staff				3,500		
<u>CONFERENCE, SEMINAR AND TRAVEL:</u>	\$ 54,700	\$ 60,000	\$ 42,800	\$ 60,000	\$ -	0.0%
<u>FURNITURE:</u>	\$ 100,600	\$ 7,000	\$ 700	\$ 11,200	\$ 4,200	60.0%
Furniture for Benefit Operations				9,200		
Replacements				2,000		
<u>FACILITIES CHARGES:</u>	\$ 6,700	\$ 15,000	\$ 21,400	\$ 1,200	\$ (13,800)	-92.0%
Annual Charge for card access readers				1,200		
<u>JUDGEMENT AND DAMAGES:</u>	\$ 30,900	\$ -	\$ -	\$ -	\$ -	0.0%
<u>TRANSFERS IN:</u>	\$ -	\$ -	\$ -	\$ -	\$ -	0.0%
<u>TRANSFERS OUT:</u>	\$ -	\$ -	\$ -	\$ (10,300)	\$ (10,300)	0.0%
Amount attributable to VCERIS/PAS						
TOTAL SERVICES AND SUPPLIES	\$ 1,401,500	\$ 1,302,200	\$ 1,380,200	\$ 1,369,100	\$ 66,900	5.1%

VENTURA COUNTY EMPLOYEES' RETIREMENT ASSOCIATION
ADMIN BUDGET ENHANCEMENTS
FISCAL YEAR 2013 – 2014
 In thousands

ACCOUNT	#1 Boardroom Audio/Video Enhancement	#2 Additional Security Access	#3 Actuarial Audit	Total Requests
Salaries and Benefits:				
Full-Time Equivalents	0.0	0.0	0.0	0.0
Salaries:				
Salaries				\$ -
Extra-Help				-
Overtime				-
Total Salaries	-	-	-	\$ -
Benefits:				
Supplemental Payments				-
Vacation Redepemption				-
Retirement Contributions				-
OASDI Contributions				-
FICA-Medicare				-
Retiree Health Benefit				-
Medical Insurance				-
Life Insurance/Mgmt				-
Unemployment Insurance				-
Management Disability Ins.				-
Workers' Compensation Ins.				-
401k Plan Contribution				-
Total Benefits	-	-	-	\$ -
Transfers In				-
Transfers Out				-
Total Salaries and Benefits	\$ -	\$ -	\$ -	\$ -

VENTURA COUNTY EMPLOYEES' RETIREMENT ASSOCIATION
ADMIN BUDGET ENHANCEMENTS
FISCAL YEAR 2013 – 2014
 In thousands

ACCOUNT	#1 Boardroom Audio/Video Enhancement	#2 Additional Security Access	#3 Actuarial Audit	Total Requests
<u>Services and Supplies:</u>				
Telecommunication Services - ISF			\$	-
General Insurance - ISF				-
Office Equipment Maintenance				-
Membership and Dues				-
Education Allowance				-
Cost Allocation Charges				-
Printing Services - Not ISF				-
Books & Publications				-
Office Supplies				-
Postage & Express				-
Printing Charges - ISF				-
Copy Machine Services - ISF				-
Board Member Fees				-
Professional Services			75.0	75.0
Storage Charges				-
Equipment	15.0			15.0
Office Lease Payments				-
Private Vehicle Mileage				-
Conference, Seminar and Travel				-
Furniture				-
Facilities Charges		22.0		22.0
Judgements & Damages				-
Transfers In				-
Transfers Out				-
Total Services and Supplies	\$ 15.0	\$ 22.0	\$ 75.0	\$ 112.0
Total Sal, Ben, Serv & Supp	\$ 15.0	\$ 22.0	\$ 75.0	\$ 112.0

VENTURA COUNTY EMPLOYEES' RETIREMENT ASSOCIATION
ADMIN BUDGET ENHANCEMENTS
FISCAL YEAR 2013 – 2014
 In thousands

ACCOUNT	#1	#2	#3	Total
ACCOUNT	Boardroom Audio/Video Enhancement	Additional Security Access	Actuarial Audit	Requests
Technology:				
Computer Hardware				\$ -
Computer Software				-
Systems & Applications Support				-
Pension Administration System				-
Total Technology	\$ -	\$ -	\$ -	\$ -
Total Before Contingency	\$ 15.0	\$ 22.0	\$ 75.0	\$ 112.0
Contingency	1.5	2.2	7.5	11.2
Total Proposed	\$ 16.5	\$ 24.2	\$ 82.5	\$ 123.2

VENTURA COUNTY EMPLOYEES' RETIREMENT ASSOCIATION
TOTAL INFORMATION TECHNOLOGY BUDGET
FISCAL YEAR 2013 – 2014
 In thousands

ACCOUNT	2011-2012 ACTUAL	2012-2013 ADJUSTED	2012-2013 PROJECTED	2013-2014 BASE	BASE/ ADJUSTED VARIANCE	REQUESTS	2013-2014 PROPOSED	PROPOSED/ ADJUSTED VARIANCE	% INCREASE (DECREASE)
Salaries and Benefits:									
Full-Time Equivalents				4.4	4.4	0.0	4.4	4.4	N/A
Salaries:									
Salaries				\$ 301.6	\$ 301.6	\$ -	\$ 301.6	\$ 301.6	N/A
Extra-Help				15.0	15.0	-	15.0	15.0	N/A
Overtime				-	-	-	-	-	N/A
Total Salaries	-	-	-	316.6	316.6	-	316.6	316.6	N/A
Benefits:									
Supplemental Payments				9.1	9.1	-	9.1	9.1	N/A
Vacation Redepemption				9.0	9.0	-	9.0	9.0	N/A
Retirement Contributions				73.2	73.2	-	73.2	73.2	N/A
OASDI Contributions				19.8	19.8	-	19.8	19.8	N/A
FICA-Medicare				4.6	4.6	-	4.6	4.6	N/A
Retiree Health Benefit				-	-	-	-	-	N/A
Medical Insurance				28.4	28.4	-	28.4	28.4	N/A
Life Insurance/Mgmt				0.1	0.1	-	0.1	0.1	N/A
Unemployment Insurance				0.4	0.4	-	0.4	0.4	N/A
Management Disability Ins.				0.7	0.7	-	0.7	0.7	N/A
Workers' Compensation Ins.				1.7	1.7	-	1.7	1.7	N/A
401k Plan Contribution				5.1	5.1	-	5.1	5.1	N/A
Total Benefits	-	-	-	152.1	152.1	-	152.1	152.1	N/A
Transfers In				60.8	60.8	-	60.8	60.8	N/A
Transfers Out				-	-	-	-	-	N/A
Total Salaries and Benefits	\$ -	\$ -	\$ -	\$ 529.5	\$ 529.5	\$ -	\$ 529.5	\$ 529.5	N/A

VENTURA COUNTY EMPLOYEES' RETIREMENT ASSOCIATION
TOTAL INFORMATION TECHNOLOGY BUDGET
FISCAL YEAR 2013 – 2014
In thousands

ACCOUNT	2011-2012 ACTUAL	2012-2013 ADJUSTED	2012-2013 PROJECTED	2013-2014 BASE	BASE/ ADJUSTED VARIANCE	REQUESTS	2013-2014 PROPOSED	PROPOSED/ ADJUSTED VARIANCE	% INCREASE (DECREASE)
Services and Supplies:									
Telecommunication Services - ISF				\$ 1.6	\$ 1.6	\$ -	\$ 1.6	\$ 1.6	N/A
General Insurance - ISF				-	-	-	-	-	N/A
Office Equipment Maintenance				-	-	-	-	-	N/A
Membership and Dues				0.2	0.2	-	0.2	0.2	N/A
Education Allowance				2.0	2.0	-	2.0	2.0	N/A
Cost Allocation Charges				-	-	-	-	-	N/A
Printing Services - Not ISF				-	-	-	-	-	N/A
Books & Publications				-	-	-	-	-	N/A
Office Supplies				-	-	-	-	-	N/A
Postage & Express				-	-	-	-	-	N/A
Printing Charges - ISF				-	-	-	-	-	N/A
Copy Machine Services - ISF				-	-	-	-	-	N/A
Board Member Fees				-	-	-	-	-	N/A
Professional Services				-	-	-	-	-	N/A
Storage Charges				-	-	-	-	-	N/A
Equipment				-	-	-	-	-	N/A
Office Lease Payments				19.1	19.1	-	19.1	19.1	N/A
Private Vehicle Mileage				0.3	0.3	-	0.3	0.3	N/A
Conference, Seminar and Travel				5.0	5.0	-	5.0	5.0	N/A
Furniture				-	-	-	-	-	N/A
Facilities Charges				2.0	2.0	37.0	39.0	39.0	N/A
Judgements & Damages				-	-	-	-	-	N/A
Transfers In				10.3	10.3	-	10.3	10.3	N/A
Transfers Out				-	-	-	-	-	N/A
Total Services and Supplies	\$ -	\$ -	\$ -	\$ 40.5	\$ 40.5	\$ 37.0	\$ 77.5	\$ 77.5	N/A
Total Sal, Ben, Serv & Supp	\$ -	\$ -	\$ -	\$ 570.0	\$ 570.0	\$ 37.0	\$ 607.0	\$ 607.0	N/A

**VENTURA COUNTY EMPLOYEES' RETIREMENT ASSOCIATION
TOTAL INFORMATION TECHNOLOGY BUDGET
FISCAL YEAR 2013 – 2014
In thousands**

ACCOUNT	2011-2012 ACTUAL	2012-2013 ADJUSTED	2012-2013 PROJECTED	2013-2014 BASE	BASE/ ADJUSTED VARIANCE	REQUESTS	2013-2014 PROPOSED	PROPOSED/ ADJUSTED VARIANCE	% INCREASE (DECREASE)
Technology:									
Computer Hardware	\$ 52.0	\$ 20.0	\$ 26.3	\$ 22.2	\$ 2.2	\$ -	\$ 22.2	\$ 2.2	11.0%
Computer Software	14.1	8.8	14.2	46.2	37.4	-	46.2	37.4	425.0%
Systems & Applications Support	397.4	416.4	411.3	419.9	3.5	-	419.9	3.5	0.8%
Pension Administration System	598.9	2,574.0	2,595.0	2,479.4	(94.6)	-	2,479.4	(94.6)	-3.7%
Total Technology	\$ 1,062.5	\$ 3,019.2	\$ 3,046.8	\$ 2,967.7	\$ (51.5)	\$ -	\$ 2,967.7	\$ (51.5)	-1.7%
Total Before Contingency	\$ 1,062.5	\$ 3,019.2	\$ 3,046.8	\$ 3,537.7	\$ 518.5	\$ 37.0	\$ 3,574.7	\$ 555.5	18.4%
Contingency	-	128.0	-	337.3	209.3	3.7	341.0	213.0	N/A
Total Proposed	\$ 1,062.5	\$ 3,147.2	\$ 3,046.8	\$ 3,875.0	\$ 727.8	\$ 40.7	\$ 3,915.7	\$ 768.5	24.4%

VENTURA COUNTY EMPLOYEES' RETIREMENT ASSOCIATION
INFORMATION TECHNOLOGY - OPERATIONAL BUDGET
FISCAL YEAR 2013 – 2014
In thousands

ACCOUNT	2011-2012 ACTUAL	2012-2013 ADJUSTED	2012-2013 PROJECTED	2013-2014 BASE	BASE/ ADJUSTED VARIANCE	REQUESTS	2013-2014 PROPOSED	PROPOSED/ ADJUSTED VARIANCE	% INCREASE (DECREASE)
Salaries and Benefits:									
Full-Time Equivalents				1.0	1.0	0.0	1.0	1.0	N/A
Salaries:									
Salaries				\$ 89.3	\$ 89.3	\$ -	\$ 89.3	\$ 89.3	N/A
Extra-Help				-	-	-	-	-	N/A
Overtime				-	-	-	-	-	N/A
Total Salaries	-	-	-	89.3	89.3	-	89.3	89.3	N/A
Benefits:									
Supplemental Payments				3.1	3.1	-	3.1	3.1	N/A
Vacation Redepemption				9.0	9.0	-	9.0	9.0	N/A
Retirement Contributions				22.9	22.9	-	22.9	22.9	N/A
OASDI Contributions				6.3	6.3	-	6.3	6.3	N/A
FICA-Medicare				1.4	1.4	-	1.4	1.4	N/A
Retiree Health Benefit				-	-	-	-	-	N/A
Medical Insurance				7.1	7.1	-	7.1	7.1	N/A
Life Insurance/Mgmt				-	-	-	-	-	N/A
Unemployment Insurance				0.1	0.1	-	0.1	0.1	N/A
Management Disability Ins.				0.2	0.2	-	0.2	0.2	N/A
Workers' Compensation Ins.				0.5	0.5	-	0.5	0.5	N/A
401k Plan Contribution				2.8	2.8	-	2.8	2.8	N/A
Total Benefits	-	-	-	53.4	53.4	-	53.4	53.4	N/A
Transfers In				-	-	-	-	-	N/A
Transfers Out				-	-	-	-	-	N/A
Total Salaries and Benefits	\$ -	\$ -	\$ -	\$ 142.7	\$ 142.7	\$ -	\$ 142.7	\$ 142.7	N/A

**VENTURA COUNTY EMPLOYEES' RETIREMENT ASSOCIATION
INFORMATION TECHNOLOGY - OPERATIONAL BUDGET
FISCAL YEAR 2013 – 2014
In thousands**

ACCOUNT	2011-2012 ACTUAL	2012-2013 ADJUSTED	2012-2013 PROJECTED	2013-2014 BASE	BASE/ ADJUSTED VARIANCE	REQUESTS	2013-2014 PROPOSED	PROPOSED/ ADJUSTED VARIANCE	% INCREASE (DECREASE)
Services and Supplies:									
Telecommunication Services - ISF				\$ -	\$ -	\$ -	\$ -	\$ -	N/A
General Insurance - ISF				-	-	-	-	-	N/A
Office Equipment Maintenance				-	-	-	-	-	N/A
Membership and Dues				0.2	0.2	-	0.2	0.2	N/A
Education Allowance				2.0	2.0	-	2.0	2.0	N/A
Cost Allocation Charges				-	-	-	-	-	N/A
Printing Services - Not ISF				-	-	-	-	-	N/A
Books & Publications				-	-	-	-	-	N/A
Office Supplies				-	-	-	-	-	N/A
Postage & Express				-	-	-	-	-	N/A
Printing Charges - ISF				-	-	-	-	-	N/A
Copy Machine Services - ISF				-	-	-	-	-	N/A
Board Member Fees				-	-	-	-	-	N/A
Professional Services				-	-	-	-	-	N/A
Storage Charges				-	-	-	-	-	N/A
Equipment				-	-	-	-	-	N/A
Office Lease Payments				-	-	-	-	-	N/A
Private Vehicle Mileage				0.3	0.3	-	0.3	0.3	N/A
Conference, Seminar and Travel				5.0	5.0	-	5.0	5.0	N/A
Furniture				-	-	-	-	-	N/A
Facilities Charges				2.0	2.0	37.0	39.0	39.0	N/A
Judgements & Damages				-	-	-	-	-	N/A
Transfers In				-	-	-	-	-	N/A
Transfers Out				-	-	-	-	-	N/A
Total Services and Supplies	\$ -	\$ -	\$ -	\$ 9.5	\$ 9.5	\$ 37.0	\$ 46.5	\$ 46.5	N/A
Total Sal, Ben, Serv & Supp	\$ -	\$ -	\$ -	\$ 152.2	\$ 152.2	\$ 37.0	\$ 189.2	\$ 189.2	N/A

**VENTURA COUNTY EMPLOYEES' RETIREMENT ASSOCIATION
INFORMATION TECHNOLOGY - OPERATIONAL BUDGET
FISCAL YEAR 2013 – 2014
In thousands**

ACCOUNT	2011-2012 ACTUAL	2012-2013 ADJUSTED	2012-2013 PROJECTED	2013-2014 BASE	BASE/ ADJUSTED VARIANCE	REQUESTS	2013-2014 PROPOSED	PROPOSED/ ADJUSTED VARIANCE	% INCREASE (DECREASE)
Technology:									
Computer Hardware	\$ 52.0	\$ 20.0	\$ 26.3	\$ 15.2	\$ (4.8)	-	\$ 15.2	\$ (4.8)	-24.0%
Computer Software	14.1	8.8	14.2	23.3	14.5	-	23.3	14.5	164.8%
Systems & Applications Support	397.4	416.4	411.3	392.3	(24.1)	-	392.3	(24.1)	-5.8%
Pension Administration System	-	-	-	-	-	-	-	-	N/A
Total Technology	\$ 463.5	\$ 445.2	\$ 451.8	\$ 430.8	\$ (14.4)	\$ -	\$ 430.8	\$ (14.4)	-3.2%
Total Before Contingency	\$ 463.5	\$ 445.2	\$ 451.8	\$ 583.0	\$ 137.8	\$ 37.0	\$ 620.0	\$ 174.8	39.3%
Contingency	-	128.0	-	58.3	(69.7)	-	62.0	(66.0)	-51.6%
Total Proposed	\$ 463.5	\$ 573.2	\$ 451.8	\$ 641.3	\$ 68.1	\$ 37.0	\$ 682.0	\$ 108.8	19.0%

**VENTURA COUNTY EMPLOYEES' RETIREMENT ASSOCIATION
 INFORMATION TECHNOLOGY - OPERATIONAL BUDGET
 DETAILED ACCOUNT SUMMARY - SERVICE AND SUPPLIES AND TECHNOLOGY
 FISCAL YEAR 2013 – 2014**

	2011-2012 ACTUAL	2012-2013 ADJUSTED	2012-2013 PROJECTED	2013-2014 BASE	BASE/ ADJUSTED VARIANCE	% INCREASE (DECREASE)
<u>TELECOMMUNICATIONS SERVICES - ISF:</u>	\$ -	\$ -	\$ -	\$ -	\$ -	N/A
<u>GENERAL INSURANCE - ISF:</u>	\$ -	\$ -	\$ -	\$ -	\$ -	N/A
<u>OFFICE EQUIPMENT MAINTENANCE:</u>	\$ -	\$ -	\$ -	\$ -	\$ -	N/A
<u>MEMBERSHIP AND DUES:</u>	\$ -	\$ -	\$ -	\$ 200	\$ -	N/A
Public Retirement Information Systems Management (PRISM)				200		
<u>EDUCATION ALLOWANCE:</u>	\$ -	\$ -	\$ -	\$ 2,000	\$ -	N/A
IT Manager			-	2,000		
<u>COST ALLOCATION CHARGES:</u>	\$ -	\$ -	\$ -	\$ -	\$ -	N/A
<u>PRINTING SERVICES - NOT ISF:</u>	\$ -	\$ -	\$ -	\$ -	\$ -	N/A
<u>BOOKS AND PUBLICATIONS:</u>	\$ -	\$ -	\$ -	\$ -	\$ -	N/A
<u>OFFICE SUPPLIES:</u>	\$ -	\$ -	\$ -	\$ -	\$ -	N/A
<u>POSTAGE AND EXPRESS:</u>	\$ -	\$ -	\$ -	\$ -	\$ -	N/A
<u>PRINTING SERVICES - ISF:</u>	\$ -	\$ -	\$ -	\$ -	\$ -	N/A
<u>COPY MACHINE SERVICE:</u>	\$ -	\$ -	\$ -	\$ -	\$ -	N/A
<u>BOARD MEMBER FEES:</u>	\$ -	\$ -	\$ -	\$ -	\$ -	N/A
<u>PROFESSIONAL SERVICES:</u>	\$ -	\$ -	\$ -	\$ -	\$ -	N/A
<u>STORAGE CHARGES:</u>	\$ -	\$ -	\$ -	\$ -	\$ -	N/A

VENTURA COUNTY EMPLOYEES' RETIREMENT ASSOCIATION
INFORMATION TECHNOLOGY - OPERATIONAL BUDGET
DETAILED ACCOUNT SUMMARY - SERVICE AND SUPPLIES AND TECHNOLOGY
FISCAL YEAR 2013 – 2014

	2011-2012 ACTUAL	2012-2013 ADJUSTED	2012-2013 PROJECTED	2013-2014 BASE	BASE/ ADJUSTED VARIANCE	% INCREASE (DECREASE)
<u>EQUIPMENT:</u>	\$ -	\$ -	\$ -	\$ -	\$ -	N/A
<u>OFFICE LEASE PAYMENTS:</u>	\$ -	\$ -	\$ -	\$ -		N/A
<u>PRIVATE VEHICLE MILEAGE:</u>	\$ -	\$ -	\$ -	\$ 300	\$ -	N/A
				300		
<u>CONFERENCE, SEMINAR AND TRAVEL:</u>	\$ -	\$ -	\$ -	\$ 5,000	\$ -	N/A
Technical				5,000		
<u>FURNITURE:</u>	\$ -	\$ -	\$ -	\$ -	\$ -	N/A
<u>FACILITIES CHARGES:</u>	\$ -	\$ -	\$ -	\$ 2,000	\$ -	N/A
Electrical changes for computer & network equipment				2,000		
<u>JUDGEMENT AND DAMAGES:</u>	\$ -	\$ -	\$ -	\$ -	\$ -	N/A
<u>TRANSFERS IN:</u>	\$ -	\$ -	\$ -	\$ -	\$ -	N/A
<u>TRANSFERS OUT:</u>	\$ -	\$ -	\$ -	\$ -	\$ -	N/A
TOTAL SERVICES AND SUPPLIES	\$ -	\$ -	\$ -	\$ 9,500	\$ -	N/A

VENTURA COUNTY EMPLOYEES' RETIREMENT ASSOCIATION
INFORMATION TECHNOLOGY - OPERATIONAL BUDGET
DETAILED ACCOUNT SUMMARY - SERVICE AND SUPPLIES AND TECHNOLOGY
FISCAL YEAR 2013 – 2014

	2011-2012 ACTUAL	2012-2013 ADJUSTED	2012-2013 PROJECTED	2013-2014 BASE	BASE/ ADJUSTED VARIANCE	% INCREASE (DECREASE)
TECHNOLOGY:						
COMPUTER HARDWARE:	\$ 52,000	\$ 20,000	\$ 26,300	\$ 15,200	\$ (4,800)	-24.0%
Computers (replacements & spare)		10,000	18,400	4,200		
Printers and repairs		2,500	500	4,000		
Replacement Laptops		7,500	2,100	-		
Computer supplies (monitors, UPSs, cables, etc)		-	-	7,000		
Server		-	5,300	-		
COMPUTER SOFTWARE:	\$ 14,100	\$ 8,800	\$ 14,200	\$ 23,300	\$ 14,500	164.8%
Financial accounting system support subscription (MSDN)			1,500	1,500		
Server software		-	-	5,000		
Financial accounting software license renewal (Soloman)		1,100	1,100	1,100		
Document imaging license renewal (Novannis)		7,700	7,700	7,700		
Agenda automation (Granicus)		-	3,900	-		
Software upgrades (Help, Desk, electronic office, etc.)				8,000		
SYSTEMS, INFRASTRUCTURE & APPLICATIONS SUPPORT	\$ 397,400	\$ 416,400	\$ 411,300	\$ 392,300	\$ (24,100)	-5.8%
<u>Systems Support:</u>						
Accounting software support (SBS Group)				17,500		
General IT Consulting (Linea)		40,000	13,500	40,000		
Legacy Database Support (CMP Associates)		308,700	317,700	236,300		
<u>Infrastructure:</u>						
Internet Domain Registrar (VCERA.org)				300		
Remote server access (DSL)			2,200	2,800		
Wi-Fi (Board/PAS - 50%)			1,000	2,600		
Data plan (iPads)				6,200		
<u>Applications Support:</u>						
Information Technology Service (ISF) Charges:		67,700	76,900	86,600		
*Programmer Analyst						
*Mainframe Production						
*Server Hosting & Support						
*Network (Broad Band)						
PENSION ADMINISTRATION SYSTEM:	\$ -	\$ -	\$ -	\$ -	\$ -	N/A
TOTAL TECHNOLOGY	\$ 463,500	\$ 445,200	\$ 451,800	\$ 430,800	\$ (14,400)	-3.2%

VENTURA COUNTY EMPLOYEES' RETIREMENT ASSOCIATION
INFORMATION TECHNOLOGY - OPERATIONAL BUDGET ENHANCEMENTS
FISCAL YEAR 2013 – 2014
 In thousands

ACCOUNT	#1 Fire Suppression (Server Room)	#2 Expansion of Server Room	Total Requests
Salaries and Benefits:			
Full-Time Equivalents			
Salaries:	0.0	0.0	0.0
Salaries			\$ -
Extra-Help			-
Overtime			-
Total Salaries	-		
Benefits:			
Supplemental Payments			-
Vacation Redepemption			-
Retirement Contributions			-
OASDI Contributions			-
FICA-Medicare			-
Retiree Health Benefit			-
Medical Insurance			-
Life Insurance/Mgmt			-
Unemployment Insurance			-
Management Disability Ins.			-
Workers' Compensation Ins.			-
401k Plan Contribution			-
Total Benefits	-		
Transfers In			-
Transfers Out			-
Total Salaries and Benefits	\$ -	\$ -	\$ -

The source for Salaries and Benefits, Internal Service Funds and Cost Allocation charges is the County of Ventura Budget Development Manual.

VENTURA COUNTY EMPLOYEES' RETIREMENT ASSOCIATION
INFORMATION TECHNOLOGY - OPERATIONAL BUDGET ENHANCEMENTS
FISCAL YEAR 2013 – 2014
 In thousands

ACCOUNT	#1 Fire Suppression (Server Room)	#2 Expansion of Server Room	Total Requests
<u>Services and Supplies:</u>			
Telecommunication Services - ISF			\$ -
General Insurance - ISF			-
Office Equipment Maintenance			-
Membership and Dues			-
Education Allowance			-
Cost Allocation Charges			-
Printing Services - Not ISF			-
Books & Publications			-
Office Supplies			-
Postage & Express			-
Printing Charges - ISF			-
Copy Machine Services - ISF			-
Board Member Fees			-
Professional Services			-
Storage Charges			-
Equipment			-
Office Lease Payments			-
Private Vehicle Mileage			-
Conference, Seminar and Travel			-
Furniture			-
Facilities Charges	12.5	24.5	37.0
Judgements & Damages			-
Transfers In			-
Transfers Out			-
Total Services and Supplies	\$ 12.5	\$ 24.5	\$ 37.0
Total Sal, Ben, Serv & Supp	\$ 12.5	\$ 24.5	\$ 37.0

The source for Salaries and Benefits, Internal Service Funds and Cost Allocation charges is the County of Ventura Budget Development Manual.

VENTURA COUNTY EMPLOYEES' RETIREMENT ASSOCIATION
INFORMATION TECHNOLOGY - OPERATIONAL BUDGET ENHANCEMENTS
FISCAL YEAR 2013 – 2014
 In thousands

ACCOUNT	#1 Fire Suppression (Server Room)	#2 Expansion of Server Room	Total Requests
<u>Technology:</u>			
Computer Hardware			\$ -
Computer Software			-
Systems & Applications Support			-
Pension Administration System	-		-
Total Technology	\$ -	\$ -	\$ -
Total Before Contingency	\$ 12.5	\$ 24.5	\$ 37.0
Contingency	1.3	2.5	3.7
Total Proposed	\$ 13.8	\$ 27.0	\$ 40.7

**VENTURA COUNTY EMPLOYEES' RETIREMENT ASSOCIATION
PENSION ADMINISTRATION SYSTEM BUDGET
FISCAL YEAR 2013 – 2014
In thousands**

ACCOUNT	2011-2012 ACTUAL	2012-2013 ADJUSTED	2012-2013 PROJECTED	2013-2014 BASE	BASE/ ADJUSTED VARIANCE	REQUESTS	2013-2014 PROPOSED	PROPOSED/ ADJUSTED VARIANCE	% INCREASE (DECREASE)
Salaries and Benefits:									
Full-Time Equivalents				3.4	3.4	0.0	3.4	3.4	N/A
Salaries:									
Salaries				\$ 212.3	\$ 212.3	\$ -	\$ 212.3	\$ 212.3	N/A
Extra-Help				15.0	15.0	-	15.0	15.0	N/A
Overtime				-	-	-	-	-	N/A
Total Salaries	-	-	-	227.3	227.3	-	227.3	227.3	N/A
Benefits:									
Supplemental Payments				6.0	6.0	-	6.0	6.0	N/A
Vacation Redepemption				-	-	-	-	-	N/A
Retirement Contributions				50.3	50.3	-	50.3	50.3	N/A
OASDI Contributions				13.5	13.5	-	13.5	13.5	N/A
FICA-Medicare				3.2	3.2	-	3.2	3.2	N/A
Retiree Health Benefit				-	-	-	-	-	N/A
Medical Insurance				21.3	21.3	-	21.3	21.3	N/A
Life Insurance/Mgmt				0.1	0.1	-	0.1	0.1	N/A
Unemployment Insurance				0.3	0.3	-	0.3	0.3	N/A
Management Disability Ins.				0.5	0.5	-	0.5	0.5	N/A
Workers' Compensation Ins.				1.2	1.2	-	1.2	1.2	N/A
401k Plan Contribution				2.3	2.3	-	2.3	2.3	N/A
Total Benefits	\$ -	\$ -	\$ -	\$ 98.7	\$ 98.7	\$ -	\$ 98.7	\$ 98.7	N/A
Transfers In				60.8	60.8	-	60.8	60.8	N/A
Transfers Out				-	-	-	-	-	N/A
Total Salaries and Benefits	\$ -	\$ -	\$ -	\$ 386.8	\$ 386.8	\$ -	\$ 386.8	\$ 386.8	N/A

**VENTURA COUNTY EMPLOYEES' RETIREMENT ASSOCIATION
PENSION ADMINISTRATION SYSTEM BUDGET
FISCAL YEAR 2013 – 2014
In thousands**

ACCOUNT	2011-2012 ACTUAL	2012-2013 ADJUSTED	2012-2013 PROJECTED	2013-2014 BASE	BASE/ ADJUSTED VARIANCE	REQUESTS	2013-2014 PROPOSED	PROPOSED/ ADJUSTED VARIANCE	% INCREASE (DECREASE)
Services and Supplies:									
Telecommunication Services - ISF				\$ 1.6	1.6	\$ -	\$ 1.6	1.6	N/A
General Insurance - ISF				-	-	-	-	-	N/A
Office Equipment Maintenance				-	-	-	-	-	N/A
Membership and Dues				-	-	-	-	-	N/A
Education Allowance				-	-	-	-	-	N/A
Cost Allocation Charges				-	-	-	-	-	N/A
Printing Services - Not ISF				-	-	-	-	-	N/A
Books & Publications				-	-	-	-	-	N/A
Office Supplies				-	-	-	-	-	N/A
Postage & Express				-	-	-	-	-	N/A
Printing Charges - ISF				-	-	-	-	-	N/A
Copy Machine Services - ISF				-	-	-	-	-	N/A
Board Member Fees				-	-	-	-	-	N/A
Professional Services				-	-	-	-	-	N/A
Storage Charges				-	-	-	-	-	N/A
Equipment				-	-	-	-	-	N/A
Office Lease Payments				19.1	19.1	-	19.1	19.1	N/A
Private Vehicle Mileage				-	-	-	-	-	N/A
Conference, Seminar and Travel				-	-	-	-	-	N/A
Furniture				-	-	-	-	-	N/A
Facilities Charges				-	-	-	-	-	N/A
Judgements & Damages				-	-	-	-	-	N/A
Transfers In				10.3	10.3	-	10.3	10.3	N/A
Transfers Out				-	-	-	-	-	N/A
Total Services and Supplies	\$ -	\$ -	\$ -	\$ 31.0	\$ 31.0	\$ -	\$ 31.0	\$ 31.0	N/A
Total Sal, Ben, Serv & Supp	\$ -	\$ -	\$ -	\$ 417.8	\$ 417.8	\$ -	\$ 417.8	\$ 417.8	N/A

**VENTURA COUNTY EMPLOYEES' RETIREMENT ASSOCIATION
PENSION ADMINISTRATION SYSTEM BUDGET
FISCAL YEAR 2013 – 2014
In thousands**

ACCOUNT	2011-2012 ACTUAL	2012-2013 ADJUSTED	2012-2013 PROJECTED	2013-2014 BASE	BASE/ ADJUSTED VARIANCE	REQUESTS	2013-2014 PROPOSED	PROPOSED/ ADJUSTED VARIANCE	% INCREASE (DECREASE)
Technology:									
Computer Hardware				\$ 7.0	7.0	\$ -	\$ 7.0	\$ 7.0	N/A
Computer Software				22.9	22.9	-	22.9	22.9	N/A
Systems & Applications Support				27.6	27.6	-	27.6	27.6	N/A
Pension Administration System	598.9	2,574.0	2,595.0	2,479.4	(94.6)	-	2,479.4	(94.6)	-3.7%
Total Technology	\$ 598.9	\$ 2,574.0	\$ 2,595.0	\$ 2,536.9	\$ (37.1)	\$ -	\$ 2,536.9	\$ (37.1)	-1.4%
Total Before Contingency	\$ 598.9	\$ 2,574.0	\$ 2,595.0	\$ 2,954.7	\$ 380.7	\$ -	\$ 2,954.7	\$ 380.7	14.8%
Contingency	-	-	-	279.0	279.0	-	279.0	279.0	N/A
Total Proposed	\$ 598.9	\$ 2,574.0	\$ 2,595.0	\$ 3,233.7	\$ 659.7	\$ -	\$ 3,233.7	\$ 659.7	25.6%

**VENTURA COUNTY EMPLOYEES' RETIREMENT ASSOCIATION
PENSION ADMINISTRATION SYSTEM BUDGET
DETAILED ACCOUNT SUMMARY - SERVICE AND SUPPLIES AND TECHNOLOGY
FISCAL YEAR 2013 – 2014**

	2011-2012 ACTUAL	2012-2013 ADJUSTED	2012-2013 PROJECTED	2013-2014 BASE	BASE/ ADJUSTED VARIANCE	% INCREASE (DECREASE)
<u>TELECOMMUNICATIONS SERVICES - ISF:</u>	\$ -	\$ -	\$ -	\$ 1,600	\$ -	N/A
Vonage phone service for PAS				1,600		
<u>GENERAL INSURANCE - ISF:</u>	\$ -	\$ -	\$ -	\$ -	\$ -	N/A
<u>OFFICE EQUIPMENT MAINTENANCE:</u>	\$ -	\$ -	\$ -	\$ -	\$ -	N/A
<u>MEMBERSHIP AND DUES:</u>	\$ -	\$ -	\$ -	\$ -	\$ -	N/A
<u>EDUCATION ALLOWANCE:</u>	\$ -	\$ -	\$ -	\$ -	\$ -	N/A
<u>COST ALLOCATION CHARGES:</u>	\$ -	\$ -	\$ -	\$ -	\$ -	N/A
<u>PRINTING SERVICES - NOT ISF:</u>	\$ -	\$ -	\$ -	\$ -	\$ -	N/A
<u>BOOKS AND PUBLICATIONS:</u>	\$ -	\$ -	\$ -	\$ -	\$ -	N/A
<u>OFFICE SUPPLIES:</u>	\$ -	\$ -	\$ -	\$ -	\$ -	N/A
<u>POSTAGE AND EXPRESS:</u>	\$ -	\$ -	\$ -	\$ -	\$ -	N/A
<u>PRINTING SERVICES - ISF:</u>	\$ -	\$ -	\$ -	\$ -	\$ -	N/A
<u>COPY MACHINE SERVICE:</u>	\$ -	\$ -	\$ -	\$ -	\$ -	N/A
<u>BOARD MEMBER FEES:</u>	\$ -	\$ -	\$ -	\$ -	\$ -	N/A
<u>PROFESSIONAL SERVICES:</u>	\$ -	\$ -	\$ -	\$ -	\$ -	N/A
<u>STORAGE CHARGES:</u>	\$ -	\$ -	\$ -	\$ -	\$ -	N/A
<u>EQUIPMENT:</u>	\$ -	\$ -	\$ -	\$ -	\$ -	N/A

**VENTURA COUNTY EMPLOYEES' RETIREMENT ASSOCIATION
PENSION ADMINISTRATION SYSTEM BUDGET
DETAILED ACCOUNT SUMMARY - SERVICE AND SUPPLIES AND TECHNOLOGY
FISCAL YEAR 2013 – 2014**

	2011-2012 ACTUAL	2012-2013 ADJUSTED	2012-2013 PROJECTED	2013-2014 BASE	BASE/ ADJUSTED VARIANCE	% INCREASE (DECREASE)
OFFICE LEASE PAYMENTS:	\$ -	\$ -	\$ -	\$ 19,100	\$ -	N/A
Lease of Office Space from MF Daily, Inc.						
First floor for PAS project: 972 sq. ft. @ \$1.60/sq.ft for 3 months				4,700		
First floor for PAS project: 972 sq. ft. @ \$1.65/ sq.ft (3% CPI) for 9 months				14,400		
PRIVATE VEHICLE MILEAGE:	\$ -	\$ -	\$ -	\$ -	\$ -	N/A
CONFERENCE, SEMINAR AND TRAVEL:	\$ -	\$ -	\$ -	\$ -	\$ -	N/A
FURNITURE:	\$ -	\$ -	\$ -	\$ -	\$ -	N/A
FACILITIES CHARGES:	\$ -	\$ -	\$ -	\$ -	\$ -	N/A
JUDGEMENT AND DAMAGES:	\$ -	\$ -	\$ -	\$ -	\$ -	N/A
TRANSFERS IN:	\$ -	\$ -	\$ -	\$ 10,300	\$ -	N/A
Service and Supplies attributable to VCERIS/PAS						
TRANSFERS OUT:	\$ -	\$ -	\$ -	\$ -	\$ -	N/A
TOTAL SERVICES AND SUPPLIES	\$ -	\$ -	\$ -	\$ 31,000	\$ -	N/A

VENTURA COUNTY EMPLOYEES' RETIREMENT ASSOCIATION
PENSION ADMINISTRATION SYSTEM BUDGET
DETAILED ACCOUNT SUMMARY - SERVICE AND SUPPLIES AND TECHNOLOGY
FISCAL YEAR 2013 – 2014

	2011-2012 ACTUAL	2012-2013 ADJUSTED	2012-2013 PROJECTED	2013-2014 BASE	BASE/ ADJUSTED VARIANCE	% INCREASE (DECREASE)
TECHNOLOGY:						
COMPUTER HARDWARE:	\$ -	\$ -	\$ -	\$ 7,000	\$ 7,000	N/A
Computers for user acceptance and testing				7,000		
COMPUTER SOFTWARE:	\$ -	\$ -	\$ -	\$ 22,900	\$ 22,900	N/A
Assima (license renewal software)				5,800		
Assima (additional user license)				9,500		
SmartBear (application testing software)				5,500		
Sharepoint (project management software)				2,100		
SYSTEMS, INFRASTRUCTURE & APPLICATIONS SUPPORT	\$ -	\$ 2,200	\$ 22,200	\$ 27,600	\$ 25,400	1154.5%
Wi-Fi (Board/PAS - 50%)		2,200	2,200	2,600		
Information Technology Service (ISF) Charges:			20,000	25,000		
*Programmer Analyst (Data Conversion)						
PENSION ADMINISTRATION SYSTEM:	\$ 598,900	\$ 2,571,800	\$ 2,572,800	\$ 2,479,400	\$ (92,400)	-3.6%
Project management, technical svcs, data conversion (Linea)		650,000	640,800	930,000		
Vitech		1,628,600	1,636,100	1,359,600		
Managed Business Solutions (MBS)		208,000	206,000	189,800		
Other Technical and Specialist Services (e.g. temporary help, software, hardware, legacy consultant, etc.). Beginning FY 2013-14 these expenditures have been budgeted to the appropriate accounts, where applicable.						
		85,200	89,900			
TOTAL	\$ 598,900	\$ 2,574,000	\$ 2,595,000	\$ 2,536,900	\$ (37,100)	-1.4%

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>

June 3, 2013

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

SUBJECT: FALL DUE DILIGENCE PLANNING

Dear Board Members:

Staff is preparing a due diligence trip to visit Walter Scott in Edinburgh, Scotland for either September or October.

The following meeting dates are proposed, keeping in mind the four Board meetings (September 9 & 16 and October 7 & 21), the Board investment retreat (September 26), and Labor Day (September 2):



Staff requests that the Board decide on one primary meeting date, and one back-up for unforeseen circumstances, so that staff can reach out to designated travelers, if necessary, without an additional Board meeting. Staff further requests that Trustees who wish to participate in this due diligence trip notify the Board Chair, Mr. Wilson, so he may designate you at this meeting, and staff can incorporate you into the trip planning process.

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

Sincerely,

Donald C. Kendig, CPA
Retirement Administrator

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>

June 3, 2013

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

**SUBJECT: REQUEST TO ATTEND THE 2013 SACRS PUBLIC PENSION INVESTMENT
MANAGEMENT PROGRAM, BERKELEY, CA – JULY 28 – 31, 2013**

Dear Board Members:

Mr. Tom Johnston is requesting authorization to attend the SACRS Public Pension Investment Management Program at Berkeley, CA. The program is scheduled for July 28-31, 2013, with the estimated cost for Mr. Johnston's attendance being approximately \$3,475 including air fare (approx. \$350), session registration (\$2,500), hotel (approx. \$500) and other travel-related expenses (approx. \$125).

Please consider Mr. Johnston's request, along with the request of any other interested trustee, at the time of considering this item.

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

Sincerely,



Donald C. Kendig, CPA
Retirement Administrator

Attachment



Modern Investment Theory & Practice for Retirement Systems

SACRS PUBLIC PENSION
INVESTMENT MANAGEMENT PROGRAM 2013



July 28-31, 2013
UC Berkeley
Haas School of Business

BERKELEY EXEC DEV



Much has changed in finance in the last 50 years; this three-day program will bring you to the frontier of current investment theory and practice. The program is presented on the beautiful and dynamic campus of UC Berkeley and taught by its world renowned Finance faculty.

SUNDAY July 28, 2013	MONDAY July 29, 2013	TUESDAY July 30, 2013	WEDNESDAY July 31, 2013
INVESTING FUNDAMENTALS FOR NEW TRUSTEES	CONSTRUCTING THE PORTFOLIO	MAKING THE DIFFICULT DECISIONS	MEASURING PERFORMANCE
	8:00am Depart Hotel	8:00am Depart Hotel	8:00am Depart Hotel
Opening Remarks 8:30am-9:00am	Opening Remarks 8:30am-9:00am	Building the Investment Portfolio 9:00am-10:30am	Team Presentations 9:00am-10:30am
Pension Fund Basics 9:00am-10:30am	Review of Pension Fundamentals 9:00am-10:30am		
10:30am Break	10:30am Break	10:30am Break	10:00am Break
Return, Risk and Diversification 11:00am-12:30pm	Portfolio Management Simulation: Introduction 11:00am-12:30pm	Real Assets: Real Estate 11:00am-11:45am Real Assets: Alternative Investment Strategies 11:45am-12:30pm	Portfolio Management Simulation: Debrief 11:00am-12:30pm
12:30-1:30pm Lunch	Lunch and Group Photo S480 Classroom 12:30pm-1:30pm	12:30-1:30pm Lunch	12:30-1:30pm Lunch
Risks, Assets, and Liabilities 1:30pm-3:00pm	Active and Passive Management 1:30pm-3:00pm	Portfolio Management Simulation: Implementation 1:30pm-3:00pm	Behavioral Finance: Overconfidence and Expertise, Implications for Trustees 1:30pm-3:30pm
3:00pm Break	3:00pm Break	3:00pm Break	3:30 – 4:00 Conferral of Certificates
The Total Investment Portfolio 3:30pm-5:00pm	Forecasting Liabilities: Actuarial Science 3:30pm-5:00pm	Team Break Out 3:30pm-5:00pm	Adjourn at 4:00pm
Summary and Wrap Up 5:00-6:00pm	Summary and Wrap Up 5:00-6:00pm	Summary and Wrap Up 5:00-6:00pm	
Reception at Claremont Hotel	Reception at Claremont Hotel	Reception at Claremont Hotel	*AGENDA SUBJECT TO CHANGE



SACRS Class of 2012

Join Us for SACRS Public Pension Investment Management Program 2013

Public pension trustees and retirement staff won't want to miss the 2013 SACRS Public Pension Investment Management Program, taking place July 28 – 31, 2013. Entitled "Phase II - Modern Investment Theory and Practice for Retirement Systems," the event is presented in partnership with UC Berkeley's Haas School of Business, whose world-renowned faculty has developed a four-day program designed for trustees and staff who are ready to take their education to the next level.

The SACRS Public Pension Investment Management Program blends the expertise of UC Berkeley's distinguished faculty with a network of industry experts to teach the fundamentals of public pension management. As the spotlight on public pensions grows hotter, trustees and staff are increasingly challenged to grapple with alternative investments, policy and governance changes, cost pressures, and much more. After completing this program, attendees will understand the larger context and history of public pension funds and have the skills and knowledge to make better decisions.

Day 1 features a public pension primer that provides both a sturdy foundation for new trustees and staff and a valuable refresher for veteran fiduciaries. The basic language of finance and portfolio management will be introduced, and participants will explore the building blocks of portfolio construction, time value of money, the tradeoff between risk and return, liability forecasting, and asset-liability matching. On Day 2, attendees will explore more deeply the financial concepts that underlie pension fund management. In a session on real assets, participants will take a deep dive into real estate investments and learn how world events might affect risk and return.

On Days 3 and 4 we put theory into practice: participants will see how different choices and assumptions impact portfolio performance. Working in a team simulation, participants will create investment policy for a retirement system and get real-time performance feedback.

Located in one of the most stimulating business environments in the world, the Berkeley campus is at the intersection of business and academia. Berkeley-Haas is renowned for developing innovative business leaders – individuals who redefine the business landscape by putting new ideas into action in all areas of their organizations.

Education is the cornerstone of SACRS' mission. The Berkeley Executive development staff along with the SACRS Affiliate team is committed to the continual development and delivery of content that is current, innovative, results-driven, and responds to the needs of public pension trustees and staff. Participants in this program will not only gain new insight and knowledge, but will add to the core strengths of our organization; the range of expertise and the diversity of perspective found in the public pension community.

Thank you. We look forward to your participation.

Sincerely,

Doug Rose

Doug Rose
SACRS President
San Diego County

Sulema H. Peterson

Sulema H. Peterson
SACRS Administrator



Day 1 Investing Fundamentals for New Trustees

Day 1 will provide a primer on the basics of public pensions for new trustees. The basic language of finance and portfolio management will be introduced, and participants will explore the basic building blocks of portfolio construction, time value of money, and the tradeoff between risk and return. We also will introduce liability forecasting and asset-liability matching.

SESSION 1: PENSION FUND BASICS

In this session, participants will discuss the mission of the public pension system, receive a primer on the origins and evolution of the public pension system, and learn about the main challenges faced by public pension systems.

SESSION 2: RETURN, RISK, AND DIVERSIFICATION

Here, the basic building blocks of finance will be introduced.

- How to compute returns
- How to measure risk in respect to the CAPM
- Meaning of risk and return
- Present value and future value
- How to measure and track relationships between assets
- What is diversification and how can it be achieved

SESSION 3: RISKS, ASSETS, AND LIABILITIES

In this session, the basic pension balance sheet will be introduced.

- The basic asset classes
- History of basic asset class returns
- Common measures of risk and return performance
- The actuarial problem
- The pension fund matching problem

SESSION 4: THE TOTAL INVESTMENT PORTFOLIO

Here, we will discuss the challenge of funding.

- Asset-liability matching
- Fully funding versus underfunding
- The importance of return assumptions

Throughout day 1, all of the concepts will be explored through participatory, hands-on exercises, to be done in small groups, using both simple computation and Excel applets.

Day 2 Constructing the Portfolio

On day 2, the experienced trustees will join the new trustees to explore more deeply the financial concepts that underlie pension fund management.

SESSION 1: REVIEW OF PENSION FUNDAMENTALS

Participants will discuss the responsibilities of county trustees and the key decisions made by trustees and fund managers.

- What is the most important responsibilities of county trustees?
- What knowledge and information is needed to discharge those responsibilities?
- Review of concepts of risk and return, assets, and liabilities

SESSION 2: PORTFOLIO MANAGEMENT SIMULATION: AN INTRODUCTION

A portfolio modeling tool will be introduced that will form the basis of a simulation.

- The basic concepts will be mapped into the simulation tool
- Brief exercises to cement concepts
- Mini-case covering key concepts

SESSION 3: ACTIVE AND PASSIVE MANAGEMENT

In this session, we will discuss the role of the asset manager.

- How do you define the “risky” portfolio? How do you construct it?
- How do you introduce “active” management into the risky portfolio?

SESSION 4: FORECASTING LIABILITIES

Here, we tie together the two sides of the balance sheet. Participants will use interactive exercises to cement concepts

- What role do the system’s liabilities play? How can one get a handle on current and projected liability projection?
- Does the concept of a liability-hedge portfolio make sense? If you believe it does, how would you construct it? If it doesn’t, how do you decide on asset allocation?

Day 3 Making the Difficult Decisions

On day 3 we put theory into practice. Participants will see how different choices and assumptions impact portfolio performance. Participants will use interactive exercises to cement concepts.

SESSION 1: BUILDING THE INVESTMENT PORTFOLIO

- How do you decide how much of the total portfolio should be in the risky portfolio? How does/should your assumption about active management affect this decision?
- What role does funded status play in this decision?
- How should changes in funded status be fed back into the risky fraction decision?

SESSION 2: ALTERNATIVE INVESTMENT STRATEGIES

- The rationale for alternatives
- Advanced topics in asset allocation
- Nontraditional asset classes
- The promise and peril of derivatives
- The allure of exotic alternatives

SESSION 3: SIMULATION IMPLEMENTATION

The simulation tool will be used to illustrate different outcomes that result from different liability assumptions and asset mixes. Simulations of various mixes of risky and liability-hedging portfolios will be performed to show the effect of the risky portfolios on annual contributions and funded status. Participants will be provided with a portfolio construction assignment.

SESSION 4: TEAM BREAK OUTS

Participants will work in teams to create investment policy for the case retirement system. Teams meet and decide on risky/liability-hedge mix and use of active management.

Day 4 Evaluating Performance

Today, the teams will present their investment policies, discuss their approaches and test them in a simulation.

SESSION 1: TEAM PRESENTATIONS

- Teams will present their investment policies to the group.
- Groups will debate relative merits of investment policies

SESSION 2: SIMULATION DEBRIEF

- Results of simulation exercise will be presented to the participants.
- Evaluating the overall performance of the investment program

SESSION 3: BEHAVIORAL FINANCE: OVERCONFIDENCE AND EXPERTISE

In this session, we will discuss the major psychological barriers to prudent decision making by trustees and fund managers.

- Overconfidence
- Heuristics and biases
- Trend following
- Groupthink and herding



THOMAS GILBERT



Thomas Gilbert graduated from the Finance Ph.D. Program at the Haas School of Business in May 2008. Thomas is currently an Assistant Professor of Finance and Business Economics at the Michael G. Foster School of Business, University of Washington. His research lies in the area of information aggregation and the role of macroeconomic announcements on stock prices. Since 2003, he has taught parts of the Certified Investment Management Analyst program (CIMA®) and the Berkeley Finance Series within the Finance Executive Programs at the Haas School of Business. He has also taught in the Undergraduate, Full-Time MBA, and Evening & Weekend MBA programs at Haas, for which he won the Best Graduate Student Instructor Award in 2005, 2006, and 2007. He holds a Masters in Finance from U.C. Berkeley and a Masters in Physics from Imperial College (United Kingdom).

GREGORY LABLANC



Gregory LaBlanc has been a lecturer at UC Berkeley since 2004, teaching courses in Finance, Accounting, Law, and Strategy in the Haas School, the Law School (Boalt Hall) and the department of Economics. Prior to joining the Berkeley faculty, he studied Economics, Business, and Law at the Wharton School of the University of Pennsylvania, George Mason University Law School, Duke Law School, and Berkeley Law (Boalt Hall). He has previously taught Finance, Management, Law and Economics at the Wharton School, Duke University and the University of Virginia and has been a consultant in the fields of IP litigation and competitive intelligence. His research focuses on the impact of tax policy on organizational design, capital formation, and innovation. He has received several teaching awards and has previously been involved in executive education programs at the Wharton School and Darden School.

JOHN O'BRIEN



John O'Brien is the Executive Director of the Master's in Financial Engineering (MFE) program at UC Berkeley, Haas School of Business. He assisted in developing the MFE program, and became its first Executive Director in July 2000. The Haas MFE is ranked number one in the world. Mr. O'Brien also is adjunct professor of finance at Haas; he created and teaches the MFE course in financial innovation. Professor O'Brien is the Haas faculty director for the Investment Management Consultants Association's preparatory course for its Certified Investment Management Advisor designation.

Prior to joining Haas, Mr. O'Brien was a managing director at Credit Suisse Asset Management in New York. At Credit Suisse, Mr. O'Brien had a series of responsibilities: creating and managing the performance measurement and risk management function, the client service function and the e-commerce effort.

Prior to Credit Suisse, Mr. O'Brien was co-founder, Chairman and CEO of Leland O'Brien Rubinstein (LOR) Associates, and Chairman of the Capital Market Fund, and the S&P 500 SuperTrust – the first exchange traded fund (ETF). LOR is credited with a series of financial market innovations and product offerings – a process that now is called “financial engineering”. Mr. O'Brien co-founded Wilshire Associates (originally operated as O'Brien Associates), and co-developed the Wilshire 5000 common stock index (originally named and published as the O'Brien 5000 Index).

Mr. O'Brien has received various awards, including the Financial Analyst's Graham and Dodd Scroll Award, the Matthew R. McArthur Award from the Investment Management Consultants Association for lifetime contributions to investment consulting. Mr. O'Brien was named among Fortune Magazine's ten Businessmen of the Year in 1987. Mr. O'Brien holds a S.B. in economics from MIT, and an M.S. in operations research from UCLA. He served as a Lieutenant in the United States Air Force.

TERRANCE ODEAN



Terrance Odean is the Willis H. Booth Professor of Banking and Finance at the Haas School of Business at the University of California, Berkeley. He earned a B.A. in Statistics at the University of California, Berkeley in 1990 and a Ph.D. in Finance from the Haas School of Business at the University of California, Berkeley in 1997. He is the former director of UC Berkeley's Experimental Social Science Laboratory and a former editor of The Review of Financial Studies. As an undergraduate at Berkeley, Odean studied Judgment and Decision Making with the 2002 Nobel Laureate in Economics, Daniel Kahneman. This led to his current research focus on how decision making biases affect investor welfare and securities prices. His research has been cited in The Wall Street Journal, The New York Times, Time, Newsweek, Business Week, and many other publications. While studying for his Ph.D., Odean worked at Wells Fargo Nikko Investment Advisors and IRIS Financial Engineering, and co-owned a seat on the Pacific Stock Exchange. During the summer of 1970, he drove a yellow cab in New York City.

DAN SCHNUR



Dan Schnur is the Director of the Jesse M. Unruh Institute of Politics at The University of Southern California where he works to motivate students to become active in the world of politics and encourage public officials to participate in the daily life of USC.

For years, Dan was one of California's leading political and media strategists, whose record includes work on four presidential and three gubernatorial campaigns. Schnur served as the national Director of Communications for the 2000 presidential campaign of U.S. Senator John McCain and spent five years as chief media spokesman for California Governor Pete Wilson. In 2012, Schnur was appointed as Chairman of the California practices Commission, a position he held through that year's elections and until spring of 2011.

In addition to his position at USC, Schnur is an Adjunct Instructor at the University of California at Berkeley's Institute of Governmental Studies. Schnur has also held the post of Visiting Fellow at the John F. Kennedy School of Government's Institute of Politics at Harvard University and taught an advanced course in political campaign communications at George Washington University's Graduate School of Political Management. He writes regular political commentary for the Washington Post, the New York Times, and The Politico websites, and has also been an analyst and political commentator for CNN, MSNBC, Fox News, and National Public Radio.



*“Good content,
worth your time.”*

— Ben Lazarus, The Clifton Group

**KRISTIN V. SHOFNER, LORD ABBETT**

Kristin Shofner is a Director of Public Fund Marketing with Lord Abbett's Institutional Investment Services Group. She is responsible for working directly with Public Fund staffs, their boards and their institutional consultants on the West Coast

and Florida to help identify Lord Abbett Institutional Investment strategies that best address portfolio needs. She also supports current clients by providing ongoing communication about investment strategy and capabilities within Lord Abbett's institutional products. Ms. Shofner, who has over 10 years of financial services industry experience, joined Lord Abbett in 2003 as Director of Public Fund Marketing. In 2009, she was a finalist for Public Fund Marketer of the year.

Ms. Shofner serves on the SACRS Educational Committee Board and has been featured in the SACRS quarterly publication. She also is a member of the USA National Ekiden Marathon Team. Ms. Shofner earned a BA from the University of California at Santa Barbara.

SCOTT J. WHALEN, CFA, WURTS AND ASSOCIATES

Scott J. Whalen, Executive Vice President and Senior Consultant, serves primarily to provide high quality strategic investment advice and ensure his clients meet their long-term investment objectives. In addition, Mr. Whalen is a key member of the Wurts

& Associates leadership team. He sits on the Management Committee and oversees the Los Angeles consulting staff. Prior to joining Wurts & Associates, Mr. Whalen built a distinguished career in management consulting with McKinsey & Company and Ernst & Young, where he led corporate and public sector institutions to increase efficiency and improve operational performance.

Through his vast experience working with multiple stakeholders across industries, Mr. Whalen has honed his ability to drive effective decision-making, often in challenging environments. He is a recognized speaker at industry conferences, where he has presented on a broad range of investment topics including asset allocation, alternative investing, investment manager oversight, attaining operational efficiencies in investment programs, the challenges and potential benefits of dynamic asset allocation, and the importance of maintaining a long-term perspective.

TERI NOBLE-GRUMM, AMERICAN REALTY ADVISORS

Teri Noble-Grumm is responsible for marketing American Realty Advisors' full line of real estate investment management services, including commingled fund and separate account investment programs to institutional clients in the Western United

States. Most recently, Ms. Noble-Grumm served as the Senior Vice President of Relationship Management at Convergex where she was responsible for relationship management with plan sponsors and consultants and developing new business opportunities throughout the institutional investor and investment consultant community. Ms. Noble-Grumm is the Vice President of the National Association of Securities Professionals - San Francisco Chapter and recently served as Board Director for the Financial Women's Association of San Francisco and as Vice President for the NASP (San Francisco Chapter).

GRAHAM SCHMIDT, CHEIRON

Graham Schmidt (Associate-SOA, Member-AAA, Fellow-CCA) served as the Senior Vice President of EFI Actuaries for ten years before joining Cheiron as a consulting actuary upon the merger of EFI and Cheiron in 2013. Graham is a frequent speaker at public

employer conferences, on topics including actuarial funding policies, asset-liability management and GASB-related issues. In recent years, he has spoken at national meetings sponsored by NCPERS, the Society of Actuaries, the Academy of Actuaries and other regional organizations, such as SACRS and CALAPRS. Graham is the SACRS-appointed representative to the California Actuarial Advisory Panel (CAAP), and is also a member of the Academy of Actuaries Public Plans Subcommittee and the Conference of Consulting Actuaries Public Plans Committee, the primary actuarial committees dealing with public sector retirement issues in the US.

“Yes, I feel that all staff and board members should take advantage of this course. This course has been a refresher and update on many of the concepts used at board meeting level.”

— Sharon Naramore,
Contra Costa County Employees Retirement Association



FIRST TIME ATTENDEES

Sunday's session is a pension primer that provides a sturdy foundation for new trustees and staff. The basic language of finance and portfolio management will be introduced, and participants will explore the building blocks of portfolio construction, time value of money, the tradeoff between risk and return, liability forecasting, and asset-liability matching.

RETURNING ATTENDEES

We encourage returning attendees, trustees and staff, to participate during Sunday's session to give you both a valuable refresher on the basics and an opportunity to share your experiences as veteran fiduciaries with your fellow classmates.

Participants will bring a strategic challenge from their own Retirement Plans to the program. They will have the opportunity to further define and develop their knowledge and objectives under faculty guidance.

The strength of the Haas School of Business is expressed in their philosophy "Leading through Innovation." Successful Retirement Plan Managers recognize innovation as an opportunity to maximize the creation of value. This program focuses on individual, team, and organizational levels of innovative potential.

The Public Pension Retirement Management Program is carefully designed to give participants access to the tools, the knowledge and the networks they need to master their particular challenges. Participants will bring a strategic challenge from their own Retirement Plans to the program. They will have the opportunity to further define and develop their knowledge and objectives under faculty guidance.

The programs are taught by the very same top faculty who teach in the UC Berkeley's Business Program—ranked Number 1 in the world. Outstanding faculty includes the top names of classical finance, Thomas Gilbert, and of behavioral finance, Terrance Odean. The programs are on the absolute cutting edge of today's research.



CONFERENCE REGISTRATION

Registration online at www.sacrs.org
JULY 28–31, 2013

All conference activities will take place on the campus of **UC Berkeley at the Haas School of Business**. The host hotel is the **Claremont Resort and Spa**. Both locations are tucked away in the beautiful Berkeley hillside. Price for the session is \$2500 per person. (Price includes registration, training materials, food and beverage and daily transportation to and from the Claremont Hotel/UC Berkeley.)

PROGRAM LOCATION

UC Berkeley Center for Executive Development
 UC Berkeley, Haas School of Business
 2220 Piedmont Ave., Berkeley, CA 94720-1900

In order to receive a refund, you must cancel your registration by July 8, 2013. After July 8, 2013 no refunds will be permitted.

Participation is limited.

Register early by visiting www.sacrs.org. To submit your registration, complete the enclosed form and:

MAIL TO: **SACRS**
 C/O Sulema Peterson
 1415 L Street, Suite 1000
 Sacramento, CA 95814

OR E-MAIL TO: Sulema@sacrs.org

OR VISIT: www.sacrs.org
 and submit online

HOTEL RESERVATIONS

Claremont Resort and Spa
 41 Tunnel Road, Berkeley, CA 94705
 Tel: (510) 843-3000

Accommodations will be made for confirmed attendees at the **Claremont Resort and Spa** located just minutes away from UC Berkeley in the beautiful Berkeley Hills. Shuttle service between the hotel and UC Berkeley will be provided. **SACRS room rate is \$189 per room (not including tax)**. Overnight parking is available at \$18.00 per day per vehicle. Additionally, the hotel charges guests a \$10.00 (plus tax) resort fee per room/per day. This fee is to cover use of the computers and internet in the Business Center, High Speed Internet access in guest room, access to the Private Club & Fitness Center and all fitness classes, local calls, newspaper delivery and in-room coffee.

Cancellation with no penalties is 72 hours prior to arrival. **All hotel reservations will be made through SACRS. Please do not call the hotel directly to make reservations!** To reserve your hotel accommodations, contact Sulema H. Peterson, SACRS Administrator at the following: Sulema@sacrs.org or (916) 441-1850.

The UC Berkeley faculty members and participants enjoy meals together during the 3 day course. Topics from daily discussions are very often reinforced, vetted and simplified. During the evening, participants often enjoy dinner together as a group, taking in Berkeley's local restaurants within walking distance from the hotel. The informal and collegial atmosphere that develops at the SACRS UC Berkeley Program is one that is very special and unique compared with any other course and conference setting.