

VENTURA COUNTY EMPLOYEES' RETIREMENT ASSOCIATION

BOARD OF RETIREMENT

DISABILITY MEETING

JULY 2, 2012

MINUTES

DIRECTORS
PRESENT:

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

DIRECTORS
ABSENT:

Will Hoag, Alternate Retiree Member

STAFF
PRESENT:

Donald C. Kendig, Retirement Administrator
Henry Solis, Chief Financial Officer
Lori Nemiroff, Assistant County Counsel
Julie Stallings, Retirement Operations Manager
Ruth Tabarez, Retirement Benefits Manager
Chantell Garcia, Program Assistant

PLACE:

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

TIME:

9:00 a.m.

ITEM:

I. INTRODUCTION OF MEETING

Chairman Wilson called the Disability Meeting of July 2, 2012, to order at 9:01 a.m.

II. APPROVAL OF AGENDA

Mr. Towner requested an amendment to the agenda to move item VII D. Letter from the Ventura County Deputy Sheriff's Association prior to agenda item V. Applications for Disability Retirement as to give guests, Richard A. Shimmel, Executive Director and Matt Finley, Deputy Sheriff, time for comments on this matter.

MOTION: Mr. Henderson moved, seconded by Mr. Hansen to approve the agenda as amended moving agenda item VII. D. prior to agenda item V.

Motion passed unanimously.

III. APPROVAL OF MINUTES

A. Business Meeting of May 21, 2012.

Mr. Goulet proposed the following correction:

Page 7, item VI. A. Actuarial Information, second motion, to change the word "recommend" to "recommended".

MOTION: Mr. Goulet moved, seconded by Mr. Harris, to approve the minutes of May 21, 2012 as corrected.

Motion passed unanimously. Mr. Henderson abstained.

B. Disability Meeting of June 4, 2012.

Mr. Goulet proposed the following correction:

Page 3, item VI. B. Application for Service Connected Disability Retirement: Patrick MacAuley, under the motion to add "because there was insufficient information on blood thickness" to "Mr. Goulet abstained".

MOTION: Mr. Goulet moved, seconded by Mr. Harris, to approve the minutes of June 4, 2012 as corrected.

Motion passed unanimously.

IV. PENDING DISABILITY APPLICATION STATUS REPORT

MOTION: Mr. Harris moved, seconded by Mr. Hansen to receive and file the pending disability application status report.

Motion passed unanimously.

VII. NEW BUSINESS

D. Letter from the Ventura County Deputy Sheriffs' Association (VCDSA).

Richard A. Shimmel, Executive Director and Matt Finley, Deputy Sheriff, representing the VCDSA, commented on their concerns regarding VCERA's processing time for Benefit Estimate Requests by VCDSA members. Mr. Shimmel reported that they [the VCDSA] were familiar with some of the circumstances surrounding the delays, as detailed in the letter by Mr. Kendig, and the letter helped them form a more complete understanding. Mr. Shimmel emphasized the importance of providing adequate resources to address member requests and that this situation could have been anticipated, and requested that services be restored as quickly as possible.

The Board thanked the gentlemen for their comments and continued with the agenda as presented coming back to this item after item VII. C.

V. APPLICATIONS FOR DISABILITY RETIREMENT

A. Application for Non-Service Connected Disability Retirement; Michael Rhineheart, Case No. 11-016.

1. Application for Non-Service Connected Disability Retirement and Supporting Documentation.
2. Hearing Notice.

Paul C. Hilbun was present representing the County of Ventura, Risk Management. The applicant, Michael Rhineheart, was present representing himself.

Both parties accepted into the record pages 1 through 52 of the Application for Service Connected Disability Retirement.

Both parties declined an offer to make a statement.

MOTION: Mr. Goulet moved, seconded by Mr. Harris, to grant the applicant, Michael Rhineheart, a non-service connected disability retirement.

Motion passed unanimously.

Both parties agreed to waive preparation of Findings of Fact and Conclusions of Law.

V. APPLICATIONS FOR DISABILITY RETIREMENT (continued)

B. Application for Service Connected Disability Retirement; Patricia A. Gonzales, Case No. 10-035.

1. Summary of Evidence, Findings of Fact, Conclusions of Law and Recommendation, Submitted by Hearing Officer, Kenneth A. Perea, dated April 4, 2012.
2. Respondent's Objection to Recommendation of Hearing Officer, Submitted by John I. Gilman, Attorney at Law, dated April 16, 2012.
3. Applicant's Reply to Respondent's Objections to Recommendation of Hearing Officer, Submitted by Patricia A. Gonzales, dated April 25, 2012.
4. Hearing Notice.

John I. Gilman, Attorney at Law, was present representing the County of Ventura, Risk Management. The applicant, Maria A. Christine, was present representing herself.

Comments were made by both parties.

Following a discussion by the Board, the following motion was made.

MOTION: Mr. Goulet moved, seconded by Mr. Foy, to have Patricia A. Gonzales obtain an independent medical evaluation with a doctor specializing in psychiatry and experienced in the 1937 Act Law and to have staff forward the medical report to the Hearing Officer for both consideration and issuance of a supplemental report, and to ask the Hearing Officer to consider the appellate case *Valero v. Board of Retirement of Tulare County Employees' Retirement Association* (2012) 205 Cal.App.4th 960 in determining how much weight to give to medical reports prepared in connection with the applicant's workers compensation case.

Motion passed unanimously.

V. APPLICATIONS FOR DISABILITY RETIREMENT (continued)

- C. Application for Service Connected Disability Retirement, Veronica L. Long, Case No. 09-037.
1. Summary of Evidence, Findings of Fact, Conclusions of Law and Recommendation, Submitted by Hearing Officer Mark Burstein, dated May 19, 2012.
 2. Respondent's Objection to Recommendation of Hearing Officer, Submitted by Marshall W. Graves, Attorney at Law, dated June 1, 2012.
 3. Applicant's Reply to Respondent's Objections to Recommendation of Hearing Officer, Submitted by Veronica L. Long, dated June 4, 2012.
 4. Hearing Notice.

Marshall W. Graves was present representing the County of Ventura, Risk Management. The applicant, Veronica Long, was present representing herself.

Comments were made by both parties.

Following a discussion by the Board, the following motion was made.

MOTION: Mr. Hansen moved, seconded by Judge Hintz, to grant the applicant, Veronica L. Long, a service connected disability retirement.

Motion passed, Mr. Goulet voting no because the applicant had not completed the recommended surgeries.

VI. ACTUARIAL INFORMATION

- A. Review and Approval of the Economic Actuarial Assumptions for the June 30, 2012 Actuarial Valuation.

Paul Angelo, FSA, EA, MAAA, FCA, Senior Vice President & Actuary and John Monroe, ASA, EA, MAAA, Vice President & Associate Actuary from The Segal Company were present.

Received Public Comment from Paul Derse, Chief Financial Officer, County of Ventura and Michael Powers, County Executive Officer, County of Ventura.

VI. ACTUARIAL INFORMATION (continued)

- A. Review and Approval of the Economic Actuarial Assumptions for the June 30, 2012 Actuarial Valuation. (continued)

MOTION: Mr. Foy moved, seconded by Mr. Hansen, to adopt Segal's recommended Economic Assumptions for the June 30, 2012 Actuarial Valuation, phasing in the cost over three years.

Motion passed unanimously.

- C. Reconsideration of Entry Age Normal.

MOTION: Mr. Foy moved, seconded by Mr. Goulet, to reconsider the Entry Age Normal Cost method.

Motion passed unanimously.

Following Board discussion the following motion was made.

MOTION: Mr. Foy moved, seconded by Mr. Hansen, to approve Segal's recommended change in the Entry Age Normal Cost method, phasing in the cost over three years.

Motion passed unanimously.

- B. COLA Calculations for Beneficiaries Under Alternative Retirement Benefit Options.

MOTION: Mr. Towner moved, seconded by Mr. T. Johnston, to receive and file and to follow the issue as it develops.

Motion passes unanimously.

VII. NEW BUSINESS

- A. Education and Travel Policy Review.

Following Board discussion, it was determined to amend the Travel Policy, making "board" consistently "Board" in all places, adding "s" to "meeting" on page 3, changing "\$400.00" to "\$500.00" on page 3, and changing "June 18, 2012" to "July 2, 2012" on page 7.

MOTION: Mr. Goulet moved, seconded by Mr. Harris, to approve the proposed Travel Policy as amended.

VII. NEW BUSINESS (continued)

A. Education and Travel Policy Review. (continued)

Motion passed unanimously.

B. Renewal of Disability Referee Services Contracts.

Following Board discussion, it was determined to amend the Disability Referee contract template by adding "or within any time extension granted by the Board pursuant to paragraph 3 above," to paragraphs 6. (a) and 6. (c).

MOTION: Mr. Hansen moved, seconded by Mr. Harris, to authorize the Retirement Administrator to execute contracts with the provided list of Disability Referees (Hearing Officers) utilizing the contract template as amended.

Motion passed unanimously.

C. Proposed Site Visit of Hexavest and Sprucegrove.

MOTION: Mr. Towner moved, seconded by Mr. T. Johnston, to authorize interested VCERA Trustees to conduct an onsite due diligence site visit of Hexavest and Sprucegrove.

Motion passed unanimously.

D. Letter from the Ventura County Deputy Sheriffs' Association (VCDSA).

MOTION: Mr. Towner moved, seconded by Mr. Hansen, to receive and file the letter of concern from the VCDSA and the Retirement Administrator's response letter, to direct the Retirement Administrator to report to the Board quarterly on the status of estimate requests, and to direct the Retirement Administrator to draft a letter to the VCDSA, under the Chair's signature, communicating that responding timely to member inquiries is a priority of the Board and that it will be monitoring staff's progress quarterly.

Motion passed unanimously.

VII. NEW BUSINESS (continued)

- E. RFP for Investment Consultant for Both Non-Discretionary and Discretionary Services.

MOTION: Judge Hintz moved, seconded by Mr. Hansen, to table the consideration of an RFP for an Investment Consultant until February 4, 2013.

Motion passes with a majority vote with Mr. Hansen, Mr. Harris, Mr. Henderson, Judge Hintz and Mr. Wilson, voting for and Mr. Foy, Mr. Goulet, Mr. T. Johnston and Mr. Towner voting against.

- F. Participation in SACRS' IRS Tax Determination Efforts.

MOTION: Mr. Henderson moved, seconded by Judge Hintz, to direct the Retirement Administrator to keep the Board informed of the SACRS IRS tax collaboration and to explore alternatives.

Motion passed unanimously.

- G. Conference Report: CALAPRS Trustees' Roundtable on June 8, 2012 – Trustee Art Goulet.

MOTION: Mr. Harris moved, seconded by Mr. T. Johnston, to receive and file the CALAPRS Trustees' Roundtable Conference Report.

Motion passes unanimously. Mr. Henderson absent.

VIII. PUBLIC COMMENT

Mr. Kendig assessed which Trustees needed an iPad case and will order them.

Mr. Kendig solicited Trustee opinion on allowing VCERA's Investment Managers to attend the October 4, 2012 Board Retreat, if interested.

IX. BOARD MEMBER COMMENT

None.

X. ADJOURNMENT

There being no further items of business before the Board, Chairman Wilson adjourned the meeting at 12:18 p.m.

Respectfully submitted,

A handwritten signature in blue ink, appearing to read "Donald C. Kendig", written over a horizontal line.

DONALD C. KENDIG, CPA, Retirement Administrator

Approved,

A handwritten signature in blue ink, appearing to read "W. W. Wilson", written over a horizontal line.

WILLIAM W. WILSON, Chairman