VCERA
VENTURA COUNTY EMPLOYEES' RETIREMENT ASSOCIATION

BOARD OF RETIREMENT RETREAT AGENDA

Monday, September 25, 2017 at 9:00 a.m.

Ventura Beach Marriott
Brisas Room I
2055 East Harbor Boulevard
Ventura, CA 93001

I. INTRODUCTION & APPROVAL OF AGENDA 1 – 3
Tracy Towner, Chair

II. APPROVAL OF MINUTES 4 – 15
Disability Minutes of September 11, 2017.

III. CONSENT AGENDA 16 – 32

A. Approve Regular and Deferred Retirements and Survivors Continuances for the Month of August 2017.

B. Approve Regular and Deferred Retirements and Survivors Continuances for the Month of August 2017.

C. Receive and File Report of Checks Disbursed in July 2017.

D. Receive and File Report of Checks Disbursed in August 2017.

E. Receive and File Statement of Fiduciary Net Position, Statement of Changes in Fiduciary Net Position, Schedule of Investments and Cash Equivalents, and Schedule of Investment Management Fees for the Period Ending June 30, 2017.

F. Receive and File Statement of Reserves as of June 30, 2017.

IV. OLD BUSINESS 33

A. Determine Compliance of County's Proposed Publicly-Available Pay Schedule for Market-Based Premium Pay (MBPP) and Determine Pensionability of MBPP under PEPRA
RECOMMENDED ACTION: EXCLUDE MBPP FROM PENSIONABLE COMPENSATION DUE TO DEFICIENCY IN MEETING PEPRA CRITERIA.

1. Staff Letter Recommending Postponement of Action Pending Discussions between County Counsel and VCERA Counsel.

34 – 110

2. Staff Memorandum dated June 19, 2017, with Attachments. *Previously Provided.*

OLD BUSINESS (continued) 111 – 116

3. County Response to Staff Memorandum, dated September 7, 2017
   Previously Provided.

B. Determine Pensionability of HCA Fiscal Premium Pay
RECOMMENDED ACTION: EXCLUDE HCA FISCAL PREMIUM PAY FROM PENSIONABLE COMPENSATION DUE TO DEFICIENCY IN MEETING PEPRA CRITERIA.

1. Staff Letter dated September June 19, 2017, with Attachments. 117 – 124
   Previously Provided.

V. NEW BUSINESS 125 – 128

A. Fiscal Year 2016-17 Final Budget Adjustments.
Henry Solis, Chief Financial Officer

1. Staff Letter by CFO Henry Solis.
2. Final Budget Summary June 30, 2017 (Attachment 1).
3. Final Budget Summary June 30, 2017 with Final Budget Adjustments (Attachment 2).

B. Fiscal Year 2017-18 Budget Crosswalk from Old to New General Ledger Accounts Effective July 1, 2017. 129 – 136
Henry Solis, Chief Financial Officer

1. Staff Letter by CFO Henry Solis.
2. Budget Crosswalk Old to New General Ledger (Attachment 1).
3. Budget Crosswalk Old to New Final.

C. New Financial Reports Effective for Fiscal Year 2017-18. 137 – 142
Henry Solis, Chief Financial Officer

1. Staff Letter by CFO Henry Solis.
2. Statement of Fiduciary Net Position.
3. Statement of Changes in Fiduciary Net Position.
4. Schedule of Investments and Cash Equivalents.
5. Schedule of Investment Management Fees.
6. Budget Summary for month and year-to-date ended July 31, 2017.

D. SACRS Fall Voting Proxy 143

1. Staff Letter.

VI. OVERVIEW OF VCERA'S NEW WEBSITE
Linda Webb, Retirement Administrator

VCERA
VENTURA COUNTY EMPLOYEES' RETIREMENT ASSOCIATION

VII. **DEMONSTRATION OF MEMBER SELF-SERVICE PORTAL** 144 –148
Shalini Nunna, Retirement Benefits Manager
Break

VIII. **PRESENTATION: "THE BIG TEASE"**
Weston Wellington, Dimensional Fund Advisors.
10:30 a.m.

Break/Lunch

IX. **PRESENTATION: "BIG DATA AND A.I. IN INVESTING"**
Dr. Ben Hunt, C.I.O, Salient.
1:00 p.m.

X. **INVESTMENT INFORMATION** 149 – 241
NEPC – Allan Martin and Tony Ferrera.
VCERA – Dan Gallagher, Chief Investment Officer.

A. Performance Report Quarter Ending June 30, 2017.
RECOMMENDED ACTION: Receive and file.

B. Preliminary Performance Report Month Ending July 31, 2017.
RECOMMENDED ACTION: Receive and file.

C. Preliminary Performance Report Month Ending August 31, 2017.
RECOMMENDED ACTION: Receive and file.

XI. **Public Comment**

XII. **Staff Comment**

XIII. **Board Member Comment**

XIV. **Adjournment**

VENTURA COUNTY EMPLOYEES' RETIREMENT ASSOCIATION

BOARD OF RETIREMENT

DISABILITY MEETING

SEPTEMBER 11, 2017

MINUTES

DIRECTORS PRESENT: Tracy Towner, Chair, Alternate Safety Employee Member
William W. Wilson, Vice Chair, Public Member
Robert Bianchi, Public Member
Maeve Fox, General Employee Member
Craig Winter, General Employee Member
Arthur E. Goulet, Retiree Member
Will Hoag, Alternate Retiree Member
Chris Johnston, Safety Employee Member
Ed McCombs, Alternate Public Member

DIRECTORS ABSENT: Steven Hintz, Treasurer-Tax Collector
Peter C. Foy, Public Member
Mike Sedell, Public Member

STAFF PRESENT: Linda Webb, Retirement Administrator
Lori Nemiroff, General Counsel
Henry Solis, Chief Financial Officer
Dan Gallagher, Chief Investment Officer
Julie Stallings, Chief Operations Officer
Shalini Nunna, Retirement Benefits Manager
Vickie Williams, Retirement Benefits Manager
Karen Scanlan, Accounting Manager I
Donna Edwards, Retirement Benefits Specialist
Chris Ayala, 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. CALL TO ORDER

Chair Towner called the Disability Meeting of September 11, 2017, to order at 9:02 a.m.

II. APPROVAL OF AGENDA

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

MOTION: Approve the agenda with correction.

Moved by Johnston, seconded by Goulet.

Vote: Motion carried
Yes: Bianchi, Fox, Goulet, Johnston, McCombs, Wilson, Winter
No: -
Absent: Foy, Hintz, Sedell

III. APPROVAL OF MINUTES

A. Business Meeting Minutes of July 24, 2017.

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

MOTION: Approve.

Moved by Johnston, seconded by Bianchi.

Vote: Motion carried
Yes: Bianchi, Fox, Goulet, Johnston, McCombs, Wilson, Winter
No:
Abstained: Goulet
Absent: Foy, Hintz, Sedell

Trustee Goulet abstained because he said that he was not present at the July 24, 2017 meeting.

IV. RECEIVE AND FILE PENDING DISABILITY APPLICATION STATUS REPORT

MOTION: Receive and File.

Moved by Bianchi, seconded by Johnston.

Vote: Motion carried
Yes: Bianchi, Fox, Johnston, McCombs, Wilson, Winter
No: -
Abstain: Goulet
Absent: Foy, Hintz, Sedell

V. APPLICATIONS FOR DISABILITY RETIREMENT

A. Application for Service-Connected Disability Retirement - Timothy Harward; Case No. 15-029.

1. Application for Service-Connected Disability Retirement, filed December 28, 2015.

2. Medical Analysis and Recommendation, including Supporting Medical Documentation, submitted by County of Ventura, Risk Management, in support of the Application for Service-Connected Disability Retirement, dated August 22, 2017.

3. Hearing Notice, dated August 24, 2017.

Chuck Pode, was present on behalf of County of Ventura Risk Management. The applicant, Timothy Harward was also present.

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

MOTION: Approve Application for Service-Connected Disability Retirement.

Moved by Johnston, seconded by Winter.

Vote: Motion carried
Yes: Bianchi, Fox, Goulet, Johnston, McCombs, Wilson, Winter
No: -
Absent: Foy, Hintz, Sedell

Both parties agreed to waive preparation of findings of fact and conclusions of law.

B. Application for Service-Connected Disability Retirement - Scott Meierhoff; Case No. 16-004.

1. Application for Service-Connected Disability Retirement, filed February 3, 2016.

2. Medical Analysis and Recommendation, including Supporting Medical Documentation, submitted by County of Ventura, Risk Management, in support of the Application for Service-Connected Disability Retirement, dated August 3, 2017.

3. Hearing Notice, dated August 15, 2017

Chuck Pode, was present on behalf of County of Ventura Risk Management. The applicant, Scott Meierhoff was also present.

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

MOTION: Approve Application for Non-Service Connected Disability Retirement.

Moved by Johnston, seconded by Bianchi.

Vote: Motion carried
Yes: Bianchi, Fox, Goulet, McCombs, Towner [in place of Johnston], Wilson, Winter
No: -
Absent: Foy, Hintz, Sedell

Both parties agreed to waive preparation of findings of fact and conclusions of law.

C. Application for Service-Connected Disability Retirement - Judith Gocke; Case No. 15-006.

1. Summary of Evidence, Suggested Findings of Fact and Conclusions of Law, and Recommendation, submitted by Hearing Officer Deborah Z. Wissley, dated July 16, 2017.

2. Applicant's Objections to the Summary of Evidence, Suggested Findings of Fact and Conclusions of Law, and Recommendation, submitted by Thomas J. Wicke, Attorney for Applicant Judith Gocke, dated July 30, 2017.

3. Legal Memorandum Submitted by Respondent, County of Ventura/Risk Management, In Support of the Summary of Evidence, Suggested Findings of Fact and Conclusions of Law and Recommendation of Hearing Officer Deborah Wissley, ESQ., submitted by Stephen D. Roberson, Attorney for County of Ventura/Risk Management, dated August 14, 2017.

4. Hearing Notice, dated August 16, 2017.

Steve D. Roberson, Attorney at Law, was present on behalf of County of Ventura Risk Management. Thomas J. Wicke, Attorney at Law, was present on behalf of the applicant.

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

MOTION: Adopt Hearing Officers Recommendation to Deny the Applicant a Service-Connected Disability Retirement.

Moved by Wilson, seconded by McCombs.

Vote: Motion carried
Yes: Bianchi, Fox, Goulet, McCombs, Towner [in place of Johnston], Wilson, Winter
No:
Absent: Foy, Hintz, Sedell

Both parties agreed to waive preparation of findings of fact and conclusions of law.

Following the vote on this item, the Board advanced to agenda item VI.A.

D. Application for Service-Connected Disability Retirement - Nora Sanchez; Case No. 15-003.

1. Proposed Findings of Fact and Recommended Decision, submitted by Hearing Officer Humberto Flores, dated May 25, 2017.

2. Hearing Notice, dated August 3, 2017.

Steve D. Roberson, Attorney at Law, was present on behalf of County of Ventura Risk Management. David Schumaker, Attorney at Law, was present on behalf of the applicant. The applicant, Nora Sanchez was also present.

The applicant read a statement she had prepared.

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

MOTION: Adopt Hearing Officers Recommendation to Deny the Applicant a Service-Connected Disability Retirement.

Moved by Wilson, seconded by Goulet.

Vote: Motion carried
Yes: Bianchi, Fox, Goulet, McCombs, Towner, Wilson, Winter
No: -
Absent: Foy, Hintz, Sedell

Chair Towner then requested a 10-minute break at 10:05 a.m.

The Board returned from break at 10:15 a.m.

E. Application for Service-Connected Disability Retirement - Robert J. Garcia; Case No. 15-010

1. Petition for Reconsideration, submitted by Edwin K. Stone, Attorney for Applicant, Robert J. Garcia, dated May 22, 2017.

2. Opposition to Petition for Reconsideration, submitted by Stephen D. Roberson, Attorney for County of Ventura/Risk Management, dated May 24, 2017.

3. Amended Findings and Decision Regarding Employee Application for Disability Retirement of Robert J. Garcia, submitted by Hearing Officer Robert Klepa, dated March 13, 2017.

4. Objection to Hearing Officer's Proposed Finding of Fact, Determination, and Recommendations, submitted by Edwin K. Stone, Attorney for Applicant, Robert J. Garcia, dated March 22, 2017.
5. Legal Memorandum in support of the Hearing Officer's Recommended Decision that Applicant, Robert Garcia, be denied a Service-Connected Disability Retirement, received from Stephen Roberson, Attorney for County of Ventura/Risk Management, dated March 28, 2017.

6. Hearing Notice, dated May 31, 2017.

Steven D. Roberson, Attorney at Law, was present on behalf of County of Ventura Risk Management. Edwin K. Stone, Attorney at Law, was present on behalf of the applicant. The applicant, Robert J. Garcia, was also present.

Trustee Fox recused herself from the vote on the basis that she personally knew the applicant.

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

MOTION: Deny the Petition for Reconsideration.

Moved by Wilson, seconded by Bianchi.

Vote: Motion carried
Yes: Bianchi, Goulet, McCombs, Towner, Wilson
No: Winter
Recuse: Fox
Absent: Foy, Hintz, Sedell

F. Request for Board Ordered Medical Examination, filed by County of Ventura/Risk Management in regard to the Application for Service-Connected Disability Retirement of Zenaida C. Surwin; Case No. 16-005.

1. VCERA Staff Letter, submitted by Retirement Administrator Linda Webb, dated September 11, 2017.

2. Letter submitted by Stephen D. Roberson, Attorney for County of Ventura/Risk Management, dated August 24, 2017, requesting the Board of Retirement to require Applicant Zenaida C. Surwin to attend a Medical Examination.

3. Hearing Notice dated August 28, 2017.

Steven D. Roberson, was present on behalf of County of Ventura Risk Management. The applicant, Zenaida C. Surwin was also present.

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

MOTION: Direct Applicant to Attend a Medical Examination with Dr. Boone with the County of Ventura to Pay Reasonable Cost for Food and Lodging for 3 Nights.

Moved by Winter, seconded by Goulet.

Vote: Motion carried
Yes: Bianchi, Fox, Goulet, Johnston, McCombs, Wilson, Winter
No: -
Absent: Foy, Hintz, Sedell

Following the vote on this item, the Board advanced to agenda item VI.B.

VI. OLD BUSINESS

A. Determine Compliance of County's Proposed Publicly-Available Pay Schedule for Market-Based Premium Pay (MBPP) and Determine Pensionability of MBPP under PEPRA.
RECOMMENDED ACTION: EXCLUDE MBPP FROM PENSIONABLE COMPENSATION DUE TO DEFICIENCY IN MEETING PEPRA CRITERIA.
Time: 9:30 a.m.

1. Staff Letter dated September 11, 2017.

2. Staff Memorandum dated June 19, 2017, with Attachments.
Previously Provided.

3. County Response to Staff Memorandum, dated September 7, 2017.

Ms. Webb said that this item had been tabled at the June business meeting, and the staff letter provided an update regarding the item.

Received public comment from SEIU 721 Tri-County Regional Director, Danny Carrillo.

Received public comment from the Ventura County Assistant County Executive Officer/Human Resources Director, Shawn Atin.

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

MOTION: Table Item VI.A to the September 25, 2017 Board Meeting.

Moved by Johnston.

Following further discussion by the Board, Trustee Johnston amended his motion, to following:

MOTION: Table Item VI.A to the September 25, 2017 Board Meeting, and Release the Outside Counsel's Attorney-Client Privileged Memorandum.

Moved by Johnston, seconded by Bianchi.

Vote: Motion carried
Yes: Bianchi, Fox, Goulet, McCombs, Johnston, Wilson, Winter
No:
Absent: Foy, Hintz, Sedell

Following the vote on this item, the Board returned to agenda items V.D.

B. Determine Pensionability of HCA Fiscal Premium Pay.
RECOMMENDED ACTION: EXCLUDE HCA FISCAL PREMIUM PAY FROM PENSIONABLE COMPENSATION DUE TO DEFICIENCY IN MEETING PEPRA CRITERIA.

1. Staff Letter dated June 19, 2017, with Attachments.
Previously Provided.

Ms. Webb said that this item was tied to Item VI.A. and was addressed in outside counsel's memorandum.

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

MOTION: Table Item VI.B to the September 25, 2017 Board Meeting.

Moved by Goulet, seconded by Bianchi.

Vote: Motion carried
Yes: Bianchi, Fox, Goulet, Johnston, McCombs, Wilson, Winter
No:
Absent: Foy, Hintz, Sedell

VII. NEW BUSINESS

A. Recommendation to Approve Extension to VSG Hosting Agreement and Request for Direction on Governing Law Provision for Subsequent Contract Term.
RECOMMENDED ACTION: APPROVE EXTENSION AND DIRECT STAFF ON GOVERNING LAW PROVISION FOR SUBSEQUENT CONTRACT TERM.
1. Staff Letter.

2. Proposed Amendment.

Ms. Webb said that staff had been negotiating with Vitech on a new hosting agreement because the previous one had expired. However, Vitech's proposed agreement had

significant changes, and staff was not ready to execute it. She said that as negotiations continue, a contract needed to be in place for invoicing purposes.

Trustee Goulet said that he still believed it would be better to extend the contract until there was a new agreement.

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

MOTION: Approve Contract Extension Until Replaced by a New Hosting Agreement.

Moved by Goulet, seconded by Bianchi.

Vote: Motion carried
Yes: Bianchi, Fox, Goulet, Johnston, McCombs, Wilson, Winter
No:
Absent: Foy, Hintz, Sedell

B. Proposed Legislative Items for Submission to the SACRS Legislative Committee, Trustee Goulet.

1. Staff Letter.

2. Proposed Provision to Define “Surviving Spouse”.

3. Proposed Amendment Regarding Time Limits for Filing Application for Disability Retirement.

Trustee Goulet informed the Board that both proposals, which were prepared with General Counsel, result from issues presented in recent litigation and decisions and these proposals are an attempt to resolve the issues legislatively. He said the first proposal is to define the term “surviving spouse”. The other proposes a time limit for the filing for disability retirement, requiring that where a member is continuously incapacitated after discontinuance of service, the application must be filed within 4 months of when the member is able to ascertain permanency. Trustee Goulet said the recommendations may not result any action because they would be submitted to the SACRS Legislative Committee, who may decide not to pursue these issues, but if the Board does not make a recommendation, then there would be no chance for any action on these proposals.

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

MOTION: Move to Submit the Recommendations to the SACRS Legislative Committee.

Moved by Wilson, seconded by Winter.

Vote: Motion carried
Yes: Bianchi, Fox, Goulet, Johnston, McCombs, Wilson, Winter
No:

Absent: Foy, Hintz, Sedell

C. Recommendation to Approve Trustee Sedell and C.I.O., Dan Gallagher Attendance at 2017 Annual Private Equity Conference, New York, NY, September 28, 2017.

1. Staff Letter.

2. 2017 Conference Agenda.

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

MOTION: Approve.

Moved by Goulet, seconded by Winter.

Vote: Motion carried
Yes: Bianchi, Fox, Goulet, Johnston, McCombs, Wilson, Winter
No:
Absent: Foy, Hintz, Sedell

D. Recommendation to Approve Staff's Attendance at NPEA 2017 Annual Conference, Nashville, TN, October 14 – 18, 2017.

1. Staff Letter.

2. NPEA 2017 Annual Conference Agenda.

Ms. Webb said no specific staff member was identified in the request because it was unclear if the vacant communications position would be filled by that time. However, if it was not, another staff member would attend to represent VCERA.

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

MOTION: Approve.

Moved by McCombs, seconded by Johnston.

Vote: Motion carried
Yes: Bianchi, Fox, Goulet, Johnston, McCombs, Wilson, Winter
No:
Absent: Foy, Hintz, Sedell

E. Recommendation to Approve Retirement Administrator's Attendance at CALAPRS Administrators' Institute, Carmel, CA, September 13 – 15, 2017.

1. Staff Letter.

2. CALAPRS Administrators' Institute Agenda.

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

MOTION: Approve.

Moved by Winter, seconded by Fox.

Vote: Motion carried
Yes: Bianchi, Fox, Goulet, Johnston, McCombs, Wilson, Winter
No:
Absent: Foy, Hintz, Sedell

VIII. INFORMATIONAL

A. *Irvin v. Contra Costa Employees' Retirement Association*, Case No. S243694, Letter in Support of Petition for Review.

B. *Segal Consulting Survey Shows Majority of Multiemployer Pension Plans in Green Zone; But Challenges Remain for Those in Red Zone.*

IX. PUBLIC COMMENT

None.

X. STAFF COMMENT

Ms. Webb reminded the Board that the Board Retreat was at the Ventura Beach Marriott on September 25, 2017. Ms. Webb also reminded the Board of the 2017 Nossaman Fiduciary Forum scheduled for the end of November.

Ms. Nemiroff informed the Board that there was letter in support of the Irvin v. Contra Costa Employees' Retirement Association in the informational section of the agenda.

Ms. Webb told the Board that VCERA's new website would be launched before the next meeting.

Mr. Gallagher said that he was continuing to monitor any impact to VCERA's portfolio related to hurricanes Harvey and Irma.

XI. BOARD MEMBER COMMENT

None.

XII. ADJOURNMENT

The meeting was adjourned at 10:54 a.m.

Respectfully submitted,

_____
LINDA WEBB, Retirement Administrator

Approved,

_____
TRACY TOWNER, Chairman

VENTURA COUNTY EMPLOYEES' RETIREMENT ASSOCIATION

REPORT OF REGULAR AND DEFERRED RETIREMENTS AND SURVIVORS CONTINUANCES

JULY 2017

FIRST NAME	LAST NAME	G/S	DATE OF MEMBERSHIP	TOTAL SERVICE	OTHER SERVICE	DEPARTMENT	EFFECTIVE DATE
REGULAR RETIREMENTS:							
Audrey	Albert	G	4/1/2001	5.26		Health Care Agency	6/5/2017
Michelle	Avila	G	12/1/2000	7.91		Health Care Agency	7/1/2017
Delia	Barrios	G	11/21/2004	12.12		Health Care Agency	6/17/2017
Ma. Lourdes	Becerra	S	7/7/2017	5.54		Sheriff's Department (deferred, non-member)	6/1/2017
Tony	Chen	G	12/4/1994	22.60		Public Works Agency	6/30/2017
Cari	Fox	S	5/22/2017	9.59		Sheriff's Department (deferred, non-member)	6/5/2017
James	Haas	G	9/17/1989	7.08	C=21.1410	Probation Agency (deferred)	6/1/2017
Carol	Hannah	G	11/8/1981	23.83	B=0.0962	Health Care Agency	6/17/2017
Marcia C.	Herter	G	7/30/2006	10.90		General Services Agency	6/17/2017
Christopher	Hill	G	3/24/1996	18.88		Public Works Agency	6/28/2017
Edward Z.	Hosseinipour	G	6/23/2008	8.73		Public Works Agency	6/3/2017
Cristina G.	Ignacio	G	9/2/1990	26.67		Health Care Agency	6/24/2017
Eugene	Kinsey	G	10/10/1993	23.78	B=0.0923	District Attorney	7/1/2017
Stephen P.	Lipson	G	10/19/1986	32.17	B=0.1134 D=1.3991	Public Defender	6/17/2017
Jonathan	Mason	G	2/14/1982	35.22		Sheriff's Department	6/3/2017
Michael C.	McMahon	G	9/3/2000	17.97	C=0.7000 D=1.1831	Public Defender	6/11/2017
Robert C.	North	G	12/8/2013	3.71	A=0.1589 C=7.7311	Courts	6/24/2017
Monica	Orozco	G	4/28/1991	25.69		Health Care Agency	6/5/2017
Rosa	Ramirez	G	9/29/1991	27.03	B=1.5011	Sheriff's Department	6/9/2017
David	Saunders	S	4/11/1994	5.43	C=31.3642	District Attorney (deferred)	6/24/2017
Carol	Smith	G	11/19/2006	1.26	C=23.7032	Health Care Agency (deferred)	7/3/2017
Mary Jo	Spencer	G	5/13/2001	16.09	C=1.8502	CEO	7/1/2017
Priscilla	Stevenson	G	9/11/1995	23.03	B=1.3156	Child Support	6/17/2017
Mary E.	Thomas	G	5/7/2001	5.53		County Counsel (deferred)	6/22/2017
DEFERRED RETIREMENTS:							
Brent	Alganese	G	8/8/2010	6.91		Resource Management Agency	7/13/2017
Ingrid	Chianese	G	4/4/2010	6.066		Health Care Agency	6/17/2017
Brenda	Colborn	G	11/2/2008	7.67		Health Care Agency	7/7/2017
Olga	Durazo	G	11/19/2006	10.46		Health Care Agency	6/24/2017
Jacob	Epstein	S	10/7/2010	6.63		Sheriff's Department	06/31/2017
Joanne	Fernandez	G	5/11/2011	5.17		General Services Agency	6/28/2017
Patrick	Markey	G	1/29/2006	8.95		Health Care Agency	7/4/2017
Lisa	McPheeters	G	1/24/1999	15.13		Health Care Agency	7/1/2017
Rhonda	Moore	G	11/11/2001	11.47		Health Care Agency	7/7/2017
Masao	Okado	G	9/15/2003	13.69		General Services Agency	7/6/2017
Pauline	Preciado	G	7/17/2005	9.09		Health Care Agency	7/7/2017
Elzabeth	Revelez	G	2/12/2006	11.38		Treasurer Tax Collector	6/24/2017
Ian	Williams	G	12/6/2009	7.61		Human Services Agency	7/13/2017
SURVIVORS' CONTINUANCES:							
Carol C.	Beatty						
Margaret D.	Molina						

*** = Member Establishing Reciprocity**
A = Previous Membership
B = Other County Service (eg Extra Help)
C = Reciprocal Service
D = Public Service

VENTURA COUNTY EMPLOYEES' RETIREMENT ASSOCIATION
REPORT OF REGULAR AND DEFERRED RETIREMENTS AND SURVIVORS CONTINUANCES

AUGUST 2017

FIRST NAME	LAST NAME	G/S	DATE OF MEMBERSHIP	TOTAL SERVICE	OTHER SERVICE	DEPARTMENT	EFFECTIVE DATE
REGULAR RETIREMENTS:							
Raul	Aguilera	G	3/15/1981	36.47	B=0.1154	Human Services Agency	7/14/2017
David R.	Ahrens	G	4/18/1999	18.39	B=0.1154	Fire Protection District	7/29/2017
Yvette	Allen	G	5/31/1998	19.17		Auditor-Controller	7/28/2017
Alicia	Avila	G	7/19/1992	22.75		Human Services Agency	7/12/2017
Jose	Bernard	G	5/13/1990	27.19		CEO	7/8/2017
Dulce	Best	G	2/17/1991	24.86		Child Support	7/17/2017
Rosa	Ceniceros	G	1/17/1982	35.48	B=0.0962	General Services Agency	7/29/2017
Marie	Feneht	G	2/22/1987	4.05	C=26.0	Library Services (deferred)	7/22/2017
Barbara	Garcia	S	10/22/1995	20.21	B=0.1154	Probation Agency	7/14/2017
Bruce G.	Goldenson	G	3/11/2007	10.31		Human Services Agency	7/28/2017
Michael	Graham	G	8/25/1996	20.20	B=0.0932	Assessor	8/8/2017
Paul	Hilbun	G	1/8/2006	11.61		CEO	8/12/2017
Leslie	Hill	G	1/1/1984	33.58		Sheriff's Department	7/21/2017
Gerhardt	Hubner	G	11/1/2005	10.32	C=16.7250	Public Works Agency (deferred)	8/4/2017
Dana	Johnson	G	2/17/1991	26.44		CEO	7/15/2017
William	Lattin	S	10/5/1986	30.78	B=0.0962	Sheriff's Department	7/8/2017
Mark	Leiner	G	5/20/2007	5.21		General Services Agency	7/29/2017
Linda	Litzelman	G	4/8/2007	10.36		Courts	8/12/2017
Sandra	Molina	G	11/2/1986	30.28		District Attorney (deferred)	7/31/2017
Angel	Morales	S	11/7/2004	12.45		Probation Agency	8/7/2017
Masao	Okado	G	9/15/2003	13.69		General Services Agency	7/7/2017
Miguel T.	Olivera	S	6/29/1997	19.54		Probation Agency	7/2/2017
Randall	Reason	G	5/4/1997	19.85		Sheriff's Department	7/12/2017
Hermila	Sanchez	G	5/6/2007	9.67		Health Care Agency (deferred)	8/26/2017
Elaine	Searcy	G	3/5/1989	20.01	B=0.1154	Air Pollution Control District	8/4/2017
Cynthia	Sparks	S	1/11/2009	7.72		Sheriff's Department	12/15/2016
Karen	Thieme	G	5/7/2001	15.91		Health Care Agency	7/22/2017
Tim	Woodward	G	10/22/2006	10.62		Fire Protection District	7/7/2017
DEFERRED RETIREMENTS:							
Esmeralda	Barrozo	G	07/22/1990	29.23		Courts	08/24/2017
Katherine	Harley	G	07/22/2012	5.06		Health Care Agency	08/04/2017
Elizabeth	Hernandez	G	06/04/1986	10.78		Health Care Agency	08/24/2017
Charles	Houtz	G	07/10/2011	6.87		Health Care Agency	08/21/2017
Michelle	Mueller	G	03/23/1997	18.82		Health Care Agency	08/04/2017
Bethena	Nuzback	G	12/24/2000	5.08		Health Care Agency	08/04/2017
Christy	Pelham	G	10/09/2005	11.775		Health Care Agency	08/26/2017
Jennifer	Vergel	G	05/04/2002	14.77		Health Care Agency	08/04/2017
Kayla	Williams	G	01/25/2009	6.38		Health Care Agency	08/15/2017
SURVIVORS' CONTINUANCES:							
Eileen M.	Baldwin						
Dorothy M.	Campbell						
Valerie	Culpepper						
Stephie O.	Gushulak						
Kenneth S.	Gustafson						
Margaret L.	Gutierrez						
Dennis	Link						
James	Sears						

*** = Member Establishing Reciprocity**
A = Previous Membership
B = Other County Service (eg Extra Help)
C = Reciprocal Service
D = Public Service

Date: Wednesday, August 16, 2017
Time: 10:44AM
User: 104164

Ventura County Retirement Assn

Check Register - Standard

Period: 01-18 As of: 8/16/2017

Check Nbr	Check Type	Check Date	Vendor ID / Vendor Name	Period To Post	Period Closed	Ref Nbr	Doc Type	Invoice Number	Invoice Date	Discount Taken	Amount Paid
Company:	**VCERA**										
Acct / Sub:	10200		000000								
027115	HC	7/7/2017	ALLIANTINS ALLIANT INSURANCE SERVICES	01-18		000001	VO	ADMIN EXP	7/7/2017	0.00	84,588.00
027116	HC	7/7/2017	DIGITALDEP DIGITAL DEPLOYMENT	01-18		000002	VO	IT	7/7/2017	0.00	22,800.00
027117	HC	7/7/2017	EXECUTIVED EXECUTIVE DATA SYSTEMS, INC	01-18		000003	VO	IT	7/7/2017	0.00	585.00
027118	HC	7/13/2017	JOHNSTONCH CHRIS JOHNSTON	01-18		000004	VO	TRAVL/MILG REIM	7/13/2017	0.00	2,097.25
027119	HC	7/13/2017	TOWNERTRAC TRACY TOWNER	01-18		000005	VO	TRAVEL REIMB	7/13/2017	0.00	656.16
027120	HC	7/13/2017	BANKOFAMER BUSINESS CARD	01-18		000007	VO	ADMIN/IT	7/13/2017	0.00	3,781.05
027121	HC	7/13/2017	BROWNARMST BROWN ARMSTRONG	01-18		000009	VO	ADMIN EXP	7/13/2017	0.00	3,619.81
027122	HC	7/13/2017	BRENTWOODI BRENTWOOD IT	01-18		000008	VO	IT	7/13/2017	0.00	11,060.00
027123	HC	7/13/2017	CDWGOVERNM CDW GOVERNMENT	01-18		000006	VO	IT	7/13/2017	0.00	654.75
027124	HC	7/13/2017	FEDEX FEDEX	01-18		000010	VO	ADMIN EXP	7/13/2017	0.00	301.14
027125	HC	7/13/2017	HARRISWATE HARRIS WATER CONDITIONING	01-18		000011	VO	ADMIN EXP	7/13/2017	0.00	149.50
027126	HC	7/13/2017	HEXAVEST HEXAVEST INC.	01-18		000012	VO	INVESTMENT FEES	7/13/2017	0.00	100,937.34
027127	HC	7/13/2017	LINEASOLUT LINEA SOLUTIONS	01-18		000013	VO	ADMIN EXP	7/13/2017	0.00	13,375.00

Date: Wednesday, August 16, 2017
Time: 10:44AM
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Ventura County Retirement Assn

Check Register - Standard

Period: 01-18 As of: 8/16/2017

Check Nbr	Check Type	Check Date	Vendor ID / Vendor Name	Period To Post	Period Closed	Ref Nbr	Doc Type	Invoice Number	Invoice Date	Discount Taken	Amount Paid
027128	HC	7/13/2017	NOSSAMAN NOSSAMAN LLP	01-18		000014	VO	LEGAL FEES	7/13/2017	0.00	17,278.65
027129	HC	7/13/2017	SBSGROUP SBS GROUP	01-18		000015	VO	IT	7/13/2017	0.00	1,901.25
027130	HC	7/19/2017	WEBBLINDA LINDA WEBB	01-18		000016	VO	REIMBURSEMENT	7/19/2017	0.00	330.91
027131	HC	7/19/2017	GALLAGHERD DAN GALLAGHER	01-18		000017	VO	TRAVEL REIMB	7/19/2017	0.00	745.84
027132	HC	7/19/2017	BIANCHIROB ROBERT BIANCHI	01-18		000018	VO	TRAVEL REIMB	7/19/2017	0.00	663.38
027133	HC	7/19/2017	ACCESSINFO ACCESS INFORMATION PROTEC	01-18		000019	VO	ADMIN EXP	7/19/2017	0.00	359.73
027134	HC	7/19/2017	ABUCOURTRE A.B.U. COURT REPORTING, INC	01-18		000020	VO	ADMIN EXP	7/19/2017	0.00	315.00
027135	HC	7/19/2017	ATTMOBILIT AT&T MOBILITY	01-18		000021	VO	IT	7/19/2017	0.00	435.54
027136	HC	7/19/2017	CASTRATEGI CALIFORNIA STRATEGIES AND A	01-18		000022	VO	ADMIN EXP	7/19/2017	0.00	2,500.00
027137	HC	7/19/2017	FEDEX FEDEX	01-18		000023	VO	ADMIN EXP	7/19/2017	0.00	27.41
027138	HC	7/19/2017	GLOBALCAPA GLOBAL CAPACITY	01-18		000024	VO	IT	7/19/2017	0.00	603.63
027139	HC	7/19/2017	REAMSASSET REAMS ASSET MANAGEMENT	01-18		000025	VO	INVESTMENT FEES	7/19/2017	0.00	133,845.00
027140	HC	7/19/2017	SACRS SACRS	01-18		000026	VO	ADMIN EXP	7/19/2017	0.00	4,000.00

Date: Wednesday, August 16, 2017
Time: 10:44AM
User: 104164

Ventura County Retirement Assn

Check Register - Standard

Period: 01-18 As of: 8/16/2017

Check Nbr	Check Type	Check Date	Vendor ID / Vendor Name	Period To Post	Period Closed	Ref Nbr	Doc Type	Invoice Number	Invoice Date	Discount Taken	Amount Paid
027141	HC	7/19/2017	TIMEWARNER TIME WARNER CABLE	01-18		000027	VO	IT	7/19/2017	0.00	294.99
027142	HC	7/19/2017	STROUDDESI STROUD DESIGN, INC	01-18		000028	VO	ADMIN EXP	7/19/2017	0.00	787.50
027143	HC	7/19/2017	TRICOUNTYO TRI COUNTY OFFICE FURNITURI	01-18		000029	VO	ADMIN EXP	7/19/2017	0.00	492.73
027144	HC	7/19/2017	VOLTMANAGE VOLT MANAGEMENT CORP.	01-18		000030	VO	ADMIN EXP	7/19/2017	0.00	993.96
027145	HC	7/26/2017	TOWNERTRAC TRACY TOWNER	01-18		000031	VO	TRAVEL REIMB	7/26/2017	0.00	555.76
027146	HC	7/26/2017	BIANCHIROB ROBERT BIANCHI	01-18		000032	VO	MILEAGE REIMB	7/26/2017	0.00	57.78
027147	HC	7/26/2017	ADP ADP, LLC	01-18		000033	VO	ADMIN EXP	7/26/2017	0.00	2,821.70
027148	HC	7/26/2017	MFDAILYCOR M.F. DAILY CORPORATION	01-18		000034	VO	ADMIN EXP	7/26/2017	0.00	17,363.95
027149	HC	7/26/2017	THOMSONREU THOMSON REUTERS- WEST	01-18		000035	VO	IT	7/26/2017	0.00	357.00
027150	HC	7/26/2017	SBSGROUP SBS GROUP	01-18		000036	VO	IT	7/26/2017	0.00	1,901.25
027151	HC	7/26/2017	SHREDITUSA SHRED-IT USA	01-18		000037	VO	ADMIN EXP	7/26/2017	0.00	145.86
027152	HC	7/26/2017	VITECHSYST VITECH SYSTEMS GROUP, INC.	01-18		000038	VO	IT/PAS	7/26/2017	0.00	158,785.00
027153	HC	7/26/2017	VOLTMANAGE VOLT MANAGEMENT CORP.	01-18		000039	VO	ADMIN EXP	7/26/2017	0.00	662.64
027154	HC	7/26/2017	WISSLEYDEB DEBORAH Z. WISSLEY	01-18		000040	VO	ADMIN EXP	7/26/2017	0.00	507.50

Ventura County Retirement Assn

Check Register - Standard

Period: 01-18 As of: 8/16/2017

Check Nbr	Check Type	Check Date	Vendor ID / Vendor Name	Period To Post	Period Closed	Ref Nbr	Doc Type	Invoice Number	Invoice Date	Discount Taken	Amount Paid
027155	HC	7/26/2017	BOARDOFEQU BOARD OF EQUALIZATION	01-18		000041	VO	ADMIN EXP	7/26/2017	0.00	39.00
027156	HC	7/28/2017	TUMBLESONE EDWARD E. TUMBLESON	01-18		000042	VO	PENSION PYMT	7/28/2017	0.00	5,126.08

Check Count: 42

Acct Sub Total: **598,504.04**

Check Type	Count	Amount Paid
Regular	0	0.00
Hand	42	598,504.04
Electronic Payment	0	0.00
Void	0	0.00
Stub	0	0.00
Zero	0	0.00
Mask	0	0.00
Total:	**42**	**598,504.04**

Company Disc Total **0.00**

Company Total **598,504.04**

Date: Thursday, September 07, 2017
Time: 02:59PM
User: 104164

Ventura County Retirement Assn

Check Register - Standard

Period: 02-18 As of: 9/7/2017

Check Nbr	Check Type	Check Date	Vendor ID / Vendor Name	Period To Post	Period Closed	Ref Nbr	Doc Type	Invoice Number	Invoice Date	Discount Taken	Amount Paid
Company:	**VCERA**										
Acct / Sub:	10200		000000								
027157	HC	8/2/2017	ARNETTDOUG DOUGLAS ARNETT	02-18		000043	VO	REIMBURSEMENT	8/2/2017	0.00	2,000.00
027158	HC	8/2/2017	LOOMISSAYL LOOMIS, SAYLES & COMPANY, L	02-18		000044	VO	INVESTMENT FEES	8/2/2017	0.00	123,044.78
027159	HC	8/2/2017	NOSSAMAN NOSSAMAN LLP	02-18		000045	VO	LEGAL FEES	8/2/2017	0.00	2,797.20
027160	HC	8/2/2017	PARAMETRIC PARAMETRIC PORTFOLIO ASSO	02-18		000046	VO	INVESTMENT FEES	8/2/2017	0.00	39,567.00
027161	HC	8/2/2017	TORTOISECA TORTOISE CAPITAL ADVISORS,	02-18		000047	VO	INVESTMENT FEES	8/2/2017	0.00	190,387.96
027162	HC	8/2/2017	STAPLESADV STAPLES ADVANTAGE	02-18		000048	VO	ADMIN EXP	8/2/2017	0.00	629.62
027163	HC	8/2/2017	VITECHSYST VITECH SYSTEMS GROUP, INC.	02-18		000049	VO	IT/PAS	8/2/2017	0.00	91,807.39
027164	HC	8/3/2017	RICECHERYL CHERYL A. RICE	02-18		000059	VO	PENSION PYMT	8/3/2017	0.00	1,578.12
027165	HC	8/9/2017	BRENTWOODI BRENTWOOD IT	02-18		000050	VO	IT	8/9/2017	0.00	5,005.00
027166	HC	8/9/2017	FEDEX FEDEX	02-18		000051	VO	ADMIN EXP	8/9/2017	0.00	82.83
027167	HC	8/9/2017	GLOBALCAPA GLOBAL CAPACITY	02-18		000052	VO	IT	8/9/2017	0.00	603.63
027168	HC	8/9/2017	HARRISWATE HARRIS WATER CONDITIONING	02-18		000053	VO	ADMIN EXP	8/9/2017	0.00	99.50
027169	HC	8/9/2017	NOSSAMAN NOSSAMAN LLP	02-18		000054	VO	LEGAL FEES	8/9/2017	0.00	19,070.55

Date: Thursday, September 07, 2017
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Ventura County Retirement Assn

Check Register - Standard

Period: 02-18 As of: 9/7/2017

Check Nbr	Check Type	Check Date	Vendor ID / Vendor Name	Period To Post	Period Closed	Ref Nbr	Doc Type	Invoice Number	Invoice Date	Discount Taken	Amount Paid
027170	HC	8/9/2017	SPRUCEGROV SPRUCEGROVE INVESTMENT M	02-18		000055	VO	INVESTMENT FEES	8/9/2017	0.00	62,468.02
027171	HC	8/9/2017	VITECHSYST VITECH SYSTEMS GROUP, INC.	02-18		000056	VO	IT/PAS	8/9/2017	0.00	244,820.00
027172	HC	8/9/2017	VOLTMANAGE VOLT MANAGEMENT CORP.	02-18		000057	VO	ADMIN EXP	8/9/2017	0.00	1,518.55
027173	HC	8/9/2017	WALTERSCOT BNY MELLON INV MGMT CAYMA	02-18		000058	VO	INVESTMENT FEES	8/9/2017	0.00	232,630.54
027174	CK	8/17/2017	ACCESSINFO ACCESS INFORMATION PROTEC	02-18		000062	VO	ADMIN EXP	8/17/2017	0.00	326.52
027175	CK	8/17/2017	BANKOFAMER BUSINESS CARD	02-18		000063	VO	ADMIN/IT	8/17/2017	0.00	220.21
027176	CK	8/17/2017	DILIGENTCO DILIGENT CORPORATION	02-18		000064	VO	IT	8/17/2017	0.00	15,500.00
027177	CK	8/17/2017	FEDEX FEDEX	02-18		000065	VO	ADMIN EXP	8/17/2017	0.00	46.94
027178	CK	8/17/2017	LINEASOLUT LINEA SOLUTIONS	02-18		000066	VO	ADMIN EXP	8/17/2017	0.00	11,287.50
027179	CK	8/17/2017	PUBLICPENS PUBLIC PENSION FINANCIAL FO	02-18		000067	VO	ADMIN EXP	8/17/2017	0.00	400.00
027180	CK	8/17/2017	SBSGROUP SBS GROUP	02-18		000068	VO	IT	8/17/2017	0.00	2,973.75
027181	CK	8/17/2017	SCANLANKAR KAREN SCANLAN	02-18		000060	VO	REIMBURSEMENT	8/17/2017	0.00	2,000.00
027182	CK	8/17/2017	SHREDITUSA SHRED-IT USA	02-18		000069	VO	ADMIN EXP	8/17/2017	0.00	291.72

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Time: 02:59PM
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Ventura County Retirement Assn

Check Register - Standard

Period: 02-18 As of: 9/7/2017

Check Nbr	Check Type	Check Date	Vendor ID / Vendor Name	Period To Post	Period Closed	Ref Nbr	Doc Type	Invoice Number	Invoice Date	Discount Taken	Amount Paid
027183	CK	8/17/2017	SOLISHENRY HENRY SOLIS	02-18		000061	VO	REIMBURSEMENT	8/17/2017	0.00	150.00
027184	CK	8/17/2017	STATESTREE STATE STREET BANK AND TRUS	02-18		000070	VO	INVESTMENT FEES	8/17/2017	0.00	81,828.79
027185	CK	8/17/2017	THOMSONREU THOMSON REUTERS- WEST	02-18		000072	VO	IT	8/17/2017	0.00	357.00
027186	CK	8/17/2017	TRICOUNTYO TRI COUNTY OFFICE FURNITURI	02-18		000071	VO	ADMIN EXP	8/17/2017	0.00	18,018.92
027187	CK	8/17/2017	VOLTMANAGE VOLT MANAGEMENT CORP.	02-18		000073	VO	ADMIN EXP	8/17/2017	0.00	3,765.31
027188	CK	8/17/2017	WESTERNASS WESTERN ASSET MANAGEMEN	02-18		000074	VO	INVESTMENT FEES	8/17/2017	0.00	211,921.07
027189	CK	8/23/2017	ADP ADP, LLC	02-18		000075	VO	ADMIN EXP	8/23/2017	0.00	2,895.04
027190	CK	8/23/2017	ATTMOBILIT AT&T MOBILITY	02-18		000076	VO	IT	8/23/2017	0.00	358.19
027191	CK	8/23/2017	BROWNARMST BROWN ARMSTRONG	02-18		000077	VO	ADMIN EXP	8/23/2017	0.00	3,079.93
027192	CK	8/23/2017	FEDEX FEDEX	02-18		000078	VO	ADMIN EXP	8/23/2017	0.00	24.92
027193	CK	8/23/2017	MFDAILYCOR M.F. DAILY CORPORATION	02-18		000079	VO	ADMIN EXP	8/23/2017	0.00	17,363.95
027194	CK	8/23/2017	PRUDENTIAL PRUDENTIAL INSURANCE	02-18		000080	VO	INVESTMENT FEES	8/23/2017	0.00	138,838.58
027195	CK	8/23/2017	SBSGROUP SBS GROUP	02-18		000081	VO	IT	8/23/2017	0.00	633.75
027196	CK	8/23/2017	SEGALCONSU SEGAL CONSULTING	02-18		000082	VO	ACTUARY FEES	8/23/2017	0.00	3,024.00

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Period: 02-18 As of: 9/7/2017

Check Nbr	Check Type	Check Date	Vendor ID / Vendor Name	Period To Post	Period Closed	Ref Nbr	Doc Type	Invoice Number	Invoice Date	Discount Taken	Amount Paid
027197	CK	8/23/2017	TIMEWARNER TIME WARNER CABLE	02-18		000083	VO	IT	8/23/2017	0.00	294.99
027198	CK	8/23/2017	VITECHSYST VITECH SYSTEMS GROUP, INC.	02-18		000084	VO	IT	8/23/2017	0.00	60,005.00
027199	CK	8/23/2017	VOLTMANAGE VOLT MANAGEMENT CORP.	02-18		000085	VO	ADMIN EXP	8/23/2017	0.00	1,104.40
027200	CK	8/30/2017	BLACKROCKI BLACKROCK INSTITUTIONAL TR	02-18		000086	VO	INVESTMENT FEES	8/30/2017	0.00	220,401.80
027201	CK	8/30/2017	CASTRATEGI CALIFORNIA STRATEGIES AND A	02-18		000087	VO	ADMIN EXP	8/30/2017	0.00	2,500.00
027202	CK	8/30/2017	FEDEX FEDEX	02-18		000088	VO	ADMIN EXP	8/30/2017	0.00	48.50
027203	CK	8/30/2017	NOSSAMAN NOSSAMAN LLP	02-18		000089	VO	LEGAL FEES	8/30/2017	0.00	4,259.70
027204	CK	8/30/2017	VSGHOSTING VSG HOSTING, INC.	02-18		000090	VO	IT	8/30/2017	0.00	19,500.00

Check Count: 48

Acct Sub Total: **1,841,531.17**

Check Type	Count	Amount Paid
Regular	31	823,420.48
Hand	17	1,018,110.69
Electronic Payment	0	0.00
Void	0	0.00
Stub	0	0.00
Zero	0	0.00
Mask	0	0.00
Total:	**48**	**1,841,531.17**

Company Disc Total **0.00**

Company Total **1,841,531.17**

VENTURA COUNTY EMPLOYEES' RETIREMENT ASSOCIATION
STATEMENT OF FIDUCIARY NET POSITION
JUNE 30, 2017 (UNAUDITED)

ASSETS

CASH & CASH EQUIVALENTS	$113,845,651
RECEIVABLES	
EMPLOYER/EMPLOYEE CONTRIBUTIONS	9,565,843
ACCRUED INTEREST AND DIVIDENDS	2,832,421
SECURITY SALES	15,863,678
MISCELLANEOUS	33,621
TOTAL RECEIVABLES	28,295,564
INVESTMENTS AT FAIR VALUE	
DOMESTIC EQUITY SECURITIES	141,331,178
DOMESTIC EQUITY INDEX FUNDS	1,403,935,107
INTERNATIONAL EQUITY SECURITIES	407,277,669
INTERNATIONAL EQUITY INDEX FUNDS	391,107,141
GLOBAL EQUITY	537,900,281
PRIVATE EQUITY	208,663,200
DOMESTIC FIXED INCOME - CORE PLUS	725,669,164
DOMESTIC FIXED INCOME - U.S. INDEX	220,274,638
REAL ESTATE	391,122,352
ALTERNATIVES	413,494,190
CASH OVERLAY - PARAMETRIC	13,350
TOTAL INVESTMENTS	4,840,788,271
COLLATERAL HELD FOR SECURITIES LENDING	44,704,884
CAPITAL ASSET - SOFTWARE DEVELOPMENT	14,507,383
TOTAL ASSETS	5,042,141,753

LIABILITIES

SECURITY PURCHASES PAYABLE	27,617,313
ACCOUNTS PAYABLE	2,466,977
TAX WITHHOLDING PAYABLE	3,079,970
PREPAID CONTRIBUTIONS	25,834
COLLATERAL HELD FOR SECURITIES LENDING	44,704,884
TOTAL LIABILITIES	77,894,977
NET POSITION RESTRICTED FOR PENSIONS	$4,964,246,776

08/16/2017

VENTURA COUNTY EMPLOYEES' RETIREMENT ASSOCIATION
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FOR THE TWELVE MONTHS ENDING JUNE 30, 2017 (UNAUDITED)

ADDITIONS	
CONTRIBUTIONS	
EMPLOYER	$190,759,001
EMPLOYEE	72,394,542
TOTAL CONTRIBUTIONS	**263,153,543**
INVESTMENT INCOME	
NET APPRECIATION (DEPRECIATION) IN FAIR VALUE OF INVESTMENTS	551,250,810
INTEREST INCOME	14,514,191
DIVIDEND INCOME	12,420,347
REAL ESTATE OPERATING INCOME, NET	16,899,051
SECURITY LENDING INCOME	574,869
TOTAL INVESTMENT INCOME	**595,659,269**
LESS INVESTMENT EXPENSES	
MANAGEMENT & CUSTODIAL FEES	14,744,548
SECURITIES LENDING BORROWER REBATES	304,477
SECURITIES LENDING MANAGEMENT FEES	84,274
TOTAL INVESTMENT EXPENSES	**15,133,298**
NET INVESTMENT INCOME/(LOSS)	**580,525,971**
TOTAL ADDITIONS	**843,679,514**
DEDUCTIONS	
BENEFIT PAYMENTS	255,580,660
MEMBER REFUNDS	5,164,413
ADMINISTRATIVE EXPENSES	5,524,373
TOTAL DEDUCTIONS	**266,269,446**
NET INCREASE/(DECREASE)	**577,410,067**
NET POSITION RESTRICTED FOR PENSIONS	
BEGINNING OF YEAR	**4,386,836,709**
ENDING BALANCE	**$4,964,246,776**

08/16/2017

VENTURA COUNTY EMPLOYEES' RETIREMENT ASSOCIATION
INVESTMENTS AND CASH EQUIVALENTS
JUNE 30, 2017 (UNAUDITED)

EQUITY		
DOMESTIC EQUITY		
WESTERN ASSET INDEX PLUS	$141,331,178	$37,660,893
TOTAL DOMESTIC EQUITY	**141,331,178**	**37,660,893**
DOMESTIC INDEX FUNDS		
BLACKROCK - US EQUITY MARKET	1,348,338,946	0
BLACKROCK - EXTENDED EQUITY	55,596,161	0
TOTAL EQUITY INDEX FUNDS	**1,403,935,107**	**0**
INTERNATIONAL EQUITY		
SPRUCEGROVE	205,846,500	0
HEXAVEST	89,006,040	0
WALTER SCOTT	112,425,129	0
TOTAL INTERNATIONAL EQUITY	**407,277,669**	**0**
INTERNATIONAL INDEX FUNDS		
BLACKROCK - ACWIXUS	391,107,141	0
TOTAL INTERNATIONAL INDEX FUNDS	**391,107,141**	**0**
GLOBAL EQUITY		
BLACKROCK - GLOBAL INDEX	537,900,281	0
TOTAL GLOBAL EQUITY	**537,900,281**	**0**
PRIVATE EQUITY		
ADAMS STREET	120,274,259	0
PANTHEON	25,202,664	0
HARBOURVEST	62,590,298	0
DRIVE CAPITAL	595,979	0
TOTAL PRIVATE EQUITY	**208,663,200**	**0**
FIXED INCOME		
DOMESTIC		
LOOMIS SAYLES AND COMPANY	77,628,038	2,732,365
LOOMIS SAYLES - ALPHA	45,036,733	0
REAMS	306,919,284	2,191
WESTERN ASSET MANAGEMENT	296,085,110	2,221,134
TOTAL DOMESTIC	**725,669,164**	**4,955,691**
DOMESTIC INDEX FUNDS		
BLACKROCK - US DEBT INDEX	220,274,638	0
TOTAL DOMESTIC INDEX FUNDS	**220,274,638**	**0**
REAL ESTATE		
PRUDENTIAL REAL ESTATE	139,056,749	0
RREEF	174,186	0
UBS REALTY	251,891,417	0
TOTAL REAL ESTATE	**391,122,352**	**0**

08/16/2017

VENTURA COUNTY EMPLOYEES' RETIREMENT ASSOCIATION
INVESTMENTS AND CASH EQUIVALENTS
JUNE 30, 2017 (UNAUDITED)

ALTERNATIVES		
BRIDGEWATER	294,823,475	0
TORTOISE (MLP's)	118,670,715	3,177,578
TOTAL ALTERNATIVES	413,494,190	3,177,578
CASH OVERLAY - PARAMETRIC	13,350	60,701,391
IN HOUSE CASH		7,350,099
TOTAL INVESTMENTS AND CASH	$4,840,788,271	$113,845,651

08/16/2017

VENTURA COUNTY EMPLOYEES' RETIREMENT ASSOCIATION
SCHEDULE OF INVESTMENT MANAGEMENT FEES
FOR THE TWELVE MONTHS ENDED JUNE 30, 2017 (UNAUDITED)

EQUITY MANAGERS	
DOMESTIC	
BLACKROCK - US EQUITY	$262,155
BLACKROCK - EXTENDED EQUITY	19,076
WESTERN ASSET INDEX PLUS	299,103
TOTAL	**580,334**
INTERNATIONAL	
BLACKROCK - ACWIXUS	341,787
SPRUCEGROVE	710,779
HEXAVEST	379,967
WALTER SCOTT	880,958
TOTAL	**2,313,491**
GLOBAL	
GRANTHAM MAYO VAN OTTERLOO (GMO)	297,518
BLACKROCK - GLOBAL INDEX	175,197
TOTAL	**472,715**
PRIVATE EQUITY	
ADAMS STREET	1,730,127
DRIVE CAPITAL	250,000
HARBOURVEST	958,724
PANTHEON	600,069
TOTAL	**3,538,920**
FIXED INCOME MANAGERS	
DOMESTIC	
BLACKROCK - US DEBT INDEX	122,612
LOOMIS, SAYLES AND COMPANY	305,076
LOOMIS ALPHA	177,076
REAMS ASSET MANAGEMENT	530,165
WESTERN ASSET MANAGEMENT	526,075
TOTAL	**1,661,004**
REAL ESTATE	
PRUDENTIAL REAL ESTATE ADVISORS	1,163,278
RREEF	4,209
UBS REALTY	2,328,269
TOTAL	**3,495,756**
ALTERNATIVES	
BRIDGEWATER	1,116,409
TORTOISE	768,939
TOTAL	**1,885,349**
CASH OVERLAY - PARAMETRIC	**172,468**
SECURITIES LENDING	
BORROWERS REBATE	304,477
MANAGEMENT FEES	84,274
TOTAL	**388,751**

VENTURA COUNTY EMPLOYEES' RETIREMENT ASSOCIATION
SCHEDULE OF INVESTMENT MANAGEMENT FEES
FOR THE TWELVE MONTHS ENDED JUNE 30, 2017 (UNAUDITED)

OTHER	
INVESTMENT CONSULTANT	296,658
INVESTMENT CUSTODIAN	327,853
TOTAL	624,510
TOTAL INVESTMENT MANAGEMENT FEES	$15,133,298

Ventura County Employee's Retirement Association
Statement of Reserves
June 30, 2017

VALUATION RESERVES:				
MEMBER CONTRIBUTIONS	$	725,090,318		
EMPLOYER ADVANCE		2,599,031,480		
(EMPLOYER LIABILITY DIFFERENTIAL)		(1,084,273,390)		
RETIREE		2,561,943,002		
VESTED FIXED SUPPLEMENTAL ($108.44)		142,035,760		
SUPPLEMENTAL DEATH BENEFIT		15,242,982		
UNDISTRIBUTED EARNINGS		-		
TOTAL VALUATION			$	4,959,070,151
NON- VALUATION RESERVES:				
STAR COLA	$	-		
SUPPLEMENTAL MEDICAL ($27.50)		4,582,871		
CONTINGENCY		-		
TOTAL NON-VALUATION			$	4,582,871
TOTAL RESERVES (ACTUARIAL VALUATION)			$	4,963,653,022
MARKET STABILIZATION				593,754
TOTAL RESERVES (MARKET VALUE)			$	4,964,246,776

VCERA
VENTURA COUNTY EMPLOYEES' RETIREMENT ASSOCIATION

September 25, 2017

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

SUBJECT: POSTPONEMENT OF BOARD ACTION ON MBPP AND HCA FISCAL PREMIUM PAY PENDING DISCUSSIONS BETWEEN COUNTY COUNSEL AND VCERA COUNSEL

Dear Board Members:

On September 11, 2017, the Board of Trustees released outside Counsel's confidential memorandum on Market-Based Premium Pay (MBPP) and HCA Fiscal Premium Pay and postponed action on both pay items until September 25th to allow time for County review.

Since that time, VCERA outside Counsel Ashley Dunning and County Counsel Leroy Smith have been in contact about the issue of MBPP. Those discussions are currently ongoing.

Staff supports postponing action while the respective counsels confer. Chair Towner and Trustee Sedell have been in contact with County Chief Executive Officer Mike Powers and County Counsel Leroy Smith, and both trustees support staff's recommendation, in the belief this will result in the best possible outcome.

RECOMMENDATION: POSTPONE ACTION REGARDING THE PENSIONABILITY OF MARKET-BASED PREMIUM PAY (MBPP) AND HCA FISCAL PREMIUM PAY UNTIL THE OCTOBER 9, 2017 DISABILITY MEETING.

Sincerely,

Linda Webb
Retirement Administrator

VCERA
VENTURA COUNTY EMPLOYEES' RETIREMENT ASSOCIATION

June 19, 2017

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

SUBJECT: EVALUATION OF COUNTY OF VENTURA'S PROPOSAL OF A PUBLICLY AVAILABLE PAY SCHEDULE FOR MARKET BASED PREMIUM PAY (MBPP) AND REVIEW OF NEW INFORMATION ON MBPP SINCE BOARD ACTION OF OCTOBER 15, 2015

Dear Board Members:

On March 13, 2017, the Board authorized staff to conduct, in consultation with outside counsel, a further review of the County's most recent submission of a proposed publicly-available pay schedule of market-based premium pay ("MBPP") items and to examine new or additional information on MBPP obtained subsequent to the Board action of October 15, 2015 to settle the matter of its pensionability. Further, the Board requested further guidelines for inclusion/exclusion of discretionary pay items in pensionable compensation under PEPRA.

Specifically, staff has considered the following questions/issues in regard to MBPP[1]:

1) Has the County of Ventura complied with the VCERA Board of Retirement's request for a publicly-available pay schedule for MBPP?
2) Given the developments and additional information gathered or received since October 2015, are MBPP and other discretionary pay items within the Board's discretion to include in pensionable compensation under PEPRA and the Board's Resolution? If yes, see Question #3 below. If no, see Question #4 below.
3) If it is permissible for discretionary pay items within a group or class, such as MBPP, to be included in pensionable compensation, what guidelines/parameters may be applied by the VCERA Board and staff to evaluate such pay items in the future?
4) If it is not permissible for discretionary pay items, such as MBPP, to be included in pensionable compensation, what specific changes could be made to allow for future inclusion?

Background/History

At its October 19, 2015 business meeting, the Board of Retirement of the Ventura County Employees' Retirement Association ("Board") took action on individual pay codes pursuant to its November 2014

[1] Staff's answers to questions begin on page 12 after analysis.

resolution interpreting "pensionable compensation" under Government Code section 7522.34. That action identified pay codes to be included in, and excluded from, "pensionable compensation" applicable to VCERA members who first join the retirement system (without reciprocal eligibility) on or after January 1, 2013 (PEPRA members). The resulting addenda to the Board's original Pensionable Compensation Resolution was provided to the County of Ventura after that meeting.

Prior to the Board's adoption of both the original Resolution in 2014 and its addenda in October 2015, the County of Ventura advocated for market-based premium pay items ("MBPP") to be included in pensionable compensation under PEPRA. While Counsel's October 15, 2015 memorandum to the Board recommended exclusion of MBPP from pensionable compensation, it opined that exclusion was not expressly mandated by PEPRA. The Board ultimately included MBPP items, but as part of the action, the Board requested that the Ventura County Board of Supervisors create a publicly available schedule of MBPP pay codes, as required by PEPRA, by July 1, 2016.

Producing a publicly available pay schedule in response to the Board's request proved problematic. The County submitted documents on three different occasions (4th time pending); for the first 2 submissions, the objective criteria originally presented to VCERA – date of hire - was missing. Date of hire was also dismissed in correspondence from the County as simply one of several things considered in granting MBPP. Later with the 3rd submission, County HR Director Shawn Atin stated that VCERA was placing too much emphasis on date of hire; this was confusing given the County's prior characterization of date of hire as the primary objective criteria for MBPP the previous October.

The following reflects the 3 attempts by the County to publish a publicly-available pay schedule for MBPP:

- May 9, 2016: a list of the ten (10) MBPP pay codes and a matrix of non-MBPP earnings codes and the different categories of members, showing which categories have those codes included in pensionable compensation. (Attachment A)
- June 6, 2016: an update to the County Job Code & Salary Listing by Job Title showing a page insertion listing the job title/classifications eligible receive MBPP with the job codes, union, and MBPP range. (Attachment B)
- June 30, 2016: additional update to the Job Code & Salary Listing by Job Title to include a link to an alphabetical list of 161 employees, along with their dates of hire which range from 1979 to 2016. (Attachment C)

Staff was unable to report to the Board that any of the above listed submissions fulfilled the Board's request. Specifically, the submissions lacked the requirements of the Board of Retirement's Resolution to identify the conditions for payment and the means of identifying a similarly-situated group or class of employment.

Staff responded to the County that identifying individuals who receive MBPP does not adequately identify why their group was selected to receive it. Staff requested that if date of hire was not the criteria and basis by which those receiving MBPP were deemed to be "similarly situated members of the same group or class of employment", an alternate objective criteria be provided.

The County disagreed, responding after the June 6th posting that it believed its submission represented a good faith effort at full compliance. Then, on June 30th, the County added a list of the 161 employees in the job classifications eligible for MBPP with their hire dates – regardless of whether or not they actually received MBPP.

In September 2016, with a pending staff recommendation to the Board to reconsider MBPP as pensionable under its Resolution in absence of the required publicly available pay schedule, staff agreed to meet with County Human Resources to discuss the requirements of a publicly available pay schedule, and subsequently met twice for these discussions. During those meetings, Mr. Atin suggested that a potential solution would be for base pay ranges to be increased in the pay schedule with such increase bearing g an asterisk/footnote which explained that MBPP was paid in accordance with the MOA. Staff did not believe this would meet the requirement; however, the most recent submission uses this approach.

Recent Submission (Attachment D)
Human Resources recently proposed a different approach for providing a publicly available pay schedule for MBPP. They have provided materials to staff to illustrate the approach, which consist of the following:

- Expand the table on page 3 of the County of Ventura's Classification and Salary Listing document, to include 9 classifications whose employees are not receiving MBPP but eligible for it according to the MOA. (Previously, the table only included the 17 classifications where some or all employees received MBPP.)
- Insert the following notation/paragraph above the table:
  **The classifications listed below have been designated eligible to receive Market Based Premium Pay (MBPP) per Section 622 of the Service Employees International Union (SEIU) Memorandum of Agreement (MOA). The top of each salary range has been increased by the hourly amount indicated below in the form of MBPP and will be paid in accordance to the provisions of the MOA.*
- For the positions for which the County has discretion to pay MBPP, the individual job descriptions documents would have nearly identical text added (only with specific maximum MBPP hourly amount indicated). The maximum amounts of the base pay ranges listed on the documents would be adjusted to accommodate the maximum possible amount of MBPP the County may choose to grant under the separate MOA agreement.

VCERA staff has reviewed this proposed approach, specifically in the context of the criteria for a publicly available pay schedule under Government Code 7522.34 and Resolution of the Board of Retirement of Ventura County Employees' Retirement Association (VCERA) Regarding Pensionable Compensation Determination.

Our difficulty in assessing the latest approach is that modifying a base pay range to include compensation not available to all who are similarly situated within the job classification seems to

undermine the entire purpose of a pay schedule. From staff's perspective, such an approach implies that the additional compensation provided to particular individuals is available to other similarly situated employees, which is not the case. Put simply, staff cannot reconcile how discretionary pay components can be listed in a schedule or document designed for describing objective criteria when the pay items themselves are not, by nature, objective.

Further, extending the base pay range for only some within a classification seems in conflict with the MOA's Sections 516 – 519, which describe the conditions for salary increases under specific conditions based on performance, and consisting of approximately 5% within the range. (See Attachment M.) Because the Board requested that staff work with the County on reaching a resolution, VCERA looked at the data closely to try to detect patterns; in reviewing that data, the original concerns and arguments against inclusion of MBPP intensified as the data showed multiple applications of MBPP that were contrary to the information submitted by the interested parties to the Board in 2015.

<u>The Board's MBPP Decision: Then and Now</u>
During the 2015 review, Counsel agreed with VCERA staff that inclusion of MBPP and discretionary pay items in general was problematic under both PEPRA and the Board's Resolution, and thus, recommended exclusion. However, Counsel's memorandum opined that because exclusion was not absolutely mandated by PEPRA, the Board of Retirement had discretion to include as pensionable. This conclusion was based largely on information provided by stakeholders, which asserted:

County of Ventura

- The date of hire determined receipt of MBPP, and commonality in hire date ranges constituted "similarly situated".

SEIU

- The conditions for payment of MBPP are clearly defined, and not flexible;
- MBPP items are established and/or modified based on a mathematical calculation triggered by the market average pay rate for comparable classifications issued through a periodic labor market survey report from the Hospital Association of Southern California ("HASC study");
- MBPP is issued to all employees in a County classification, including both existing employees and new hires. Further, the HASC study is an external factor, thus removing any risk of arbitrary payment;
- Reduction or discontinuation of MBPP may only occur if the total hourly rate (base plus MBPP) paid to an employee exceeds the market average pay rate by more than 5%.

In the course of reviewing the County of Ventura's pay schedule submissions, VCERA conducted a more thorough analysis of payroll data and made additional inquiries of HR to determine how MBPP was being administered. As a result, staff cannot ignore apparent conflicts between the actual administration of MBPP and the information provided and available to the Board in October 2015. Taken with the compelling data indicating the application/payment of MBPP currently and over time, the conflicts become even more problematic. Much of this information – particularly the data of how MBPP is paid in actuality - was certainly not available to SEIU when its feedback was submitted. In

short, SEIU's understanding of how MBPP is paid and administered by the County of Ventura appears inconsistent with the manner in which the County is actually administering the benefit.

Inconsistency #1: Date of Hire

It is now clear that the date of hire criteria does not directly correlate with receipt of MBPP. In fact, subsequent to the Board's action in October 2015, the County has retreated from its initial position that date of hire was the primary objective criteria for determining eligibility for MBPP. This may be in part from personnel changes; staff initially worked with Assistant County Executive Officer Paul Derse, who retired in January of 2016. He served as the County's point of contact, and met with VCERA staff and spoke to the Board on MBPP in open session on separate occasions. After the Board's October 2015 action, incoming Human Resources Director Shawn Atin became the primary point of contact for submission of the requested pay schedule.

In 2015, Assistant CEO Derse related that payment of MBPP was based on date of hire of a particular individual, which served to establish a similarly-situated sub group or class eligible to receive MBPP payment within a given job title. (See Attachment H) A comprehensive review of payroll data of how MBPP is actually paid to employees across job classifications, however, provides no clear connection between receipt of MBPP and hire dates. (See Attachment L.)

Mr. Atin's statements and explanations about MBPP in Board meetings and in his written correspondence do not conflict with staff's findings, but they present a noted departure from the statements and explanations made by his predecessor Mr. Derse in 2015. Mr. Atin asserts that MBPP is indeed discretionary, but that this does not preclude it from being pensionable under PEPRA. He has reasoned that base pay itself is discretionary, as the employer has discretion to place an employee anywhere within the posted range; and because the County sees MBPP to be "akin" to base pay, its discretionary nature is not a hindrance to pensionability.

Inconsistency #2: Lack of Defined Process

The results of the independent HASC study (to which the County subscribes) were credited by SEIU as the trigger for MBPP adjustments; however, the data does not support this in either timing or substance. Rather, while application/payment is typically applied to all in a classification at establishment of a pay item (though not always), modifications to an existing MBPP do not appear to trend towards the post-HASC study period. In fact, the data shows no common time for MBPPs to increase for existing employees, and our feedback from HCA staff indicates that MBPPs may be added or modified at an individual level at any time or as needed, without a tie to the study.

In its stakeholder feedback (Attachments I and J), SEIU referenced Section 622 of the SEIU Local 721/County Memorandum of Understanding, which describes the terms for MBPP. Section 622, which refers to the premium pay as a "recruitment and retention bonus," references a market study. However, the study in no way binds the County in regard to the payment of MBPP. So while the statement that MBPPs are reviewed in light of the study's results is likely correct, the results do not trigger any automatic increases or decreases in MBPP. Market studies may be used or disregarded at the County's discretion. HCA also indicated that in practice, the study is just one of many factors

considered, and that conditions such as a budget shortfall or surplus, or a potential resignation or retirement of a valuable employee (retention) can trigger action on MBPP.

This information seems to undermine SEIU's view of MBPP's "automatic" adjustment as a result of the HASC study. It should be noted that neither the HASC market study itself nor a report/summary of the results with the corresponding impact on MBPP payment are publicly available.

While the MOA used softer "may" language instead of stronger "shall" language, the consistency of MBPP's application (as submitted by SEIU) served to "shore up" the weaker language originally. Now, however, with the County's labeling of MBPP as discretionary and its clear exercising of that discretion on an employee-by-employee basis, it is clear that the softer "may" language prevails.

Inconsistency #3: Not Applied Universally

Further, the data does not support SEIU's description of how it understands MBPPs are to be paid and managed. Rather, the data undercuts the case that: 1) MBPP is paid to all in a job classification; 2) Adjustments in the amount of MBPP will apply to all receiving it; and 3) Eliminations or suspensions do not occur without a subsequent market study.

For more than half of the job classifications for which MBPP could apply, staff found no discernible pattern in the application of MBPP. That is, not all within a classification receive the pay, and among those who do, the amount or percentage of the payment is inconsistent. Staff examined not only date of hire, but also work location, longevity, and job assignments. Commonality in these other categories did not determine receipt of MBPP in the job classifications where only a portion of the population were paid MBPP. This is illustrated in Attachment L.

One example of this is the Therapist MBPP (THRPST) which may be paid to any of the following 3 classifications: Senior Physical Therapist, Supervising Therapist II and Senior Occupational Therapist. These classifications became eligible for MBPP in 2008 when the code was established. Here is what the data showed in the most recent analysis (which is slightly more recent than the data shown in Attachment L):

Senior Physical Therapist

This classification has 21 employees with hire dates ranging from August 1990 to 2016. Of these, 3 are receiving MBPP in 3 different amounts, and their hire dates are 4/2001, 5/2011 and 2/2012. The first employee's MBPP has diminished over time, with 3 separate decreases; however, the decreases occur in 4 different months of the year, which would make the HASC study results an unlikely trigger. Also, employees hired within months of these 3 employees were not receiving MBPP.

Supervising Therapist II

This classification became eligible for MBPP in 2008. At that time, 3 of the 4 incumbent employees began receiving it, in 3 different dollar amounts. Over time, the rates for each have decreased on the dates indicated below, with the exception of Employee 1 who received a significant increase in MBPP

January 2010 when the others did not.

	Hire date	Class. Hire	Sept 2008	Nov 2008	Aug 2009	Jan 2010
Emp 1	1/26/1981	Before 2008	$3.91	↓ to $3.67	↓ to $2.97	**↑ to $5.50**
Emp 2	2/12/1992	Before 2008	$2.31	↓ to $2.08	↓ to $1.37	No change
Emp 3	10/4/1999	Before 2008	N/A	N/A	N/A	N/A
Emp 4*	10/31/1999	12/21/2014	$2.48	↓ to $2.25	↓ to $1.56	No change

Note that Employee 4 began receiving MBPP as a Supervising Therapist I prior to promotion to Supervising Therapist II; at that time, no others in the "I" designation were receiving MBPP. In fact, an employee who was hired as a "I" the same day Employee 4 was promoted (12/21/14) has never received MBPP.

Senior Occupational Therapist
There are 13 in this classification and only 1 receives an MBPP of $5.61 which began when the employee was hired in January 2017. None of the other existing employees began receiving MBPP at that time.

Inconsistency #4: Suspension of MBPPs – History and Practice
Historically, some MBPPs have been suspended once payment began. Some of these instances are evident in the information presented under the previous 3 inconsistencies and Attachment L. Employees in various job classifications have MBPPs stop, start, increase and/or decrease with no tangible trigger.

In its Position Statement dated October 2, 2015 and supporting Declaration, SEIU states:
"The payment of the MBPP to a particular classification is dependent upon an external factor —the going market rate paid to employees in comparable positions in local hospitals and private pharmacies. That external factor is documented in the HASC survey, which means that the payment cannot be and is not made to employees for arbitrary reasons such as nepotism, favoritism or to enhance their retirement benefit." [Emphasis added]
In fact, when MBPPs were established in 2003 through the Ventura County Board of Supervisors, it was specified that premium pay "… can be reduced or eliminated if market conditions change."

However, despite this description and SEIU's understanding that the HASC study is the exclusive determining factor, the seemingly random application from a payment perspective does not support this characterization of the role the study plays.

SEIU refers to the Declaration from Angela Portillo as its basis for describing the conditions under which MBPPs may be discontinued:

"Once paid, the MBPP may only be reduced or discontinued in a classification if a certain external and verifiable condition is met —that the total hourly rate (base pay plus any MBPP) paid to the employee exceeds the market average pay rate by more than 5% plus the percentage value increase of the salary offsets set forth in Article 5, Section 502C of the MOU. (See Exhibit A to Portillo Declaration, Section 622, page. 27.) In such an event, the amount of the reduction shall only be that by which the total hourly rate exceeds the threshold value. (Id.)"

While the MBPP payment amounts may fluctuate in all of the eligible classifications, three (3) MBPPs that were suspended since they were originally established and paid:

- RADSPE – Radiologic Specialists
- RADTEC – Radiologic Technicians
- HISTO – Histologist

For the 2 radiology-related MBPPs, the MBPP suspensions appear to occur for everyone in a job classification at the same time. Radiologic Technicians' MBPP stopped in June of 2007 and Radiologic Specialists' stopped on May 18, 2008 – a date which also serves as the hire date into the position for around half of the current employees. The job family was apparently completely reworked during that time. If triggered by market factors, this would support the MBPPs being suspended in this way.

Conversely, for the Histologist MBPP, there were 2 employees whose MBPP was suspended – but those occurred nearly 2 years apart. One employee's ended in October 2005 while the other's ended in July 2007.

VCERA's conclusion: if the suspension of MBPP was based on market conditions, the payment presumably would have stopped for all employees within a classification at the same time. Therefore, the facts set forth in the Portillo declaration do not comport with the payroll data.

<u>Inconsistency #5: Market-Based Adjustments</u>

One of the arguments presented by SEIU in 2015 was that MBPP is comparable to a Market-Based Adjustment (MBA), and because MBAs are pensionable, MBPPs should be as well. They point out that the MOA's description of MBPP in Section 622 addresses the issue of market-based adjustments to base pay.

"Employees receiving a MBPP shall be excluded from the MBA studies set forth in Sec. 502B and shall not be eligible to receive any MBA."

SEIU in 2015 quoted this language, and said the following:

"In the most recent cycle of bargaining (2013), SEIU Loca1721 and the County negotiated wage increases for current and future employees in two different ways: (a) general across-the-board salary increases, and (b) market based adjustments. (Portillo Declaration, ¶9.) To implement Section 502B of the MOU, which provides for the Market Based Adjustments, the County conducted a total compensation market based average study and thereafter gave Market Based Adjustments to certain classifications based on the parameters established in 502B (i.e.,

whether a certain classification is paid 3% or less than the market average). (Id.) Employees receiving a MBPP were excluded from receiving the Market Based Adjustment raises, as it was understood by both parties that those receiving MBPPs were being brought to market rates via the MBPP. (See Id., Exhibit A, Section 622, page 27.)

It would be illogical to consider the negotiated general across-the board salary increases and the Market Based Adjustments pensionable, but to consider the MBPPs non-pensionable. (Portillo Declaration, ¶9.) Had the MBPP not been in effect already in a certain classification at the time that the 2013 Market Based Adjustments went into effect, the employees in the certain classification would have received the 2013 Market Based Adjustments. (Id.) Both the MBPPs and the Market Based Adjustments must be treated the same — as pensionable income."

However, in contradiction to this, the last round of MBAs given in January 2017 were granted to all employees across entire classifications, including those already receiving MBPP. When VCERA pointed this out, the response from County HR indicated that payment of the MBA to those receiving MBPP was not accidental, but the result of a negotiation and that HR had failed to delete the "outlier sentence" in Section 622 prohibiting employees from receiving both. An email from County HR describes the payment of the MBA in this way:

"It is recognized that the single sentence that was carried over from the prior MOA in the fourth paragraph of Section 622 of the MOA would seemingly preclude those who are receiving the MBPP from receiving an MBA. However, that would not result in the employees receiving what was intended by the parties at the table. As is well established in Labor Relations, a contract is to be read not line by single line, but rather in total, so as to implement the true understanding of the parties at the table. In this instance, and in sharp contrast to the language found in 502-B of the prior MOA, the language I wrote (as approved by County Counsel) to create 502-B in the current MOA specifically provides that the MBAs be given not only to the subject classifications, but to all individuals employed therein…of great note is that there is no stated exclusion of those receiving the benefit of Section 622. Further, the MOA was costed and presented to the BoS as if all individuals within the classification were to receive the benefit, again, irrespective as to whether or not the individual also received MBPP."

The restriction of receiving MBAs and MBPPs simultaneously was a primary SEIU argument for inclusion of MBPP as pensionable, but now this restriction has been lifted. –The lifting of the restriction without a corresponding update to the governing MOA – (to which VCERA has been referred repeatedly as the governing document for MBPP) is perhaps a further indication of the inconsistent treatment of MBPP.

Analysis

The Board's Resolution provides with respect to the "publicly available pay schedule" requirement of section 7522.34, that the County's adopted schedule must "Indicate[] the conditions for payment of

the item of Pensionable Compensation, including, but not limited to, eligibility for, and the amount of each component of pay." (Resolution, p. 4, item 4(d), emphasis added.)

As described above, VCERA has repeatedly attempted to obtain a pay schedule from the County that complies with the Resolution's requirements. In response, the County has provided a list of County job titles that are eligible for the MBPP, as well as the names of those individuals (which is unwarranted) and dates of hire of those individuals, which the County now disclaims as of "limited value" with respect to the conditions for payment of the MBPP. The County has not, however, identified on any of its submissions to VCERA the objectively verifiable "conditions for payment" of the specified amounts to its employees in the listed job positions.

Further, staff has determined through analyses of the available data that not all County employees in particular job positions receive the same, or any, MBPP, and staff has been unable independently to discern a pattern that would support a conclusion that there is a particular "condition for payment" that results in similarly situated members being provided the same MBPP. As noted above, Attachment L to this memo shows that twenty (20) out of twenty-one (21) County employees in the Pharmacist II position receive a MBPP, and that such 20 employees, even with the same stated job assignments, receive different amounts from one another. Accordingly, objectively similarly situated members do not receive the same MBPP. That Attachment also shows that thirty-one (31) out of thirty-three (33) County employees in the Principal Respiratory Therapist position receive a MBPP, and that most of such 31 employees —with the same stated job assignments and no discernable differences in their job duties, work locations, collective bargaining units or other logical work-related grouping — receive different MBPP amounts from one another. This pattern of similarly situated members being paid different MBPPs, or no MBPP at all in some instances, exists as to many of the positions that staff has analyzed since the Board initially considered the information presented to VCERA prior to its adoption of the Resolution. In light of this data showing how the MBPP is in fact paid to VCERA members, and that no "conditions for payment" are uniform as to payment of the MBPP, the MBPP appears now not to be pensionable compensation under section 7522.34, as implemented by the Resolution.

In addition, the County has provided an MBPP "range" from $0 to $10, $15, or $25 in the proposed "pay schedule' it has provided to VCERA. Such a "range" is, by definition, not permitted to be pensionable compensation under the Resolution because (i) when the low end of a "range" is zero, then there is in fact no right to such a payment on a consistent, normal, basis by similarly situated members of the same grade or class; and (ii) there is no statement on the schedule as to the conditions that would warrant one amount within such range to be paid rather than another amount.

A key to inclusion in pensionable compensation, in addition to the County Board of Supervisors' adoption of a compliant "publicly available pay schedule," is that "similarly situated members" receive the payment. The statutory requirement is stated in paragraph 3(h) of the Resolution, which tracks section 7522.34, subdiv. (a) and subdiv. (c), paragraphs (10), (11) and (12), so as to exclude from pensionable compensation:

> *Bonuses that are not part of normal monthly rate of pay of the member and similarly situated members for full-time service during normal working hours pursuant to publicly available pay schedules (including, but not limited to, special non-essential skills bonus; temporary promotion bonus; productivity bonuses; discretionary or temporary special assignment bonuses).*

As discussed above and shown in Attachment L, members in seven (7) of the job positions the County identified as receiving MBPP receive differing dollar amounts of MBPP without any identified objective condition for payment warranting those differences other than that the County chose to pay the members different amounts, which qualifies those items as discretionary bonuses, not pensionable compensation. Of note, the California Public Employees' Retirement System has proposed a regulation that defines "group or class of employment" for purposes of interpreting the "similarly situated members" rule as "a number of employees considered together because they share similarities in job duties, work location, collective bargaining unit, or other logical work-related grouping."[2] Further, it states that "[o]ne employee may not be considered a group or class." Also, a very recently published court of appeal decision interpreting the "similarly situated member of a group of class of employment" requirement for pensionability as applied to CalPERS before PEPRA contrasted that statutory requirement with a longevity performance stipend that "required individualized, discretionary determinations and therefore was not available to all similarly situated members of the class." *DiCarlo v. County of Monterey*, Sixth District Court of Appeal Case No. H041400 (cert. for publication June 5, 2017) (p. 7).[3] The same variability of a performance-based stipend applies to the MBPP in its current form.

Summary

Since the Board took its October 2015 action, a good deal of new or additional information on the nature of MBPP has been developed. This information came to light primarily as VCERA followed the Board of Retirement's direction to assist the County fulfill the request for a publicly-available pay schedule. Subsequent discussions, memorandums, emails, and data queries suggest that information available to the Board in 2015 was incomplete – and in some cases, incorrect. Nearly all of the supporting arguments presented by SEIU and the County in 2015 have been unsupported by either the payroll data or subsequent communication and information.

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2 CalPERS' regulatory process regarding its implementation of PEPRA in or about 2013, and the proposed regulation regarding pensionable compensation was considered most recently by its Pension and Health Benefits Committee on March 14, 2017. A copy of that proposed regulation is attached hereto as Exhibit 1, and is available at https://www.calpers.ca.gov/docs/board-agendas/201703/pension/item5-01.pdf. Once adopted, it would add Article 4, Section 571.1 of Chapter 2 of Division 1 of Title 2 of the California Code of Regulations.

3 Government Code section 20636, subdivision (c)(2) that was considered in *DiCarlo* provides in pertinent part: "Special compensation shall be limited to that which is received by a member pursuant to a labor policy or agreement or as otherwise required by state or federal law, to similarly situated members of a group or class of employment that is in addition to payrate."

In hindsight, had all of this information been available in October 2015, we believe that MBPP would have been more aptly placed in the "situational" category, rather than "recommend exclusion". The situational category (Exhibit 5 from October 2015) contained codes the Board excluded in absence of pay code distinctions because the codes were being used for both situations that were deemed pensionable, and for situations that were not. An example is bilingual pay which would be pensionable under PEPRA if required for the position, but not pensionable if not a requirement.

Conclusion

Given these facts and the comprehensive information now available regarding the nature and payment of MBPP, staff has reached the following conclusions on the above-referenced questions:

1) Has the County of Ventura complied with the VCERA Board of Retirement's request for a publicly-available pay schedule for MBPP?

ANSWER: No, the County has not complied with the Board request for a publicly available pay schedule, as that term is defined by applicable law and the Resolution, for MBPP.

2) Given the developments and additional information gathered or received since October 2015, are MBPP and other discretionary pay items within the Board's discretion to include in pensionable compensation under PEPRA and the Board's Resolution? If yes, see Question #3 below. If no, see Question #4 below.

ANSWER: No, the Board does not have the discretion to include MBPP in pensionable compensation because MBPP is not provided to similarly situated members of the same group or class of employment. Rather, MBPP items are discretionary bonuses not provided to similarly situated members of the same group or class, and a publicly available pay schedule has not been provided that complies with applicable law as implemented by the Resolution.

3) If it is permissible for discretionary pay items within a group or class, such as MBPP, to be included in pensionable compensation, what guidelines/parameters may be applied by the VCERA Board and staff to evaluate such pay items in the future?

ANSWER: Not applicable

4) If it is not permissible for discretionary pay items, such as MBPP, to be included in pensionable compensation, what specific changes could be made to allow for future inclusion?

ANSWER: MBPP would be within the Board's discretion to include in pensionable compensation under PEPRA and the Board's Resolution only if it were in fact part of the normal monthly rate of pay for a member and provided on the same terms to all other similarly situated members, e.g., those with similar job duties, work locations, collective bargaining units or other logical work-related grouping, and provided that the County adopted a publicly available pay schedule indicating the conditions for payment of the MBPP, including, but not limited to, eligibility for, and amount of each component of pay, and such conditions are able to be verified objectively by VCERA, rather than varying on a discretionary basis between otherwise similarly situated members. That publicly available pay schedule would of course also need to be consistent with labor policies or agreements applicable to the impacted members.

Final Comments and Recommendation

As VCERA has communicated to both the County and SEIU, we recognize the need to recruit and retain employees to perform vital services – and MBPP serves as an effective tool in that regard. ***In no way does VCERA oppose the payment of MBPP to eligible employees; we simply are seeking to apply both the law and the Board of Retirement's Resolution to determine pensionability under PEPRA.***

RECOMMENDED ACTION: EXCLUDE MBPP FROM PENSIONABLE COMPENSATION DUE TO DEFICIENCY IN MEETING PEPRA CRITERIA.

Staff will be happy to answer any questions on this item at the June 19, 2017 business meeting.

Sincerely,

Linda Webb
Retirement Administrator

Attachments:
Attachment A: COV P.A.P.S. Submission of May 9, 2016
Attachment B: COV P.A.P.S. Submission of June 6, 2016
Attachment C: COV P.A.P.S. Submission of June 30, 2016 w/Cover Letter
Attachment D: COV Pending Proposed P.A.P.S. Submission
Attachment E: Memorandum from Webb to Atin July 14 2016
Attachment F: Memorandum from Atin to Webb Aug 2016
Attachment G: COV Pensionable Comp Feedback Memo Oct 2015
Attachment H: Summary of Sept 23 2015 Meeting with COV
Attachment I: SEIU Position Statement from Kerianne Steele
Attachment J: Declaration of Angela Portillo, SEIU Worksite Organizer
Attachment K: VCERA to COV on P.A.P.S. Jan 2016
Attachment L: MBPP Payment Application Data
Attachment M: MOA Sections 516-519
Attachment N: HR Email of May 3 2017
Attachment O: MBPP Summary Table

MARKET-BASED PREMIUM PAY ITEMS (COUNTY OF VENTURA)

EARNINGS CODE	EARNINGS CODE DESCRIPTION
CLS123	Clinical Laboratory Scientist I/II/III Premium Pay
HISTOL	Histologist Premium Pay
LPTAST	Licensed Physical Therapy Assistant
PHARM	Pharmacy Premium Pay
PRNRES	Principal Respiratory Therapist Premium Pay
PSYCH	Psychologist Premium Pay
RADSPE	Radiologic Specialist Premium Pay
RADTEC	Radiologic Technologist Premium Pay
SPEECH	Speech Pathologist Premium Pay
THRPST	Therapist Premium Pay

county of ventura

COUNTY EXECUTIVE OFFICE
SHAWN ATIN
Assistant County Executive Officer
Human Resources Director

June 06, 2016

Ventura County Employees' Retirement Association
Linda Webb
1190 S Victoria Avenue, Suite 200
Ventura, CA 93003

Re: Publicly Available Posting of the Schedule of Market Based Premium Payments

Linda,

Thank you for your correspondence to Mr. Powers dated January 29, 2016 regarding the Ventura County Employees' Retirement Association (VCERA) Board of Retirement Request for Publicly Available Schedule of Market-Based Premium Pay (MBPP) items wherein you requested that the County create a publicly available schedule of MBPP items, as required by PEPRA, by July 1, 2016.

Please see the attached County of Ventura Job Code and Salary Listing by Job Title, which has been amended to include MBPP information for the pertinent job classifications. The listing is posted on the County's Internet site at http://vcportal.ventura.org/CEO/HR/docs/classsalary.pdf. We believe that this publicly available posting of the schedule of Market Based Premium Payments complies with the 2014 Resolution of the Board of Retirement of Ventura County Employees' Retirement Association Regarding Pensionable Compensation Determinations.

Should you have any questions or concerns, please do not hesitate to contact me at (805)654-2561 or by email at Shawn.atin@ventura.org.

Sincerely,

S. Atin

Shawn Atin
Assistant County Executive Officer
Human Resources Director

CC: Mike Powers
Leroy Smith
Board of Retirement, VCERA
Board of Supervisor, County of Ventura

attachment

Pensionable Compensation Included as Base Pay

For the following classification, salaries may be increased by the ranges shown below in the form of Market Based Premium Pay (MBPP) which shall be considered an element of Base Pay, and are reflected as such in the employees' hourly/biweekly rate:

Job Code	Job Title	Union	MBPP range
00164	Clinical Lab Scientist I	SEIU	$0 - $15
00165	Clinical Lab Scientist II	SEIU	$0 - $15
00166	Clinical Lab Scientist III	SEIU	$0 - $15
00825	Licensed Physical Therapy Asst	SEIU	$0 - $10
01451	Pharmacist I	SEIU	$0 - $25
01452	Pharmacist II	SEIU	$0 - $25
00755	Pharmacy Technician I	SEIU	$0 - $25
00756	Pharmacy Technician II	SEIU	$0 - $25
01882	Principal Respiratory Therapst	SEIU	$0 - $15
00088	Senior Physical Therapist	SEIU	$0 - $10
01692	Senior Psychologist	SEIU	$0 - $15
05233	Senior Psychologist-NE	SEIU	$0 - $15
00149	Senior Speech Pathologist	SEIU	$0 - $10
00136	Speech Pathologist	SEIU	$0 - $10
01802	Staff Psychologist	SEIU	$0 - $15
01249	Supervising Therapist I	SEIU	$0 - $10
01251	Supervising Therapist II	SEIU	$0 - $10

county of ventura

COUNTY EXECUTIVE OFFICE
SHAWN ATIN
Assistant County Executive Officer
Human Resources Director

June 30, 2016

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

RE: COUNTY OF VENTURA PUBLICLY AVAILABLE PAY SCHEDULE FOR PENSIONABILITY OF MARKET BASED PREMIUM PAYMENTS

Linda,

Pursuant to your letter to the VCERA Board of Retirement dated June 20, 2016, and the Board of Retirement's discussion of that same date, please find attached the County of Ventura's publicly available amended schedule of Market-Based Premium Payments (MBPP). The Schedule is incorporated into the County of Ventura Job Code and Salary Listing by Job Title which now includes, per your request, a link to the date of hire for all employees eligible to receive an MBPP. The employee dates of hire will be updated annually. The County's online posting regarding this matter can be found at http://vcportal.ventura.org/CEO/HR/docs/classsalary.pdf.

This amendment to include employee date of hire information is responsive to your request. However, we do not believe that the inclusion of the hire dates is necessary for compliance with the Board of Retirement's *"Resolution of the Board of Retirement of Ventura County Employees' Retirement Association (VCERA) Regarding Pensionable Compensation Determination"*. Additionally, we believe that the hire date information will prove to be of limited value to the public and VCERA Administration for the reasons noted below.

The SEIU collective bargaining Memorandum of Agreement, for which a link has been included in the disclosure, explains that the amount of Market Based Premium Payments is contingent upon the changing labor market conditions. While the date on which an employee is hired will be a factor in the determination of the MBPP payment, it is by no means the only factor.

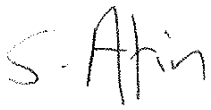
The specific skill set an employee brings to the County relative to the labor market scarcity for those skill sets is a key determinant to the amount of MBPP. Job classifications are general in nature, and employees perform specific duties within a classification. The County has approximately 1,300 job classifications and 9,000 employees; as a result, while all employees in a job classification may be eligible for an MBPP, the amount paid each employee may vary given the market demand for the skill sets they bring to the County at the time of hire.

On October 19, 2015, the Board of Retirement determined, after an in-depth review, that the MBPP is an item includible as pensionable compensation. The only remaining

actionable item was to make the schedule of MBPP publicly available; which we have now done. With that being said, we believe that too much emphasis has been placed by VCERA Administration on date of hire in their review of the MBPP.

Should you have any questions or wish to discuss this matter further, please do not hesitate to contact me at (805) 654-2561 or by email at Shawn.Atin@ventura.org

Sincerely,



Shawn Atin
Assistant County Executive Officer
Human Resources Director

CC: Michael Powers, County Executive Officer
Board of Retirement, VCERA

Enclosure

0624254.sa

Employees Eligible to receive a Market Based Premium Pay (MBPP)

Name	Hire Date
Adelman,Thomas	3/31/2002
Alvarez,Marbeli	5/8/2016
Alvarez-Rittmaste,Monica	5/13/2002
Amburgey,Jamie Alexis Freeman	4/27/2014
Amini,Sheida	3/15/2015
Anspaugh,Rodger	7/2/2006
Anunwah,Jessica Flumunanya	9/27/2015
Archibald,Jeffrey Lee	1/6/2013
Ash,Morgan Lenzi	12/7/2014
Barcena,Kathrina Abdon	8/14/2005
Barrientos,Sandra I	10/3/2010
Bishop,Jenelle H	4/24/2016
Bloom,Guiana May Astadan	12/6/2015
Boghossian,Torri Jean	5/29/2002
Burciaga,Armando	3/17/2013
Burkhart,Caitlin Jeanne	12/14/2015
Cachu Andrade,Beatriz Elena	11/9/2014
Candara,Leon Claud	7/14/2013
Cash,Daniel Joseph	5/30/2010
Chan,Sharon Lee	4/10/2016
Comstock,Tonya Louise	6/8/2014
Conboy,Linda Elizabeth	5/7/2006
Contreras,Julia Christine	7/30/2009
Cox,Elizabeth Arlene	1/17/1989
Crenshaw-Upah,Katrina Yolanda	6/5/2016
Crismond,Lance	4/1/2015
Crouse,Philip A	5/18/2011
Cruz,Pitchie	6/15/2014
Curran,Christopher	12/2/2007
Dao,Tony	10/7/2013
Dinwiddie,Lori Amber	11/8/2015
Estrada,Jaime	11/24/2003
Evangelista Jr.,Francisco B.	1/11/2009
Fennell,Faith P	12/20/2015
Frias,Catherine Elydia	9/28/2014
Gallardo,Karen G	4/5/2015
Garcia,Alexandra Elizabeth Irene	7/25/2010
Gobran,Fadi Adel	10/12/2014
Godfrey,Ethel Jacosalem	5/26/2015
Gotwals,Kirk R.	4/5/2009
Gray,Scott Peter	1/27/2008
Greene,Susan	2/17/2015
Griffin,Natasha Marie	8/3/2014
Guthrie,Frances A	12/8/2013

Employees Eligible to receive a Market Based Premium Pay (MBPP)

Hackett,Vanessa Renee	3/12/2014
Hanin,Genine Ivy	11/7/1993
Hannah,Carol	10/5/1981
Hartson,Holly Frances	2/5/2001
Hickey,Cynthia Marie	2/19/2013
Hofius,James Gordon	2/5/2012
Hoppe,Ioulia A	11/30/2008
Hosford,Marion	1/2/1985
Jacobson,Brian E	3/3/2013
Janda,Richard C.	1/15/2012
Javaheri,Pejman	7/24/2011
Joaquin,Janene Renee	7/5/2015
Jung,Sul Ran	10/13/2009
Kadin,Jennifer Anne	5/29/2011
Kim,Lance Steven	6/23/2013
King,Shannon Patrice	10/15/2015
Klock,Suzann E	3/31/2013
Koester,David R	4/26/2015
Kuiken,Crystal Anna	5/15/2016
LaCroix,Jacob Stephen	5/1/2016
Landen,David Wayne	4/8/2007
Lata,Melissa Simonette Reyes	7/26/2015
Lau,Joanne S	1/4/2015
Lauron,Lori Go	3/29/2015
Leanos,Hector	4/22/2007
Lee,Corey B	11/3/2010
Livingston,Ronya Rafeedie	6/14/2015
LoneElk,Jessica Renee	1/4/2015
Lopez,Sandra	6/17/2013
Lougee,Bonni J	10/2/2011
Lyons,Wendy	9/25/2005
Madden,Amber Brook	4/19/2009
Mahmoudi,Rouhanguiz	2/22/2015
Mares,Ramiro	6/8/2014
Martinez,David E	11/9/2014
Mata,John	7/25/2010
McFarlane,Gilbert John	2/12/1995
Medina,Myra	7/31/2005
Mendoza,Oscar	5/30/2010
Mercy,Helena Elaine	5/31/2009
Meshreky,Samah S	4/5/2015
Mikhail,Amira A	4/18/2010
Miller,Jason B	2/5/2001
Milligan,Denise K	1/5/2014
Miyasaki,Debra Lynn	4/29/2001

Employees Eligible to receive a Market Based Premium Pay (MBPP)

Mongiello,Simone Alexandra	10/4/1999
Moody,Holly Ann	2/3/2013
Morrow,Michael Lee	10/5/2008
Moura,Janeane	4/7/2013
Munesato,Jeanne	9/18/1989
Myers,Christian D	9/19/2010
Nantes,Bella Balinos	6/4/2006
Newman,Audrey Juliana	3/31/2015
Nguyen,Aaron Quang	4/15/2015
Nicolas,Ricsan Sombilon	12/2/2015
Ninomiya,Kathleen	11/9/2003
Norman,Linda	11/28/2010
Obina,Niko Clemente	6/22/2014
O'Hea,Joseph Patrick	11/11/2012
Oliver,Jaime M.	1/22/2013
Omega,Crisane P.	10/2/2011
Oneill,Janette Reid	12/2/2002
Ontiveros,Joann	2/12/1992
Ota,Marjorie	9/17/2000
Palma,Maria Theresa	7/12/1998
Patel,Rajesh Tushar	1/22/2001
Patterson,Annette Jocelyne	11/11/2012
Pendleton,Sara Therese	8/18/2015
Perez,Concepcion	8/10/2008
Pimentel,Yvonne Roberta	11/18/2007
Preston,Wendy Lynn	7/16/2006
Raabe,Kevin Roy	6/9/2013
Ramirez,Alma Yanira	3/1/2015
Rentschler,Kevin S	11/24/2013
Riazzo,Rick	4/17/2011
Richmond,Johnny Mark	5/7/2006
Ritter,Carla Jean	10/31/1999
Robledo,Patricia	5/30/2010
Rodriguez,Marcos G	1/19/2014
Rodriguez,Pablo	9/17/2001
Russell,Keith Mathew	10/5/2011
Saekoh,Sandy	4/6/2013
Salgado,Audrey Marie	2/14/2016
Sampilo,Soledad	6/8/1992
Searles,Kelly R	12/20/2015
Sharma,Susan Davies	11/4/2007
Siegman,Scott Howard	3/17/2013
Sikula,Lacey Noelle	8/3/2014
Smith,Mary	1/26/1981
Smitherman,Elizabeth Esther	9/8/2015

Employees Eligible to receive a Market Based Premium Pay (MBPP)

Sotero,Jocelyn G	5/26/2003
Stark Jr.,Joseph Eric	3/17/2013
Stompe,Lauren Margaret	1/19/2016
Sweitzer,Vickie L.	2/8/2009
Takara,Tamara Pratummas	10/12/2014
Talabucon,Omar David	11/11/2012
Taylor,Georgina	8/30/1993
Tien,Kevin	6/23/2013
Tippett,Jennifer Marie	11/23/2014
Tokar,Cindy	8/13/1990
Tseng,Sheng-Wen	3/18/2012
Verboomen,Amanda Rae	10/19/2008
Vergel,Jennifer	9/15/2002
Villarreal,Jose Mauricio	1/20/2015
Walker Hill,Tricia Alicia	10/3/2010
Wall,Mercedes Manosca	5/24/1999
Weber,Rose Mary	8/22/2010
Weissman,Ellen Khamistos	9/21/2008
Williams,Kenneth Avery	3/19/2000
Winter,Craig J	10/4/2009
Wu,Ya-Whey	12/19/2011
Yoshida,Patti A	9/30/1979
Zaferis,Paul C	6/8/2014
Zanolini,Shanna	1/11/2009
Zarrabian,Simin	7/11/2010
Zavala,Baltazar Alonzo	10/23/2005
Zoll,Kevin Daniel	7/15/2007

County of Ventura
C.E.O./Human Resources Division

DRAFT FOR MBPP CHANGE

PP 2016-22 Job Code & Salary Listing by Job Title

Union	Barg Unit / VCHRP Union Cd	Description
CJAAVC	CA / ACA	CJAAVC Non-supervisory
	CJ / ACJ	CJAAVC Supervisory
CNA	CN / NCN	California Nurses Assoc-CN
	PD / NCP	California Nurses Assoc-PerDiem
IUOE	OS / EOS	Intl Union of Op Engineers-OS
MGMT	CC / MCC	MGMT Confidential Clerical
	MA / MMA	MGMT Agency/Dept Heads-GR
	MA / MSA	MGMT Agency/Dept Heads-SR
	MB / MB2	MGMT Asst Agency/Dept Heads
	MB / MB3	MGMT Asst Agency/Dept Heads
	MB / MB4	MGMT Asst Agency/Dept Heads
	MS / MS2	MGMT Sheriff Safety Mgmt
	MS / MS3	MGMT Sheriff Safety Mgmt
	MT / MT2	MGMT Fire Safety Mgmt
	MT / MT3	MGMT Fire Safety Mgmt
	MT / MT4	MGMT Fire Safety Mgmt
	ME / MME	MGMT Management Elected-GR
	ME / MES	MGMT Management Elected-SR
	UO / MU3	MGMT Other Unrepresented
	UO / MU4	MGMT Other Unrepresented
SEIU	PC / UPC	SEIU Administrative Support
	PH / UPH	SEIU Professional
	PI / UPI	SEIU Maintenance & Labor-GR
	PJ / UPJ	SEIU Supervisory
	PJ / UPK	SEIU Supervisory-Clin Coord
	PT / UPT	SEIU Technical
	WS / UWS / UST	SEIU Non-supervisory Soc Wrkrs SEIU Student Workers

Union	Barg Unit / VCHRP Union Cd	Description
SPOAVC	IT / SIT	SPOAVC Coronors
	IU / SIU	SPOAVC Welfare Investigators
	IV / SIV	SPOAVC Welfare Investigatrs-TC
	IW / SIW	SPOAVC Welfare Investigatrs-TC
VCDSA	SD / DSD	VCDSA DA Inv Non-supervisory
	SE / DSE	VCDSA DA Inv Supervisory
	SS / DGS	VCDSA Sheriff's Non-sprvsry-GR
	SS / DSS	VCDSA Sheriff's Non-sprvsry-SR
VCPFA	FA / FCW	VCPFA Fire Control Workers (SR)
	FF / FGF	VCPFA General Retirement
	FF / FFF	VCPFA Safety Retirement
VCPPOA	VP / PVP	VCPPOA / Probation Officers
	VT / PVT	VCPPOA / Patrol Officers
VCSCOA	ST / CST	VC Sher Correct Ofrs Assoc-ST
VEA	AA / VAA	VEA Appraisers & Assessors
	PE / VPE	VEA Professional Engineers
None	QNU	No Union Assigned

FLSA Stat
N = Nonexempt (hourly rates)
P = Professional/Exempt (biweekly rates)

CURRENT

Pensionable Compensation Included as Base Pay

For the following classification, salaries may be increased by the ranges shown below in the form of Market Based Premium Pay (MBPP) which shall be considered an element of Base Pay, and are reflected as such in the employees' hourly/biweekly rate:

Job Code	Job Title	Union	MBPP range
00164	Clinical Lab Scientist I	SEIU	$0 - $15
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00755	Pharmacy Technician I	SEIU	$0 - $25
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00149	Senior Speech Pathologist	SEIU	$0 - $10
00136	Speech Pathologist	SEIU	$0 - $10
01802	Staff Psychologist	SEIU	$0 - $15
01249	Supervising Therapist I	SEIU	$0 - $10
01251	Supervising Therapist II	SEIU	$0 - $10

Designated classifications are eligible to receive these Market Based Premium Pays per Sect. 622 of the SEIU MOA or Sect 604 of the CNA PD MOA, which can be found at:
http://vcportal.ventura.org/CEO/HR/MOA/docs/SEIU721_MOA_2013-2016_FINAL.pdf
http://vcportal.ventura.org/CEO/HR/docs/MBPP_eligible.pdf

PROPOSED

Pensionable Compensation Included as Base Pay

* The classifications listed below have been designated eligible to receive Market Based Premium Pay (MBPP) per Section 622 of the Service Employees International Union (SEIU) Memorandum of Agreement (MOA). The top of each salary range has been increased by the hourly amount indicated below in the form of MBPP and will be paid in accordance to the provisions of the MOA.

Job Code	Job Title	Union	Top of range increased by:
00164	Clinical Lab Scientist I	SEIU	$15 hourly
00165	Clinical Lab Scientist II	SEIU	$15 hourly
00166	Clinical Lab Scientist III	SEIU	$15 hourly
00311	Histologist	SEIU	$15 hourly
00825	Licensed Physical Therapy Asst	SEIU	$15 hourly
01245	Occupational Therapist	SEIU	$25 hourly
01451	Pharmacist I	SEIU	$25 hourly
01452	Pharmacist II	SEIU	$25 hourly
00755	Pharmacy Technician I	SEIU	$15 hourly
00756	Pharmacy Technician II	SEIU	$15 hourly
01335	Physical Therapist	SEIU	$25 hourly
01882	Principal Respiratory Therapst	SEIU	$15 hourly
00331	Radiologic Specialist I	SEIU	$15 hourly
00332	Radiologic Specialist II	SEIU	$15 hourly
00333	Radiologic Specialist III	SEIU	$15 hourly
00334	Radiologic Specialist IV	SEIU	$15 hourly
01453	Radiologic Technologist	SEIU	$15 hourly
01671	Senior Occupational Therapist	SEIU	$25 hourly
00088	Senior Physical Therapist	SEIU	$25 hourly
01692	Senior Psychologist	SEIU	$25 hourly
05233	Senior Psychologist-NE	SEIU	$25 hourly
00149	Senior Speech Pathologist	SEIU	$25 hourly
00136	Speech Pathologist	SEIU	$25 hourly
01802	Staff Psychologist	SEIU	$25 hourly
01249	Supervising Therapist I	SEIU	$25 hourly
01251	Supervising Therapist II	SEIU	$25 hourly

Designated classifications eligible to receive MBPPs per Sect. 622 of the SEIU MOA can be found at:
http://vcportal.ventura.org/CEO/HR/MOA/docs/SEIU721_MOA_2013-2016_FINAL
http://vcportal.ventura.org/CEO/HR/docs/MBPP_eligible.pdf

ZVHR0001.sqr Alpha
Pay Period: 2016-22

COUNTY OF VENTURA
(Pay Period: Beginning Date 09-OCT-2016 Ending Date 22-OCT-2016 Issue Date 28-OCT-2016)
Job Code & Salary Listing by Job Title

Run Date: 10/19/2016
Run Time: 09:31:19

JOB CODE	DESCRIPTION	AT WILL	UNION CODE	FLSA STAT	BIWKLY OR NAHRLY MIN	BIWKLY OR NAHRLY MAX	APPROX MONTHLY MIN	APPROX MONTHLY MAX	APPROX ANNUAL MIN	APPROX ANNUAL MAX
00063	Child Spprt Svcs Specialst III		UPT	N	$21.411155	$27.135096	$3,711.27	$4,703.42	$44,535.20	$56,441.00
00064	Child Spprt Svcs Specialst IV		UPT	N	$23.056937	$29.175649	$3,996.54	$5,057.11	$47,958.43	$60,685.35
00635	Child Support Dist Spec I		UPC	N	$15.806101	$22.126100	$2,739.72	$3,835.19	$32,876.69	$46,022.29
00634	Child Support Dist Spec II		UPC	N	$17.404693	$24.372243	$3,016.81	$4,224.52	$36,201.76	$50,694.27
00633	Child Support Dist Spec III		UPC	N	$18.701107	$26.178557	$3,241.53	$4,537.62	$38,898.30	$54,451.40
00632	Child Support Dist Spec IV		UPC	N	$21.512909	$27.539644	$3,728.90	$4,773.54	$44,746.85	$57,282.46
00308	Circulating Operating Room Nrs		NCN	N	$43.641100	$59.616400	$7,564.46	$10,333.51	$90,773.49	$124,002.11
01771	City Librarian		UPH	N	$27.194652	$38.061926	$4,713.74	$6,597.40	$56,564.88	$79,168.81
00038	Civil Attorney I		MB4	P	$2,558.782320	$3,582.295520	$5,544.03	$7,761.64	$66,528.34	$93,139.68
00039	Civil Attorney II		MB4	P	$3,265.814080	$4,572.139600	$7,075.93	$9,906.30	$84,911.17	$118,875.63
01168	Civil Attorney III		MB3	P	$4,030.075280	$5,642.106320	$8,731.83	$12,224.56	$104,781.96	$146,694.76
00393	Civil Law Clerk		MB4	P	$2,021.778320	$2,830.489600	$4,380.52	$6,132.73	$52,566.24	$73,592.73
00191	Civil Service Commission Asst	Y	MB4	P	$2,703.568160	$3,784.995520	$5,857.73	$8,200.82	$70,292.77	$98,409.88
01272	Clerical Service Manager		MB4	P	$2,057.561280	$2,880.868160	$4,458.05	$6,241.88	$53,496.59	$74,902.57
01269	Clerical Supervisor I		UPJ	N	$18.147331	$25.391624	$3,145.54	$4,401.21	$37,746.45	$52,814.58
01270	Clerical Supervisor II		UPJ	N	$19.951785	$27.936135	$3,458.31	$4,842.26	$41,499.71	$58,107.16
01271	Clerical Supervisor III		UPJ	N	$21.977409	$30.784101	$3,809.42	$5,335.91	$45,713.01	$64,030.93
01273	Clerical Trainee		UPC	N	$13.423095	$16.059660	$2,326.67	$2,783.67	$27,920.04	$33,404.09
00395	Clerk Recorder	Y	MME	P	$6,602.633760	$6,602.633760	$14,305.71	$14,305.71	$171,668.48	$171,668.48
00201	Clerk/Recorder Prgrm Sprvsr I		UPJ	N	$20.498908	$26.166531	$3,553.14	$4,535.53	$42,637.73	$54,426.38
00202	Clerk/Recorder Prgrm Sprvsr II		UPJ	N	$21.489249	$29.725137	$3,724.80	$5,152.36	$44,697.64	$61,828.28
01440	Clinical Assistant I		UPT	N	$12.682582	$17.711467	$2,198.31	$3,069.99	$26,379.77	$36,839.85
01441	Clinical Assistant II		UPT	N	$13.935953	$19.512243	$2,415.57	$3,382.12	$28,986.78	$40,585.47
01748	Clinical Coord-Surgical Svcs		UPK	P	$2,929.163600	$3,844.477040	$6,346.52	$8,329.70	$76,158.25	$99,956.40
00164	Clinical Lab Scientist I *		UPH	N	$22.242256	$46.109568	$3,855.32	$7,992.33	$46,263.89	$95,907.90
00165	Clinical Lab Scientist II *		UPH	N	$26.241656	$51.840132	$4,548.55	$8,985.62	$54,582.64	$107,827.47
00166	Clinical Lab Scientist III *		UPH	N	$27.863785	$54.076375	$4,829.72	$9,373.24	$57,956.67	$112,478.86
02044	Clinical Lab Scientist-PDP I		UPH	N	$30.010901	$30.010901	$5,201.89	$5,201.89	$62,422.67	$62,422.67
02045	Clinical Lab Scientist-PDP II		UPH	N	$34.627962	$34.627962	$6,002.18	$6,002.18	$72,026.16	$72,026.16
02046	Clinical Lab Scientist-PDP III		UPH	N	$37.816812	$37.816812	$6,554.91	$6,554.91	$78,658.97	$78,658.97
02047	Clinical Lab Scientist-PDP IV		UPH	N	$41.598552	$41.598552	$7,210.42	$7,210.42	$86,524.99	$86,524.99
01371	Clinical Nurse Manager		MB4	P	$3,058.205280	$4,495.850320	$6,626.11	$9,741.01	$79,513.34	$116,892.11
00280	Code Compliance Officer I		UPT	N	$24.270798	$34.034786	$4,206.94	$5,899.36	$50,483.26	$70,792.35
00281	Code Compliance Officer II		UPT	N	$26.682288	$37.420066	$4,624.93	$6,486.14	$55,499.16	$77,833.74
00282	Code Compliance Officer III		UPT	N	$29.350513	$41.158040	$5,087.42	$7,134.06	$61,049.07	$85,608.72
00103	Coder-Certified		UPC	N	$28.821347	$43.994555	$4,995.70	$7,625.72	$59,948.40	$91,508.67
01274	Collections Officer I		UPC	N	$13.743489	$19.204190	$2,382.20	$3,328.73	$28,586.46	$39,944.72
01275	Collections Officer II		UPC	N	$15.430192	$21.592300	$2,674.57	$3,742.67	$32,094.80	$44,911.98
01276	Collections Officer III		UPC	N	$16.198081	$22.664246	$2,807.67	$3,928.47	$33,692.01	$47,141.63
00043	Commander		MS3	P	$5,084.549920	$7,119.067760	$11,016.52	$15,424.65	$132,198.30	$185,095.76
09999	Commission/Board Members		QNU	N	$1.000000	$1.000000	$173.33	$173.33	$2,080.00	$2,080.00
01277	Communications Operator I		UPT	N	$12.356324	$17.277768	$2,141.76	$2,994.81	$25,701.15	$35,937.76
01278	Communications Operator II		UPT	N	$13.937962	$19.490769	$2,415.91	$3,378.40	$28,990.96	$40,540.80

CLINICAL LABORATORY SCIENTIST I

Class Code: 00164

Bargaining Unit: Service Employees International Union

VENTURA COUNTY
Established Date: Aug 20, 2000
Revision Date: Aug 2, 2002

SALARY RANGE

$22.80 - ~~$31.89~~ **$46.11** Hourly
$1,824.13 - ~~$2,551.36~~ **$3,688.76** Biweekly
$3,952.29 - ~~$5,527.94~~ **$7,992.33** Monthly
$47,427.43 - ~~$66,335.31~~ **$95,907.90** Annually

DEFINITION:

Note: This classification is designated eligible for MBPP per Section 622 of the Services Employees International Union (SEIU) Memorandum of Agreement (MOA). The top of the salary range has been increased by □15/hour in the form of the MBPP and will be paid in accordance to the provisions of the MOA.

Agency: Health Care Agency

Under direction of the Pathologist and Laboratory Manager, to perform a variety of standardized chemical, microscopic and bacteriological tests for examination, obtaining data for use in the diagnosis and treatment of diseases; orient new employees; and, perform other related duties as required.

Distinguishing Characteristics:

Clinical Laboratory Scientist II differs from Clinical Laboratory Scientist I in that the latter is considered entry level to the Clinical Laboratory Scientist series, while the II is experienced and can work with less-direct supervision. These classes differ from Clinical Laboratory Scientist III/IV in that the latter provide supervision to a specialized area in the laboratory. Employees at the IV level with specialized certificates may be hired for special projects requiring specialized skills, knowledge and abilities.

EXAMPLES OF DUTIES:

Duties may include, but are not limited to the following:

- Performs a variety of tests in any or all of the fields of medical technology.
- Completion of technical testing/reporting in serology, blood bank, microbiology, hematology, chemistry, special chemistry and urinalysis.
- Performs venipuncture as required.
- Assists in maintaining the laboratory and equipment in a clean and orderly condition.
- Maintains basic records and operates the numerous pieces of electronic equipment.

QUALIFICATION GUIDELINES:

Knowledge, Skills, and Abilities:

Thorough knowledge of: the standardized tests performed in Hematology, Serology, Chemistry, Blood bank, Microbiology, Urinalysis.

Working ability to: perform all the above standardized tests; work cautiously and accurately; establish and maintain effective working relationships with others; work with and understand operation of technical equipment.

RECRUITING STANDARDS:

Education/Experience:

Clinical Laboratory Scientist I: No experience required

OTHER REQUIREMENTS:

Special Requirements:

Possession of a valid Clinical Laboratory Scientist, Clinical Chemistry Scientist, Clinical Microbiologist, Clinical Immunohematologist Scientist, or Clinical Hematologist Scientist license issued by the State of California Department of Health Services.

CLASS SPEC TITLE 7:

Reviewed: 1/23/13

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

July 14, 2016

Shawn Atin, Human Resources Director
Hall of Administration L□1970
800 South Victoria Avenue
Ventura, CA 93009

SUBJECT: COUNTY OF VENTURA PUBLIC POSTING OF INFORMATION RELATED TO MARKET-BASED PREMIUM PAYMENTS IN RESPONSE TO REQUEST FROM BOARD OF RETIREMENT

Dear Mr. Atin:

Thank you for your letter dated June 30, 2016 and the accompanying documents and public posting in response to the Board of Retirement□s request.

In your letter, you indicated that you believe that too much emphasis has been placed by VCERA Administration on date of hire in our review of the Market-Based Premium Pay (MBPP). I would like to respond and also provide some background information that I believe will help explain why date of hire has been a focus for MBPP. Put simply, date of hire was the ***only objective criteria*** offered to VCERA by the County of Ventura for eligibility for MBPP during the 2015 discussions and feedback period.

Background

In your remarks to the Board of Retirement on June 20, 2016 you indicated that you did not participate during the analysis and discussions leading up to the October 2015 Board action on inclusion or exclusion of specific pay codes as pensionable compensation under PEPRA (Government Code section 7522.34 subdivision (a) □ □pensionable compensation□.) I hope the following background information will be of help.

Before the Board of Retirement took action in October of 2015 on pay code categories, the review and preparation process performed by staff and outside Counsel involved feedback from the County of Ventura and other stakeholders. At that time, VCERA staff and Counsel were in agreement with the County on the majority of pay codes in terms of pensionability under PEPRA. So, the discussions were focused on the remaining categories of disagreement. On September 23, 2015, a formal discussion took place, and MBPP was discussed at length.

VCERA explained that there were three (3) main □sticking points□preventing a recommendation to the Board of Retirement that MBPP be included in pensionable compensation.

1) Both the definition and the application of the codes appeared contrary to □not only to the member but also to similarly situated members of the same group or class of employment,□and □for services rendered on a full-time basis,□and □for services rendered during normal working hours□in the BOR Resolution because no objective basis was identified by which similarly situated members of the same group or class would receive it.
2) The MBPP items have a discretionary component and may be withheld at a later date without a change in duties.

3) VCERA could not discount instances where the practical application of codes appeared contrary to the purpose/definition provided. (Example: of the 21 Senior Physical Therapists, only 2 were receiving MBPP. Conversely, of the 34 Principal Respiratory Therapists, all but 2 were receiving MBPP.)

We asked for some sort of ***objective*** criteria as a basis by which those receiving MBPP could be considered similarly situated members in the same group or class of employment. The only one given was date of hire; or more specifically, that the market forces in effect on the date of hire determined who was eligible to receive MBPP. VCERA and Counsel s perspective was that such a basis did not meet the test; the County believed it DID meet the test. (That meeting summary is attached, supporting this basic area of disagreement.[1])

So, at the October 19, 2015 meeting, VCERA recommended exclusion for MBPP. County CEO Michael Powers submitted a formal letter for that meeting. In it, in regard to this disagreement on MBPP he said:

> *VCERA's explanation is that these payments are based solely on an employee's date of hire, and date of hire is not a similarity that can be considered in determining whether an employee is part of a group of 'similarly situated employees.' The County disagrees with this analysis."*

When the Board of Retirement took action on MBPP, it accepted COV s argument that date of hire could be enough of a basis to pass the similarly-situated group or class test. However, the MBPP language in the MOAs (which the Board had previously deemed acceptable as a publicly-available pay schedule) did not have information on date of hire that would objectively identify the similarly situated group that would all be eligible to receive it. After a lengthy open-session discussion about the unavailability of the payment criteria in the MOU and the requirements of both PEPRA and the Board s Resolution, the Board of Retirement s took action to include MBPP while also requesting that the Board of Supervisors create a public available pay schedule for MBPP.

Summary of Events since the Board of Retirement Action

- May 9, 2016: I received an email from the Auditor-Controller s office that said the response to the Board of Retirement s request could be found at http://www.ventura.org/auditor-controller/payroll-information where we saw:
  1) a list of the ten (10) MBPP pay codes;
  2) a matrix of earnings codes and the different categories of members, showing which categories have those codes included in pensionable compensation (matrix did not include the 10 MBPP items.)

- May 13, 2016: I emailed Auditor-Controller Jeff Burgh that I planned to update the Board on May 16th, but that I did not believe the posting was what they were expecting to see. I suggested a schedule with either dollar amounts or percentages, position titles, effective dates, etc. and asked if he would like to update the posting. He indicated he would look into expanding the information.

- May 20, 2016: I met with Jeff to discuss this topic among others. I gave him a list of publicly-available pay schedule elements. He offered to pass that information on to your office.

- May 31, 2016: At your request, VCERA s Board Counsel Lori Nemiroff met with you and County Counsel so that you could better understand VCERA s posting expectations.

[1] Meeting summary was distributed to all attendees to allow for corrections; COV submitted no corrections.

- June 1, 2016: I emailed you, Ms. Nemiroff, County Counsel and Jeff Burgh to further clarify our understanding of the posting requirements, and suggested the CEO's office send VCERA a written request to ask what additional information VCERA believed was required for compliance.

- June 6, 2016: VCERA received your letter that County had responded to the Board of Retirement's request for a publicly available schedule of MBPP items, referencing an update to the County Job Code – Salary Listing by Job Title at http://vcportal.ventura.org/CEO/HR/docs/classsalary.pdf.

- June 20, 2016: At VCERA's business meeting, I provided the Board with the County's June 6th response and communicated that staff believed the missing piece was still missing; to illustrate this, my letter listed elements of a publicly available pay schedule, showing each item as met except one:

d) Indicates the conditions for payment of the item of Pensionable Compensation, including, but not limited to, eligibility for, and amount of each component of pay;	**Does Not Meet Criteria**
Staff comment: The conditions for payment, which have previously been identified as the date of hire, is not provided in either the MOAs or the Job Listing table. The date of hire is what has been presented as the distinction/establishment of the sub group or class who are eligible to receive the payment within a given job title. Receipt of a pay item cannot in itself be the only criteria for establishing a similarly situated group or class.	

  VCERA Counsel supported this analysis in a letter to the Board, saying, "*The value of this information in order for VCERA to be able to monitor, and correct, improper inclusions of discretionary ad hoc pay items in pensionable compensation should not be understated.*"

  When addressing the Board on June 20th, you indicated your office believed the posting represented a good faith effort at full compliance. After discussion, you said you would take the most recent information to your Counsel and respond via a communication.

- June 30, 2016: I received your communication that, responsive to my request, the Job Code and Salary Listing by Job Title now includes a link to the date of hire for all employees eligible to receive an MBPP (http://vcportal.ventura.org/CEO/HR/docs/MBPP–eligible.pdf). The 2-column table provides an alphabetical list of 161 employees, along with their dates of hire which range from 1979 to 2016.

  Your letter said you believed this addition to be of little value and VCERA Administration had placed too much emphasis on date of hire. You further stated, "*While the date on which an employee is hired will be a factor in the determination of the MBPP payment, it is by no means the only factor."*

Current Challenge

We do not believe the COV's June 30th posting of the MBPP-eligible individuals and their dates of hire answers the "conditions for payment" question. In your letter, you discount the original 2015 date of hire criteria and further suggest that changing labor market conditions and employee skill sets weigh more heavily in MBPP eligibility.

Request for Clarification and Additional Information

Identifying the individuals who are receiving the benefit does not adequately identify why their group was selected to receive it. It appears that the County of Ventura is now agreeing with SEIU (letter attached) in which they state, "*[The employees'] date of hire does not determine the MBPP*." If this is the case, and date of hire is not the criteria and basis by which those receiving Market-Based Premium

Pay (MBPP) are deemed to be similarly situated members of the same group or class of employment, then we ask for an alternate objective criteria to be provided. If you disagree with SEIU on this point, then please indicate the date ranges on which market conditions warranted eligibility for MBPP for employees entering employment in those particular classifications. As we have stated, ***receipt*** of MBPP cannot in itself be the criteria.

Staff will be updating the Board of Retirement about this issue at the July 18, 2016 Business meeting.

Sincerely,

Linda Webb
Retirement Administrator

CC: Michael Powers, County Executive Officer
Board of Retirement, VCERA

Enclosures:

(1) Summary of September 23, 2015 meeting of representatives of VCERA, Nossaman, LLC (VCERA Outside Counsel) and the County of Ventura
(2) October 2, 2015 Letter from Kerianne R. Steele, attorney for SEIU, Local 721, with accompanying Declaration from Angela Portillo, SEIU worksite organizer

county of ventura

COUNTY EXECUTIVE OFFICE
SHAWN ATIN
Assistant County Executive Officer
Human Resources Director

August 22, 2016

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

RE: Market Based Premium Payments

Linda,

In your letter dated July 14, 2016, you requested clarification and additional information regarding the County of Ventura's (County's) position that market based premium pay ("MBPP") is included as pensionable compensation under the Public Employees' Pension Reform Act of 2013 ("PEPRA"). It is apparent that much confusion exists.

Your letter states that "[i]t appears that the County of Ventura is now agreeing with SEIU" that "'date of hire does not determine MBPP.'" This statement implies that in the past the County took the position that the date of hire does determine MBPP. That is not correct[1] .

The confusion may arise from a misreading of the County's October 13, 2015, letter to the Board of Retirement ("BOR"). The letter states that the County disagrees with "VCERA's explanation . . . that these payments are based solely on an employee's date of hire, and date of hire is not a similarity that can be considered in determining whether an employee is part of a group of 'similarly situated employees.'" It appears that VCERA has interpreted the County's letter as disagreeing with only the last clause of the quoted sentence. To clarify, the County disagrees with the first clause of the sentence. The County's position has never been that MBPP is based solely on date of hire.

As set forth in my letter of June 30, 2016, the County believes that date of hire is relevant, although not determinative, because MBPP is driven, in part, by labor market conditions at the date of hire. This, of course, is true for the determination of starting base salary for every employee. Indeed, this fact underlies our very assertion that MBPP should be considered a part of base salary for purposes of pensionable compensation under PEPRA.

You also ask for "an alternate objective criteria" if date of hire is not the basis for considering recipients of MBPP to be similarly situated members of the same group or class. There should be no dispute that employee job classification is another objective criteria. Thus, the only possible issue for VCERA is whether "similarly situated" employees receive MBPP. The County's view is that MBPP is simply an extension of base pay that is permissible under union contract(s) when the County determines the relevant

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labor market dictates that the County increase base pay to recruit or retain qualified individuals in identified job classifications. This is essentially the argument the County made to the Board of Retirement in October 2015, and with which the BOR agreed.

Since that time, we have tried to meet your demands for evidence that MBPP is part of the County's publicly available pay schedule. I think it is fair to say that the MBPP is the most prominently publicized of all County payments. It appears to us that VCERA staff has now shifted gears and no longer focuses on the "publicly available" part of the test, but now challenges whether MBPP can qualify under any "pay schedule" at all.

We continue to believe that the pay range published for MBPP qualifies as a pay schedule for the same reasons the publication of the County's base salary ranges qualify. Just like placement on a salary range depends on the unique qualifications of the individual employee and market competition, so does the award of MBPP to a member of an eligible class. There is no requirement that employee' salaries, including increases due to market conditions, be determined by completely objective standards in order for them to be pensionable.

Sincerely,

Shawn Atin
Assistant County Executive Officer
Human Resources Director

CC: Michael Powers, County Executive Officer
Board of Retirement, VCERA

[1]The County offers no opinion on the correctness or incorrectness of SEIU's positions in this matter, and none should be inferred.

0818263.sa

county of ventura

COUNTY EXECUTIVE OFFICE
MICHAEL POWERS
County Executive Officer

J. Matthew Carroll
Assistant County Executive Officer

Paul Derse
Assistant County Executive Officer/
Chief Financial Officer

Catherine Rodriguez
Assistant County Executive Officer/
Labor Relations & Strategic Development

Shawn Atin
Human Resources Director

October 13, 2015

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

Dear Board:

At your Board's July 20, 2015 meeting, a preliminary report analyzing PEPRA pensionable compensation was submitted by your Retirement Administrator recommending feedback from stakeholders. Your report identified that of almost 500 pay codes analyzed by your staff, there is agreement between our offices on over three quarters of the items analyzed, and discussions since that time have increased the number in agreement to over eighty percent. We sincerely appreciate the opportunity to work with Ms. Webb and her team to address these remaining differences, as well as your Board's willingness to consider the County of Ventura's (County) views on what types of pay constitute pensionable compensation.

As you know, the Board of Supervisors considers pensionable compensation to be base pay only, including items that are in the nature of base pay such as market based premium pay, Y-rate pay, and longevity–based range extensions that are routinely treated as base pay by the County. The Board of Supervisors has requested that your Board adopt this definition.

We understand that your Board intends to take a different approach in determining pensionable compensation, and has identified a set of criteria that it believes must be met for a category of pay to be included as pensionable. Specifically we understand VCERA intends to include all additional pay items that it deems to have been:

a. Paid in cash;
b. Paid to "similarly situated employees," further defined by VCERA as those employees who perform the same regularly assigned "normal" or "essential" job functions within a group or class of employment;
c. Paid for services rendered on a full-time basis;
d. Paid for services rendered during normal working hours;
e. Paid pursuant to publicly available pay schedules;
f. Not paid to enhance retirement benefits; and
g. Not otherwise excluded by law.

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800 South Victoria Avenue, Ventura, CA 93009 • (805) 654-2681 • FAX (805) 658-4500

VCERA has presented the County with its evaluation of each County pay code and its conclusion, based on the referenced criteria, as to whether the category of pay is included or excluded in pensionable compensation.

The County has analyzed VCERA's approach to pensionable compensation, including meeting with VCERA staff and VCERA attorneys in an effort to understand the proposed analysis and to communicate to staff additional information regarding various types of pay and the County's use of pay codes. Notwithstanding the different approaches taken by VCERA and the County in analyzing pensionable compensation, the County and VCERA agree in the majority of cases regarding which pay codes are included and excluded in pensionable compensation. In addition, the meetings disclosed certain areas that we are in agreement when originally it appeared we disagreed, including nurses' longevity pay which we agree should be included. However, we remain in disagreement regarding VCERA's decision to expand the scope of pensionable compensation, including the criteria used by VCERA to accomplish that purpose, and this disagreement has prevented us from agreeing with VCERA as to the proper treatment of a limited number of pay codes. Below is a summary of the outstanding areas of disagreement.

I. Items that VCERA Intends to Include in Pensionable Compensation

Assignment-Based Bonuses or Incentives: VCERA intends to include assignment-based bonuses as pensionable compensation, concluding that such compensation is pensionable because it is paid to all employees in a particular assignment for "normal" or "essential" job duties. In the County's view, the proposed inclusion of assignment-based pay is based on a misapplication of VCERA's own criteria. Duties performed during an assignment are not "normal" or "essential" because assignments are generally temporary in nature. The normal and essential skills for any particular job are set forth in the job classification; pay that compensates skills utilized for particular, temporary assignments is skill-based pay which is a form of special compensation. The County's position is that all forms of special compensation must be excluded from pensionable compensation. This is because pensionable compensation cannot exceed items in an employee's normal monthly pay or base pay, and special compensation is specifically defined as compensation in excess of an employee's normal monthly rate of pay or base pay. (Gov. Code, § 20636, subds. (b)(1) & (c)(1).) The County urges VCERA to reconsider the inclusion of assignment-based pay in pensionable compensation, and cautions that the

temporary and non-routine nature of assignment-based pay renders it especially susceptible to pension-spiking.[1]

Education-Based Bonuses or Incentives: We agree that education-based incentives for degrees and certifications should be excluded from pensionable compensation. However, we disagree with VCERA's intention to include other education-based bonuses as pensionable compensation where it finds that such compensation is paid to employees for certifications and/or licenses that VCERA deems necessary for an employee's normal or essential job functions. Like assignment-based pay, education-based pay is a form of special compensation in excess of normal monthly rate of pay and base pay, and it should be excluded on that basis. (Gov. Code, § 20636, subds. (b)(1) & (c)(1).) Additionally, some of the proposed education-based pay VCERA has identified as pensionable does not meet VCERA's proposed criteria. For example, VCERA staff proposes that various certifications earned by nurses be included in pensionable compensation. However, these nursing certifications are compensated regardless of whether a nurse routinely uses or requires that certification for his or her job. As a result, these certifications should not be considered a normal or essential part of the employee's job functions. The County urges VCERA to reconsider the inclusion of education-based pay in pensionable compensation.

We also wish to inform VCERA that our office intends to begin working with our labor partners to further evaluate job classifications with regard to nursing certifications. As we hope you will agree, it is the Board of Supervisors' responsibility to change classifications if they determine that certain education-based incentives should be included in base pay.

II. Items that VCERA Intends to Exclude from Pensionable Compensation

Market-Based Salary Adjustments. VCERA staff has indicated that VCERA intends to exclude all market-based salary adjustments from pensionable compensation. Market – based salary adjustments are a significant component of an employee's base pay and

[1] The County believes that supervisory differential pay is not base pay but is instead assignment-based pay, and on that basis, the County agrees with VCERA's conclusion that supervisory differential pay should be excluded from pensionable compensation. The County is unable to reconcile VCERA's conclusion that assignment-based pay is includable in pensionable compensation but that supervisor differential pay (which is simply pay for certain temporary supervisory assignments) is not.

are a practical and effective tool to ensure competitive compensation. VCERA's explanation is that these payments are based solely on an employee's date of hire, and date of hire is not a similarity that can be considered in determining whether an employee is part of a group of "similarly situated employees." The County disagrees with this analysis. Market-based salary adjustments are part of an employee's base pay and are routinely treated by the County as base pay in all payroll functions. As an item of base pay, market-based adjustments should be pensionable. Moreover, even using VCERA's test, the County believes that individuals who receive market-based adjustments and who share the additional commonality of being hired during the same time period can certainly qualify as a class of "similarly situated employees" such that their market-based pay should be included in pensionable compensation.

Y-rated Salary Adjustments. VCERA staff has indicated that VCERA intends to exclude Y-rated salary adjustments from pensionable compensation. On occasions when a job classification is reclassified to a lower level, an incumbent employee's salary is simply frozen at the original classification. The employee's base pay is not increased, but a potentially unexpected and/or unfair reduction to salary is avoided. As an administrative payroll convenience, a Y-rate salary code is used to track the difference between the frozen salary and the downward reclassified salary. Once the reclassified salary meets or exceeds the employee's frozen salary, the Y-rate code is eliminated. Y-rated codes are not susceptible to pension spiking as they do not represent any increase to pay and the circumstances surrounding this form of pay are rare.

VCERA intends to exclude Y-rated salary adjustments because the adjustment is not typically given to "similarly situated" groups of employees within a classification. The County does not agree that this is an appropriate basis upon which to exclude this form of base pay from pensionable compensation. Under VCERA's analysis, this would base the decision to include Y-rated salary adjustments on the number of employees, rather than base pay, such that whenever two or more employees in a job classification were Y-rated the pay would be pensionable, but otherwise it would not. The County, respectfully, does not support this position.

III. Items Requiring Further Analysis

Representatives from VCERA and the County have discussed a number of other pay codes over which they disagree, but for which further clarification from the County may resolve or at least narrow the disagreement. For example, there are numerous codes for bilingual pay in various positions. VCERA has indicated that where individuals are

required to be bilingual for their jobs or use their bilingualism as a normal part of their job functions, the bilingual pay should be pensionable. Currently, it is not clear from the pay codes whether bilingual skills are required or a normal part of an employee's job function. VCERA and the County also discussed holiday, night shift and call back pay. Like the bilingual pay codes, these pay codes do not indicate whether the pay is for required work or whether it is for time worked on a discretionary or ad hoc basis. The County will investigate revising the pay codes and/or job classifications to give more clarity on this issue.

Thank you for your continuing consideration on these important issues. If you have any questions please contact me at 654-2681 or Paul Derse at 662-6792.

Michael Powers
County Executive Officer

C: Board of Supervisors
Linda Webb, Retirement Administrator
Leroy Smith, County Counsel
Matt Carroll, Assistant County Executive Officer
Paul Derse, Assistant County Executive Officer/ Chief Financial Officer
Catherine Rodriguez, Assistant County Executive Officer/ Labor Relations & Strategic Development

SUMMARY OF MEETING OF SEPT 23 ON
PENSIONABLE COMPENSATION FOR PEPRA MEMBERS

Attendees:
COV: Paul Derse, Garrick Leedy, Sharlene Matney & Ronda McKaig
VCERA: Linda Webb, Julie Stallings, & Shalini Nunna
NOSSAMAN: Ashley Dunning & Michael Toumanoff

County of Ventura and VCERA are in agreement in the analysis of the pay codes in the majority of cases. For the codes on which there is disagreement, the County of Ventura (COV) and VCERA have a different approach to the concept of what is the "normal" monthly rate of pay or base pay of "similarly situated" employees of the "same group or class of employment," regarding the categorization of such sub groups. This plays out specifically in the following areas:

Market-based premium pay codes
VCERA = exclude; COV = include
COV feels that this is essentially base pay of people who are paid this premium, and is applied as such on a practical basis. Specifically, COV noted that incentives that are percentage-based are calculated on the combination of salary and this premium pay, and they believe those who receive it should be deemed to meet the definition of "similarly situated" to one another. VCERA's administrative recommendation of exclude is based on the understanding that there is not a subgroup of "similarly situated' employees in the same grade or class who receive this premium pay; rather, the premium is based on date of hire of a particular individual, may be taken away without change of duties of that individual at any time, and may not be paid to the next person hired at a later date into the same job. VCERA does not believe that PEPRA's requirement that in order to be pensionable a pay item must be paid to "similarly situated individuals" should be interpreted to include premiums paid in addition to normal salary that are tied only to date of hire and are not necessarily paid to others hired into the position later.

Y-Rating
VCERA = exclude; COV = include
COV feels Y-rates should be included as part of the "base pay" of those who receive it. Generally, it is applied when a reclassification takes place and an entire group continues to be paid the same total compensation although the salary of their reclassified position has decreased resulting in different pay for those subsequently hired into the same position. VCERA's administrative recommendation to exclude is based on the understanding that there is not a subgroup of "similarly situated" employees in the same grade or class who receive the premium pay; VCERA staff brought up examples of when Y-rating is used where only one individual is impacted in a demotion situation.

Holiday
VCERA = exclude; COV = included
This was not discussed at length, but generally COV feels all holiday pay should be included as normal rate of pay, and VCERA considers this pensionable only if it's straight-time payment of holiday within an employee's schedule that is not FLSA pay, otherwise it is excluded by PEPRA as either compensation for overtime work other than FLSA, or as payments for additional services rendered outside of normal working hours, or as payments for compensatory time off, or as variable non-periodic payments that should not be pensionable compensation because they are subject to manipulation to enhance pensions. On the other hand, if it's a guaranteed payment for a certain number of holidays required to be worked per year in a particular unit, then it may be considered payments within normal working hours for individuals in the same group or class and on that basis could be pensionable. However, VCERA does not currently have information to support the conclusion that holiday pay as currently provided qualifies as pensionable compensation because it appears not to be paid on the same

normal and consistent terms to all similarly situated people in the same classes or grade. If it is provided in that manner and is non-discretionary, and also is not able to be accrued and cashed out, then the determination may be different.

Bilingual

VCERA = situational; COV = exclude

COV considers bilingual pay codes to be special compensation that in no event become part of the normal monthly rate of pay of its employees, and asserts they all should be excluded from pensionable compensation. VCERA considers these situational, based on whether or not this skill is a requirement or normal duty for all in the position or assignment such that the payment is made to all such similarly situated individuals in the same class or grade.

Assignment Pay & Assignment Bonuses

VCERA = include; COV = exclude

COV considers assignment pay codes (ex: motorcycle officers, bomb squad assignments, etc.) to be excludable based on it being an assignment from within a broader group of employees, and according to COV the assignment does not constitute a sub group. COV also said such assignments are potentially temporary, and view these as "extra" compensation. VCERA considers those who are similarly assigned who are receiving this pay to be "similarly situated" when there is an identifiable subgroup regularly assigned to a position (generally at least 1 year) with additional job-related responsibilities.

Supervisory Differential

VCERA = exclude; COV = include

VCERA believes it is conditional, in that it is lost when the subordinate's position is vacated or a subordinate receives lower pay than the supervisor's pay without this differential. Thus, it is temporary and not paid to an identifiable subgroup of similarly situated individuals within a class or grade. Initially, COV indicated they feel this to be part of the normal rate of pay; however, upon further discussion, they tentatively accepted VCERA's point regarding it being conditional.

Nurses' Certification Bonuses

VCERA = include; COV = exclude

VCERA believed these payments to be includable, as they appeared to be related to the duties being performed (ex: mental health certification while working in mental health unit, neo-natal certification when in that unit). The MOU language supports this conclusion. However, COV said that this certification is not applied this way, and that nurses who have various certifications receive this pay, regardless of where they are assigned. VCERA indicated they would follow up and research these types of codes further before finalizing a recommendation for the VCERA Board.

Items of Agreement Needing Adjustment

In some instances, COV agrees with VCERA on the analysis of codes, but the current practice does not reflect this. COV indicated they would follow up internally for these adjustments.

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ANA GALLEGOS, Of Counsel
CHRISTIAN L. RAISNER, Of Counsel
SANDRA RAE BENSON, Of Counsel
THEODORE FRANKLIN, Of Counsel

• Admitted in Hawaii.
•• Also admitted in Nevada
••• Also admitted in Illinois
•••• Also admitted in New York and Alaska
••••• Also admitted in New York and Michigan

October 2, 2015

VIA OVERNIGHT MAIL

Mr. Tracy Towner, Chairman of VCERA Board
and VCERA Board Members
c/o Ms. Linda Webb, Retirement Administrator
Ventura County Employees' Retirement Association
1190 South Victoria Avenue, Suite 200
Ventura, CA 93003

Re: Service Employees International Union, Local 721's Position Statement re Preliminary Report on PEPRA Pensionable Compensation Analysis

Dear Chairman Towner, Members of the Board, and Ms. Webb:

We are attorneys for the Service Employees International Union, Local 721 ("SEIU Local 721"). We submit this position statement on behalf of our client.

We respectfully request that the Ventura County Employees' Retirement Association ("VCERA") Board consider Market Based Premium Pay, Bilingual Pay, and Shift Differential Pay to be "pensionable compensation." Those pay codes meet the definition of "pensionable compensation" set forth in Government Code section 7522.34(a) and your November 17, 2014 Resolution implementing that Government Code section.

This position statement draws largely from the enclosed sworn written testimony of SEIU Local 721 Worksite Organizer Angela Portillo, who is familiar with the Memorandum of Understanding ("MOU") between SEIU Local 721 and the County of Ventura ("County") and has personal knowledge of the County's pay and scheduling practices.

I. MARKET BASED PREMIUM PAY

Contrary to the VCERA Staff's preliminary analysis, the Market Based Premium Pay ("MBPP") is *not* an "ad hoc payment" or "bonus." Also, the MBPP is to be paid at an equal rate to *all* employees in a specified classification regardless of an employee's date of hire.

A. THE MARKET BASED PREMIUM PAY IS NOT AN AD HOC PAYMENT

Government Code section 7522.34 excludes from the definition of "pensionable compensation" "[a]ny one-time or ad hoc payments made to a member." (Government Code section 7522.24(c)(3).)

"Ad hoc" means "for this" in Latin. Black's Law Dictionary defines "ad hoc" as "for this; for this special purpose." The term "ad hoc" is often used colloquially in connection with committees that form for a special purpose, and then disband after the purpose of the committee is fulfilled. The term "ad hoc" often refers to things more generally that are flexible or determined on a case-by-case basis.

There is nothing "ad hoc" about the MBPP. The conditions that must be met for a County classification to receive MBPP are clearly defined in advanced, and set forth in writing in the SEIU Local 721/County MOU. As Section 622 of the SEIU Local 721/County MOU provides, the Ventura County Health Care Agency ("VC HCA") obtains a report from the Hospital Association of Southern California ("HASC"). (See Declaration of Angela Portillo ("Portillo Declaration"), ¶5, Exhibit A, Section 622, pages 26-27.) That report is a labor market survey of comparable positions in local hospitals and private pharmacies, which reflects whether a number of SEIU Local 721-represented classifications are underpaid compared to counterpart classifications elsewhere. (Id.) The MBPPs are reviewed in light of the results of that report. (Id.) VC HCA determines from the report if a MBPP is necessary to: (a) recruit new employees, and (b) retain existing employees by providing competitive wages. (Id.) If VC HCA determines that a MBPP is appropriate for a particular County classification – because the market average pay rate paid to the comparable classification in local hospitals or private pharmacies exceeds that which is paid to the County classification – then MBPP will be issued to *all* employees (that includes existing employees and any new hires) in the County classification. (Id.) For example, if the top of the County pay scale for a Speech Pathologist is $35 an hour, but the HASC study determines that the 50th percentile of pay for speech pathologists across southern California is $45, *all* County Speech Pathologists will receive a $10 an hour MBPP in order to raise the total hourly wage to $45. (Id.)

The payment of the MBPP to a particular classification is dependent upon an external factor – the going market rate paid to employees in comparable positions in local hospitals and private pharmacies. That external factor is documented in the HASC survey, which means that the payment cannot be and is not made to employees for arbitrary reasons such as nepotism, favoritism or to enhance their retirement benefit.

Once paid, the MBPP may only be reduced or discontinued in a classification if a certain external and verifiable condition is met – that the total hourly rate (base pay plus any MBPP) paid to the employee exceeds the market average pay rate by more than 5% plus the percentage value increase of the salary offsets set forth in Article 5, Section 502C of the MOU. (See Exhibit A to Portillo Declaration, Section 622, page. 27.) In such an event, the amount of the reduction shall only be that by which the total hourly rate exceeds the threshold value. (Id.)

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B. THE MARKET BASED PREMIUM PAY IS NOT A "BONUS"

Government Code section 7522.3(c)(10) excludes from the definition of "pensionable compensation" "[a]ny bonus paid in addition to the compensation described in subdivision (a)." (Government Code section 7522.34(c)(10).) MBPP is not a "bonus."

Although the SEIU Local 721/County MOU inaptly refers to the MBPP in one sentence as a "recruitment and retention bonus," it is not a "bonus" in the typical sense. (See Portillo Declaration, ¶8, Exhibit A, Section 622, page 26.) The same section of the MOU also refers to the payment as a "premium pay adjustment." (Id.) That is the accurate way of describing the payment. (Portillo Declaration, ¶8.) The language of Section 622 of the SEIU Local 721/County MOU defines an employee's total hourly rate to be the base pay plus any MBPP. (Id.) Therefore, the total hourly rate (base pay + MBPP) functions as the employee's normal hourly rate of pay. (Portillo Declaration, ¶8, Exhibit B, redacted paycheck of a County employee who receives MBPP.)

The MBPP is treated by the County to be comparable to the Market Based Adjustment, which is indisputably pensionable income. (Portillo Declaration, ¶9.) The parties negotiated the Market Based Adjustment in 2013 to help bring the hourly wages of all SEIU Local 721 classifications to market levels. (Id.) Per Section 622 of the MOU: "Employees receiving a MBPP shall be excluded from the MBA [Market Based Adjustment] studies set forth in Section 502B [of the MOU] and shall not be eligible to receive any MBA." (Id., Exhibit A, page 5.) In the most recent cycle of bargaining (2013), SEIU Local 721 and the County negotiated wage increases for current and future employees in two different ways: (a) general across-the-board salary increases, and (b) market based adjustments. (Portillo Declaration, ¶9.) To implement Section 502B of the MOU, which provides for the Market Based Adjustments, the County conducted a total compensation market based average study and thereafter gave Market Based Adjustments to certain classifications based on the parameters established in 502B (i.e., whether a certain classification is paid 3% or less than the market average). (Id.) Employees receiving a MBPP were excluded from receiving the Market Based Adjustment raises, as it was understood by both parties that those receiving MBPPs were being brought to market rates via the MBPP. (See Id., Exhibit A, Section 622, page 27.)

It would be illogical to consider the negotiated general across-the board salary increases and the Market Based Adjustments pensionable, but to consider the MBPPs non-pensionable. (Portillo Declaration, ¶9.) Had the MBPP not been in effect already in a certain classification at the time that the 2013 Market Based Adjustments went into effect, the employees in the certain classification would have received the 2013 Market Based Adjustments. (Id.) Both the MBPPs and the Market Based Adjustments must be treated the same – as pensionable income.

C. THE MBPP IS PAID TO SIMILARLY SITUATED MEMBERS OF THE SAME GROUP OR CLASS OF EMPLOYMENT

Government Code section 7522.34(a) requires pensionable pay to be "paid in cash to similarly situated members of the same group or class of employment..." (Government Code section 7522.34(a).) It has been reported to SEIU Local 721 that VCERA staff and advisors may believe that

employees in the same classification are offered different MBPPs based on their date of hire with the County. (Portillo Declaration, ¶6.) This is incorrect. (Id.)

All current/existing employees and any new hires in the same classification receive the same MBPP. (Id.) Their date of hire does not determine the MBPP. (Id.) Rather, the MBPP is determined by the results of the annual HASC study. (Id.) Some employees may receive a higher MBPP as a result of a skill set and/or assignment. (Id.) For example, all Pharmacists receive a MBPP based on the HASC study results. (Id.) However, Pharmacists assigned to the Oncology unit receive a slightly higher MBPP because it is a hazardous assignment and there is an additional skill set required to work in the unit. (Id.)

There may also be differing rates of MBPP paid to employees within a particular classification because, in the past, when SEIU Local 721 negotiated a general across-the-board wage increase for all of its bargaining unit members, the classifications that were already being paid a MBPP received the general across-the-board wage increase and the County subtracted the amount of that increase from the MBPP. (Id., ¶7.) In the past, that employee's hourly wage did not go up, even though the SEIU Local 721 bargaining unit had just received a general across-the-board increase. (Id.) Some employees in classifications that were being paid MBPP complained that, practically speaking, they did not receive the benefit of SEIU Local 721's negotiated general across-the-board increases because their wages remained the same. (Id.) In 2013, SEIU Local 721 and the County negotiated contract language that expressly requires the County to pay the general across-the-board wage increase to classifications that receive MBPP (and implicitly, to not subtract the amount of the general across-the-board wage increase from the MBPP). (Id.) The contract language says: "If an employee is receiving a MBPP on the effective date of the general salary increases set forth in Article 5, Sec. 502A, his or her MBPP shall not be reduced as a result of the implementation of said salary increase." (See Id., Exhibit A, Section 622, page 27.) The County's historical practice of subtracting the general across-the-board wage increase from the MBPP makes it look on paper as though employees in the same classification are receiving different MBPP rates based on their date of hire, but that is not the case. (Id.) The County has pledged to correct this historical practice of subtracting past general across-the-board salary increases from employees' MBPP, and to instead pay all employees in a classification the same MBPP. (Id.) County Management Representatives have assured SEIU Local 721 that the County is in the process of transitioning all employees in a classification to the same MBPP rate. (Id.) It is possible that it has not yet accomplished this transition process. (Id.) The process is underway. (Id.)

II. BILINGUAL PAY

We agree with Steve Silver's September 10, 2015 letter, which states that page 3, paragraph 2c) of the VCERA Board's Resolution – i.e., the requirement that "[s]pecial assignment payments or differentials, and payments for possessing specified certificates, certifications or licenses will be included only if the assignment, certification or license is part of a member's regularly assigned responsibilities on a matter that is a normal or essential function of the job…" (November 17, 2014 Resolution, page 3, paragraph 2c), emphasis in original) – is overly-restrictive and not supported by statute. We incorporate by reference Mr. Silver's arguments in that respect into this position statement.

We appreciate that the VCERA staff have recommended that the County's practice of categorically declining to report any bilingual pay as pensionable compensation should come to an end.

VCERA staff have, instead, recommended that the pay be "[i]ncludable only if bilingualism [is] a regularly assigned normal or essential job function of an identifiable subgroup of similarly situated members within this group or class of employment." (Chart of recommended changes.) A shorthand way of describing this inquiry is whether the employee's position "requires" the bilingual skill. We believe this approach is too narrow and unmanageable. An employee's bilingualism is useful to the employer at any time, even if the employee is not in a position that technically requires proficiency in a non-English language. The employee can be called upon at a moment's notice to help communicate with a non-English client, patient or member of the public. Additionally, in some circumstances, it may be difficult to measure whether bilingualism is a "regularly assigned normal or essential job function." How often must the employee use the non-English language in the course of their work to satisfy this standard?

Assuming for the sake of argument that it is appropriate for the VCERA Board to determine whether an employee's position "requires" the bilingual skill, we take this opportunity to point out to the VCERA Board that the County is only paying bilingual pay to those SEIU Local 721-represented employees who are in positions that require the bilingual skill. The best evidence of this is the MOU. Section 601 of the MOU states that a bilingual premium is paid to "[e]mployees whose positions require the use of bilingual skills…" (Portillo Declaration, ¶10, Exhibit A, page 16.) Therefore, if the County employee is currently receiving bilingual premium pay, then the County *has already determined* that the employee's position requires bilingual skills. (Portillo Declaration, ¶10.)

We therefore ask VCERA to consider bilingual pay pensionable for *all* employees in the SEIU Local 721 bargaining unit who receive it.

III. SHIFT DIFFERENTIAL

Again, we appreciate that VCERA staff have recommended that the County no longer categorically carve out all differentials from pensionable income.

The VCERA staff recommended a case-by-case approach to determining the pensionability of shift differentials that is similar to its approach to bilingual pay. VCERA staff suggest that the query should be whether the employee is "regularly assigned" to work the off-shift that results in the payment of the shift differential.

Our comments regarding the overly-restrictive nature of Paragraph 2c) of the VCERA Board's November 17, 2014 Resolution, and regarding the difficulty of interpreting and applying that standard, apply equally to shift differentials.

VCERA's recommended approach would be particularly hard to manage in workplaces that operate 24-hours a day, 7 days a week. As Angela Portillo explains in her declaration, there is no such thing as a "regular schedule" in the VC HCA setting. (Portillo Declaration, ¶11.) VC HCA is a 24-hour a

day, 7 days a week operation. (Id.) Management representatives always tell the employees and SEIU Local 721 that they can change employees' schedules at any time. (Id.) Also, it is not uncommon for an employee to regularly work a day shift at some point during the week, and then a swing or graveyard (non-overtime, straight-time pay) shift at some other point during the week, as their so-called regular schedule. (Id.) How often must the employee work the off-shift before that off-shift is considered their "regular schedule"?

We respectfully suggest that a better approach, which is consistent with Government Code section 7522.34(a), is to deem all shift differentials to be pensionable if the differential is based on *straight-time hours* the employee worked.

IV. CONCLUSION

We urge the VCERA Board to consider MBPP, bilingual pay, and shift differentials to be "pensionable compensation" for "new members." If this position statement raises any questions or points of discussion, SEIU Local 721 would be happy to address them at the October 19, 2015 business meeting. If the VCERA Board believes that further evidence of pay practices or contractual intent is necessary for it to make a decision, we request additional time for SEIU Local 721 to gather such evidence.

Sincerely,

Kerianne R. Steele

KRS:not
Enclosure – Declaration of SEIU Local 721 Worksite Organizer Angela Portillo
cc: Joe Kahraman, Director of SEIU Local 721 (email only)
Angela Portillo, Worksite Organizer of SEIU Local 721 (email only)
1/832288

PROOF OF SERVICE
(CCP §1013)

I am a citizen of the United States and resident of the State of California. I am employed in the County of Alameda, State of California, in the office of a member of the bar of this Court, at whose direction the service was made. I am over the age of eighteen years and not a party to the within action.

On October 2, 2015, I served the following documents in the manner described below:

POSITION STATEMENT OF SEIU LOCAL 721

☐ (BY U.S. MAIL) I am personally and readily familiar with the business practice of Weinberg, Roger & Rosenfeld for collection and processing of correspondence for mailing with the United States Parcel Service, and I caused such envelope(s) with postage thereon fully prepaid to be placed in the United States Postal Service at Alameda, California.

☐ (BY FACSIMILE) I am personally and readily familiar with the business practice of Weinberg, Roger & Rosenfeld for collection and processing of document(s) to be transmitted by facsimile and I caused such document(s) on this date to be transmitted by facsimile to the offices of addressee(s) at the numbers listed below.

☑ (BY OVERNIGHT MAIL) I am personally and readily familiar with the business practice of Weinberg, Roger & Rosenfeld for collection and processing of correspondence for overnight delivery, and I caused such document(s) described herein to be deposited for delivery to a facility regularly maintained by United Parcel Service for overnight delivery.

☐ (BY ELECTRONIC SERVICE) By electronically mailing a true and correct copy through Weinberg, Roger & Rosenfeld's electronic mail system from smizuhara@unioncounsel.net to the email addresses set forth below.

On the following part(ies) in this action:

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

I declare under penalty of perjury under the laws of the United States of America that the foregoing is true and correct. Executed on October 2, 2015, at Alameda, California.

Stephanie Mizuhara

WEINBERG, ROGER & ROSENFELD
A Professional Corporation
1001 Marina Village Parkway, Suite 200
Alameda, California 94501
(510) 337-1001

BEFORE THE BOARD OF THE
VENTURA COUNTY EMPLOYEES' RETIREMENT ASSOCIATION

DECLARATION

I, Angela Portillo, do hereby declare as follows:

1. I have personal knowledge of the following facts and am competent to and would testify as to the truth of these facts if called as a witness.

2. I am a resident of Ventura County ("County"), California.

3. I am a Worksite Organizer for SEIU Local 721. I have worked for SEIU Local 721 since 2014. Prior to working for SEIU Local 721, I was a County employee. I worked for 5 years as a County employee in the Child Support Services Specialist classification, in the Child Support department.

4. I have been assigned to the Ventura County Health Care Agency ("VC HCA") worksite since 2014. My duties as a Worksite Organizer include being knowledgeable regarding the provisions of the Memorandum of Understanding ("MOU") between SEIU Local 721 and the County, and regarding existing payment and scheduling practices in the VC HCA workplace.

5. Over the course of the last year, in connection with my duties as a Worksite Organizer, I have had multiple conversations with VC HCA Management Representatives, including representatives in Human Resources, about the Market Based Premium Payment ("MBPP") that is set forth in Section 622 of the SEIU Local 721/County MOU. Attached and marked as **Exhibit A** to this declaration is a true and correct copy of excerpts of the SEIU Local 721/County MOU, having the term of September 10, 2013 through August 9, 2016. In conversations with Management Representatives, we have discussed how the amount of MBPP is determined and how it is implemented. From those conversations I have learned that every year VC HCA obtains a report from the Hospital Association of Southern California ("HASC"). That report is a labor market survey of comparable positions in local hospitals and pharmacies, which reflects whether a number of SEIU Local 721-represented classifications (Pharmacist, Speech Pathologist, Senior Speech Pathologist, Physical Therapist, Senior Physical Therapist, Occupational Therapist, Senior Occupational Therapist, Supervising Physical Therapist I and II,

Staff Psychologist, Senior Psychologist, Pharmacy Technician, Clinical Laboratory Scientist I, II, and II, Histologist, Radiologic Specialist, Radiologic Technologist, Licensed Physical Therapy Assistant, Principal Respiratory Therapist, and Certified Occupational Therapy Assistant) are underpaid compared to counterpart classifications elsewhere. (See Exhibit A, Section 622, pages 26-27.) The MBPPs are reviewed in light of the results of that report. VC HCA determines from the report if a MBPP is necessary to: (a) recruit new employees, and (b) retain existing employees by providing competitive wages. If VC HCA determines that a MBPP is appropriate for a particular County classification – because the market average pay rate paid to the comparable classification in local hospitals or private pharmacies exceeds that which is paid to the County classification – then MBPP will be issued to *all* employees (that includes existing employees and any new hires) in the County classification. For example, if the top of the County pay scale for a Speech Pathologist is $35 an hour, but the HASC study determines that the 50th percentile of pay for speech pathologists across southern California is $45, *all* County Speech Pathologists will receive a $10 an hour MBPP in order to raise the total hourly wage to $45.

6. It has been reported to me that VCERA staff and advisors may believe that employees in the same classification are offered different MBPPs based on their date of hire with the County. This is incorrect. *All* current/existing employees and any new hires in the same classification receive the same MBPP. Their date of hire does not determine the MBPP. Rather, the MBPP is determined by the results of the annual HASC study. Some employees may receive a higher MBPP as a result of a skill set and/or assignment. For example, all Pharmacists receive a MBPP based on the HASC study results. However, Pharmacists assigned to the Oncology unit receive a slightly higher MBPP because it is a hazardous assignment and there is an additional skill set required to work in the unit.

7. There may also be differing rates of MBPP paid to employees within a particular classification because, in the past, when SEIU Local 721 negotiated a general across-the-board wage increase for all of its bargaining unit members, the classifications that were already being paid a MBPP received the general across-the-board wage increase and the County subtracted the amount of that increase from the MBPP. In the past, that employee's hourly wage did not go up,

even though the SEIU Local 721 bargaining unit had just received a general across-the-board increase. Some employees in classifications that were being paid MBPP complained that, practically speaking, they did not receive the benefit of SEIU Local 721's negotiated general across-the-board increases because their wages remained the same. In 2013, SEIU Local 721 and the County negotiated contract language that expressly requires the County to pay the general across-the-board wage increase to classifications that receive MBPP (and implicitly, to not subtract the amount of the general across-the-board wage increase from the MBPP). The contract language says: "If an employee is receiving a MBPP on the effective date of the general salary increases set forth in Article 5, Sec. 502A, his or her MBPP shall not be reduced as a result of the implementation of said salary increase." (See Exhibit A, Section 622, page 27.) The County's historical practice of subtracting the general across-the-board wage increase from the MBPP makes it look as though employees in the same classification are receiving different MBPP rates based on their date of hire, but that is not the case. The County has pledged to correct this historical practice of subtracting past general across-the-board salary increases from employees' MBPP, and to instead pay all employees in a classification the same MBPP. County Management Representatives have assured me that the County is in the process of transitioning all employees in a classification to the same MBPP rate. It is possible that it has not yet accomplished this transition process. The process is underway.

8. Although Section 622 of the MOU describes the payment as a "recruitment and retention bonus," it is not a "bonus" in the typical sense. The same section of the MOU also refers to the payment as a "premium pay adjustment." That is a more accurate way of describing the payment. The language of Section 622 of the SEIU Local 721/County MOU defines an employee's total hourly rate to be the base pay plus any MBPP. Therefore, the total hourly rate (base pay + MBPP) functions as the employee's normal hourly rate of pay. Attached and marked as **Exhibit B** to this declaration is a true and correct pay stub belonging to a current Ventura County employee in the Pharmacy Technician II classification. The base hourly wage (NAHRLY) and the MBPP (PHARM) are added to create the total hourly wage (Total). All other hours and earnings are itemized in a separate section of the pay stub. Percentage based premiums, such as

bilingual pay, are paid on the total hourly wage, not on the base hourly wage. This reaffirms that the total hourly rate (base pay + MBPP) functions as the employee's normal hourly rate of pay.

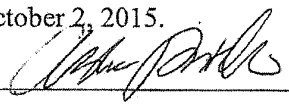
9. The MBPP functions to effectively bring wages of the classifications outlined in section 622 of the MOU to market levels. Per Section 622 of the MOU: "Employees receiving a MBPP shall be excluded from the MBA [Market Based Adjustment] studies set forth in Section 502B [of the MOU] and shall not be eligible to receive any MBA." In the most recent cycle of bargaining (2013), SEIU Local 721 and the County negotiated wage increases for current and future employees in two different ways: (a) general across-the-board salary increases, and (b) market based adjustments (MBAs). To implement Section 502B of the MOU, which provides for the MBAs, the County conducted a total compensation market based average study and thereafter gave MBAs to certain classifications based on the parameters established in 502B (i.e., whether a certain classification is paid 3% or less than the market average). Employees receiving a MBPP were excluded from receiving the MBA raises, as it was understood by both parties that those receiving MBPPs were being brought to market rates via the MBPP. (See Exhibit A, Section 622, page 27.) Both the general across-the-board salary increases and the MBAs outlined in Sec 502A and Sec 502B are pensionable under PEPRA. It would be illogical to consider the negotiated general across-the board salary increases and the MBAs as pensionable, but to consider the MBPPs non-pensionable. Had the MBPP not been in effect already in a certain classification at the time that the 2013 MBAs went into effect, the employees in the certain classification would have received the 2013 MBAs. Also, the County clearly regards the MBPPs as a payment for regularly assigned normal or essential job functions of an identifiable group or subgroup within similarly situated members within this group or class of employment.

10. I am personally familiar with SEIU Local 721/County contract language regarding bilingual pay. Section 601 of the MOU states that a bilingual premium is paid to "[e]mployees whose positions require the use of bilingual skills…" (Exhibit A, page 16.) Therefore, if the County employee is currently receiving bilingual premium pay, then the County *has already determined* that the employee's position requires bilingual skills.

11. I have reviewed the VCERA analysis regarding who should be eligible for shift

differentials, i.e., "employees regularly assigned to work" on the shift. I am personally aware, from talking to VC HCA employees and management representatives and viewing schedules, that there is no such thing as a "regular schedule" in the VC HCA setting. VC HCA is a 24-hour a day, 7 days a week operation. Management representatives always tell the employees and SEIU Local 721 that they can change employees' schedules at any time. Also, it is not uncommon for an employee to regularly work a day shift at some point during the week, and then a swing or graveyard (non-overtime, straight-time pay) shift at some other point during the week, as their so-called regular schedule.

I declare under penalty of perjury that the foregoing is true and correct, and that this declaration was executed in Ventura, California on October 2, 2015.

Signed: 

Angela Portillo

1/832287

SEIU LOCAL 721 / COUNTY OF VENTURA
VENTURA COUNTY EMPLOYEES' RETIREMENT ASSOCIATION
Preliminary Report on PEPRA Pensionable Compensation Analysis

EXHIBIT A

SEIU Local 721

County of Ventura

Memorandum of Understanding

September 10, 2013
through
August 9, 2016

of seven hundred fifty dollars ($750). Employees employed less than full-time (regularly scheduled to work less than 64 hours biweekly) shall receive a one-time payment of six hundred ($600) dollars.

Sec. 502 PAY/SALARY INCREASES:

A. General Salary Increases

Effective August 17, 2014, employees covered by this agreement shall be eligible for a general salary increase of one percent (1%).

Effective August 16, 2015, employees covered by this agreement shall be eligible for a general salary increase of two percent (2%).

B. Market Based Adjustments

The County shall conduct a single total compensation market-based average study (based on the survey structure that was provided to SEIU on 7/22/13) by April 30, 2014. The results of that survey shall be used to determine market-based salary adjustments as follows:

a. If the total compensation study results reveal that a benchmark classification is three percent (3%) or less than the market average, then that classification benchmark and all other classifications benchmarked to it shall not be eligible for any MBA.

b. Effective August 17, 2014, if the total compensation study results reveal that a benchmark classification is more than three percent (3%) below the market average, then that classification benchmark and all other classifications benchmarked to it shall be eligible to receive a MBA of one percent (1%).

c. Effective August 16, 2015, if the total compensation study results reveal that a benchmark classification is more than six percent (6%) below the market average, then that classification benchmark and all other classifications benchmarked to it shall be eligible to receive a MBA of one percent (1%).

C. Salary Offsets for Increased Employee-Paid Retirement Contributions

Effective July 6, 2014, salary of represented employees affected by the changes to Sec. 401 and 402 shall be increased as follows:

a. The percentage amount equal to the percentage value of eliminating the retirement pick-up; and

5. Temporary assignments will not exceed twenty three (23) working days.

Sec. 525 BASE HOURLY RATE OF PAY/SALARY – VCMC TWELVE (12) HOUR SHIFT - METHOD OF COMPUTATION: Employees in Nursing Care Coordinator classifications who are assigned to the Ventura County Medical Center and who are regularly assigned to twelve (12) hour shifts shall have their base hourly rate of pay/salary rate computed as follows:

12 Hour Rate = 8 hour base hourly rate of pay/salary Rate times 41 divided by 36.

In order to be eligible for the twelve (12) hour rate, an employee must work a minimum of four (4), twelve (12) hour shifts in a biweekly pay period.

Sec. 526 ADVANCED HOURLY RATE OF PAY/SALARY PLACEMENT (NEW HIRES): Upon recommendation of the appointing authority and the Director-Human Resources, the County Executive Officer may approve hiring a new employee beyond the midpoint of the pay/salary range provided that:

A. Reasonable proof has been presented that no qualified person can be recruited to fill a position below the midpoint of the pay/salary range; or,

B. Reasonable proof has been presented that an applicant has qualifications deserving a starting hourly rate of pay/salary higher than the midpoint of the pay/salary range.

Appointments made above the midpoint of the pay/salary range and in accordance with the above-listed criteria for APCD employees may be approved by the APCD Executive Officer.

Local 721 shall be notified in writing of appointments made above the midpoint of the pay/salary range.

ARTICLE 6
OTHER BENEFITS AND PREMIUM PAY

Sec. 601 BILINGUAL PREMIUM PAY:

A. Employees whose positions require the use of bilingual skills shall be allocated for bilingual premium pay at the I, II, or III level. The allocation of positions among the respective levels shall be made by the Agency/Department Head, based upon the criteria established by, and subject to approval by, the Director-Human Resources. An employee's bilingual proficiency at Levels I and II shall be determined by an examination administered and certification issued by the Director-Human Resources or other approved county or city employer or educational facility at the employee's expense. Level III proficiency examinations shall be developed and administered solely by the Director-Human Resources. The level of an employee's bilingual proficiency shall be determined by an examination administered by the Director – Human Resources. Employees assigned to such positions shall be eligible for bilingual premium pay at the level of their position or level of their proficiency, whichever is less, subject to the conditions set forth herein.

The rates for the respective levels are:

Bilingual Level	Premium Pay
I	$ .65/hour
II	$ .80/hour
III	$ .90/hour

Employees in positions eligible to receive this premium pay shall receive the appropriate rate per hour compensated per biweekly pay period, not to exceed eighty (80) compensated hours per pay period.

Such premium pay shall be in addition to their base pay. To be eligible to receive this premium pay, upon the recommendation of the Agency/Department Head and the Director-Human Resources, the County Executive Officer must designate that such payment will be made.

The provisions of this Section shall not apply to the classification of Interpreter-Translator.

B. Employees in the Non-Supervisory Social Services Unit who currently receive bilingual premium pay shall continue to receive said payment throughout the life of this contract except in cases where an employee accepts a voluntary transfer or is promoted to a position which does not qualify for such premium. Nothing in this

Section precludes management from transferring employees to other worksites in order to provide adequate caseload coverage.

Sec. 602 STANDBY PREMIUM PAY:

A. Should an FLSA non-exempt employee be placed on formal standby duty (as is meant under the FLSA), said employee shall be compensated for actual time on call at one-quarter (1/4) of his/her regular rate of pay/salary or at the State minimum wage, whichever is greater, and for time worked as a result of a callback to duty at his/her hourly wage when funds for such purposes have been specifically appropriated by the Board after specific inclusion in the department/agency budget. In no instance shall a callback to duty be considered as less than two (2) hours for pay purposes. No employee shall be paid for call back time and standby simultaneously. All employees excluded from the overtime provisions of these Articles are also excluded from the provisions of this Section.

B. No more than three (3) HS Child Welfare Social Workers (at the discretion of the Director-Human Services Agency) and two HS Adult Protective Services Social Workers assigned to emergency response duty is authorized to be paid the standby premium in accordance with provided by 602-A. Should that CSSW or APSSW be called back while on formal standby duty, he/she shall be eligible to receive the callback premium pay in accordance with Section 602(A).

All other employees excluded from the overtime provisions of these Articles are also excluded from the provisions of this Section.

Sec. 603 NIGHT SHIFT DIFFERENTIAL PREMIUM PAY:

A. Except as otherwise provided herein, the night shift differential for regular employees who are required to work half of a shift plus one (1) hour between the hours of 3:00 p.m. and 7:00 a.m. shall be calculated at the rate of five percent (5%) of the base pay of said employee.

B. Any person employed as a Jail Cook who is assigned to a shift between the hours of 3:00 a.m. to 11:00 a.m. or 11:00 a.m. to 7:00 p.m. shall be eligible to receive a five percent (5%) premium (based on his/her hourly base rate of pay).

D. Benefits potentially due under this Section shall not apply to Public Safety Dispatchers who are in training prior to successful graduation from the Academy.

The policies that direct the Emergency Medical Dispatch program are those of the County of Ventura, Health Care Agency, Emergency Medical Services Policies and Procedures, including Policy #910.

Sec 620 ENVIRONMENTAL HEALTH RESPONSE TEAM PREMIUM: Environmental Health Employees who are assigned by the Director-RMA or his/her designee to the Environmental Health Response Team shall receive a biweekly premium of $192.00. Employees receiving compensation pursuant to this provision are not eligible to receive overtime, standby, or callback pay.

Sec. 621 VCMC PSYCHIATRIC INPATIENT UNIT ASSIGNMENT DIFFERENTIAL: Any regular, non-physician, non-psychiatric technician, and/or non-nursing employee specifically assigned to work in the Ventura County Medical Center's Unit and specifically designated by the HCA Director to provide acute inpatient mental health care shall receive a five percent (5%) differential for work performed. Depending on the overtime status of the employee, said differential shall be based on, and paid in addition to, either the base hourly wage or base biweekly hourly rate of pay/salary of the employee. Eligibility for this differential is at the sole discretion of the HCA Director.

Sec. 622 MARKET BASED PREMIUM PAY : Upon recommendation of the Director - Health Care Agency, the Director-Human Resources may approve a premium pay for Pharmacists, Speech Pathologist, Senior Speech Pathologist, Physical Therapist, Senior Physical Therapist, Occupational Therapist, Senior Occupational Therapist, Supervising Physical Therapist I and II, Staff Psychologist and Senior Psychologist, Pharmacy Technicians, Clinical Laboratory Scientist I, II, III, Histologist, Radiologic Specialist, Radiologic Technologist, Licensed Physical Therapy Assistant, Principal Respiratory Therapist, and Certified Occupational Therapy Assistant as a recruitment and retention bonus. The amount of the premium pay adjustment will be calculated as needed according to the changing labor market survey of comparable positions in local hospitals and private pharmacies and will be up to $25.00 per hour for Pharmacists, Speech Pathologist, Senior Speech Pathologist, Physical Therapist, Senior Physical Therapist, Occupational Therapist, Senior Occupational Therapist, Supervising Physical Therapist I and II, Staff Psychologist and Senior Psychologist and up to $15.00 per hour for Pharmacy Technicians,

Clinical Laboratory Scientist I, II, III, Histologist, Radiologic Specialist, Radiologic Technologist, Licensed Physical Therapy Assistant, Principal Respiratory Therapist, and Certified Occupational Therapy Assistant. The premium pay may be reduced or eliminated should a survey as described above show that reduction/elimination is warranted.

A reduction to the MBPP may occur if the total hourly rate (base pay plus any MBPP) paid to the employee exceeds the market average pay rate by more than 5% plus the percentage value increase of the salary offsets set forth in Article, 5, Sec. 502C (threshold value). In such a case, the amount of the reduction shall be the amount by which the total hourly rate that exceeds the threshold value.

If an employee is receiving a MBPP on the effective date of the general salary increases set forth in Article 5, Sec. 502A, his or her MBPP shall not be reduced as a result of the implementation of said salary increase. Employees receiving a MBPP shall be excluded from the MBA studies set forth in Sec. 502B and shall not be eligible to receive any MBA.

The County agrees to meet and consult with the Union on the implementation procedures of the Market Based Premium program to determine the original intent of Section 622 and to modify as necessary for implementation by January 1, 2006. Thereafter the County will meet and consult on any changes in application of Section 622 prior to implementation. The County will conduct an internal review of the use of MBPP and discuss the results with SEIU.

Sec. 623 LICENSE ENDORSEMENT REIMBURSEMENT: An employee in any of the classifications listed below who, in order to meet the minimum requirements for his/her position, renews his /her Class "1" or Class "A" California Drivers license within ninety (90) days of the expiration date and is directed by the County to obtain a Tank and/or Hazmat License Endorsement shall be reimbursed for the cost of the initial endorsements only as follows:

1. $25.00 when the endorsement(s) is obtained concurrent with the renewal of his/her Commercial Drivers License; or,

2. $25.00 plus $10.00 per endorsement when, through no fault of the employee, he/she renewed his/her Commercial Drivers License and was subsequently advised by the County that the endorsement is required.

3. $25.00 if, on the effective date of this MOA he/she already holds a Class "A" license and the endorsement(s) if he/she is subsequently

SEIU LOCAL 721 / COUNTY OF VENTURA
VENTURA COUNTY EMPLOYEES' RETIREMENT ASSOCIATION
Preliminary Report on PEPRA Pensionable Compensation Analysis

EXHIBIT B

9.28.15

JEFFERY S. BURGH
AUDITOR-CONTROLLER
COUNTY OF VENTURA

Pay Group: SH1-Sun-Sat Holiday
Pay Begin Date: 08/30/2015
Pay End Date: 09/12/2015

Business Unit: HCAVC
Check #: 000003000977549
Check Date: 09/18/2015

4

Employee ID: [redacted]
Department:3328-Pharmacy
Location:Ventura County Medical Center
Job Title:Pharmacy Technician II

NAHRLY $18.496074
PHARM $2 761387
Total: $21.257461

TAX DATA:	Federal	State
Marital Status:	Single	Single, or Married with
Allowances:	1	1
Addl. Pct:		
Addl. Amt:		

HOURS AND EARNINGS

Description	Rate	Current Hours	Current Earnings	YTD Hours	YTD Earnings
Associate's Degree			42.52		788.86
Bilingual Level 2			64.00		1,215.00
FLex Credit			297.00		5,643.00
Regular	21.257461	64.75	1,376.42	1,158.92	24,080.71
Vacation Hourly NonFLSA	21.257461	7.25	154.12	220.58	4,582.68
Holiday - Hourly Non FLSA	21.257461	8.00	170.06	56.00	1,164.56
Sick - Personal Hourly NonFLSA			0.00	67.25	1,393.34
Sick Leave Adjustment			0.00	-19.50	0.00
Straight Time Overtime			0.00	2.50	51.80
Leave Without Pay Hourly			0.00	1.75	0.00
Family Sick - Hourly Non FLSA			0.00	8.00	165.75
Floating Holiday Non FLSA			0.00	8.00	165.75
TOTAL:		80.00	2,104.12	1,503.50	39,251.45

TAXES

Description	Current	YTD
Fed Withholdng	168.72	3,109.43
Fed MED/EE	25.06	466.26
Fed OASDI/EE	107.17	1,993.67
CA Withholdng	39.97	717.14
CA OASDI/EE	15.55	289.40
TOTAL:	356.47	6,575.90

BEFORE-TAX DEDUCTIONS

Description	Current	YTD
VC Health Care Plan	333.97	6,345.43
401k Deduction	29.76	577.04
Fidelity 457 Plan	10.00	190.00
Health Care Flex Spending Acct	41.67	750.06
Ret EE COL Before Tax	55.34	1,031.01
Ret EE Reg Before Tax	148.03	2,777.40
TOTAL:	618.77	11,670.94

AFTER-TAX DEDUCTIONS

Description	Current	YTD
401k Loan 1	91.73	1,284.22
SEIU FT Reg with PoliticalCont	16.75	326.75
401k Loan 2	0.00	1,947.69
TOTAL:	108.48	3,558.66

EMPLOYER PAID BENEFITS

Description	Current	YTD
401k Deduction	29.76	552.22
Retirement Cnty COL Fund	55.34	637.90
Retirement Earnings Final	2,104.12	39,199.65
Retirement Cnty Reg Fund	353.49	6,569.45
*TAXABLE		

	TOTAL GROSS	FED TAXABLE GROSS	TOTAL TAXES	TOTAL DEDUCTIONS	NET PAY
Current	2,104.12	1,485.35	356.47	727.25	1,020.40
YTD	39,251.45	27,580.51	6,575.90	15,229.60	17,445.95

Sick Hours	YTD	Vacation Hours	YTD	Floating Holiday	YTD	Comp Time	YTD	Holiday PTO	YTD
Start Balance	18.99	Start Balance	125.43	Start Balance	0.00	Start Balance	0.00	Start Balance	0.00
+ Earned	3.08	+ Earned	5.85	+ Earned	0.00	+ Earned	0.00	+ Banked	0.00
+ Bought	0.00	+ Bought	0.00				0.00		
- Taken	0.00	- Taken	7.25	- Taken	0.00	- Taken		- Taken	0.00
- Sold	0.00	- Sold	0.00					- Expired	0.00
+ Adjustments	0.00	+ Adjustments	0.00					+ Adjustments	0.00
End Balance:	22.07	End Balance:	124.03	End Balance:	0.00	End Balance:	0.00	End Balance:	0.00

MESSAGE:
Dept Message:

NET PAY DISTRIBUTION

Check #000003000977549	1,020.40
Total:	1,020.40

JEFFERY S. BURGH
AUDITOR-CONTROLLER
COUNTY OF VENTURA
VENTURA, CA 93009-1540

Date
09/18/2015

Check No.
3000977549

Check Amount: $1,020.40 *****

PROOF OF SERVICE
(CCP §1013)

I am a citizen of the United States and resident of the State of California. I am employed in the County of Alameda, State of California, in the office of a member of the bar of this Court, at whose direction the service was made. I am over the age of eighteen years and not a party to the within action.

On October 2, 2015, I served the following documents in the manner described below:

DECLARATION OF ANGELA PORTILLO

☐ (BY U.S. MAIL) I am personally and readily familiar with the business practice of Weinberg, Roger & Rosenfeld for collection and processing of correspondence for mailing with the United States Parcel Service, and I caused such envelope(s) with postage thereon fully prepaid to be placed in the United States Postal Service at Alameda, California.

☐ (BY FACSIMILE) I am personally and readily familiar with the business practice of Weinberg, Roger & Rosenfeld for collection and processing of document(s) to be transmitted by facsimile and I caused such document(s) on this date to be transmitted by facsimile to the offices of addressee(s) at the numbers listed below.

☑ (BY OVERNIGHT MAIL) I am personally and readily familiar with the business practice of Weinberg, Roger & Rosenfeld for collection and processing of correspondence for overnight delivery, and I caused such document(s) described herein to be deposited for delivery to a facility regularly maintained by United Parcel Service for overnight delivery.

☐ (BY ELECTRONIC SERVICE) By electronically mailing a true and correct copy through Weinberg, Roger & Rosenfeld's electronic mail system from smizuhara@unioncounsel.net to the email addresses set forth below.

On the following part(ies) in this action:

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

I declare under penalty of perjury under the laws of the United States of America that the foregoing is true and correct. Executed on October 2, 2015, at Alameda, California.

Stephanie Mizuhara

WEINBERG, ROGER & ROSENFELD
A Professional Corporation
1001 Marina Village Parkway, Suite 200
Alameda, California 94501
(510) 337-1001

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

January 29, 2016

Michael Powers
County Executive Officer
County of Ventura
800 South Victoria Avenue
Ventura, CA 93009

SUBJECT: VCERA BOARD OF RETIREMENT REQUEST FOR PUBLICLY AVAILABLE SCHEDULE OF MARKET-BASED PREMIUM PAY ITEMS

Dear Mr. Powers,

As you are aware, at its October 19, 2015 business meeting, the Board of Retirement of the Ventura County Employees Retirement Association (Board) took action on individual pay codes pursuant to its November 2014 resolution interpreting pensionable compensation under Government Code section 7522.34. That action identified pay codes to be included in, and excluded from, pensionable compensation applicable to VCERA members who first join the retirement system (without reciprocity) on or after January 1, 2013 (PEPRA members). The resulting addenda to the Board s original Pensionable Compensation Resolution was provided to the County of Ventura after that meeting.

Prior to the Board s adoption of both the original Resolution in 2014 and its addenda in October, the County of Ventura advocated for market based pay items be included in pensionable compensation under PEPRA. The Board ultimately included those items.

As part of the action to include market based premium pay in pensionable compensation, the Board requested that the Ventura County Board of Supervisors create a publicly available schedule of these items, as required by PEPRA, by July 1, 2016. Attached is a list of those pay items.

Please contact me with any questions regarding the Board s action and accompanying request.

Sincerely,

Linda Webb
Retirement Administrator

Attachment

CC: Board of Supervisors, County of Ventura
Board of Retirement, VCERA

MARKET-BASED PREMIUM PAY ITEMS (COUNTY OF VENTURA)

EARNINGS CODE	EARNINGS CODE DESCRIPTION
CLS123	Clinical Laboratory Scientist I/II/III Premium Pay
HISTOL	Histologist Premium Pay
LPTAST	Licensed Physical Therapy Assistant
PHARM	Pharmacy Premium Pay
PRNRES	Principal Respiratory Therapist Premium Pay
PSYCH	Psychologist Premium Pay
RADSPE	Radiologic Specialist Premium Pay
RADTEC	Radiologic Technologist Premium Pay
SPEECH	Speech Pathologist Premium Pay
THRPST	Therapist Premium Pay

APPLICATION OF MBPP CODES AS OF 2016

CODE	Position	#	Receiving	Range Variance		COMMENTS
CLS123	Clinical Lab Scientist I	2	ALL	NO		
CLS123	Clinical Lab Scientist III	9	ALL	NO		
PHARM	Pharmacy Tech I	5	ALL	NO		
PSYCH	Senior Psychologist	14	ALL	NO		
SPEECH	Senior Speech Pathologist	1	ALL*	NO		
SPEECH	Speech Pathologist	1	ALL*	NO		
PSYCH	Staff Psychologist	4	ALL	NO		
THRPST	Supervising Therapist I	6	NONE**	NO		

*Senior SP & SP can be deemed similar situated.

**Was previously paid to one employee who has since been promoted to Supervising Therapist II.

CODE	Position	#	Receiving	Range Variance					COMMENTS
CLS123	Clinical Lab Scientist II	21	ALL	$6.35/hr (19) $6.71 (2)	1/85-1/16	$6.35	B500 (15)	HCA_VCMC (Clinical Lab Svcs)	2 at higher rate only ones hired in FY13-14
							B500 (1)	HCA_SP_HOS (Clinical Lab Svcs)	
							B510 (3)	HCA_SP_HOS (Clinical Lab Svcs – SP)	
					12/13-6/14	$6.71	B500 (2)	HCA_VCMC (Clinical Lab Svcs)	
LPTAST	Licensed Physical Therapy Asst.	3	ALL	$4.20 - $5.40	9/17/01	4.21	B775	HCA_SP_HOS (Heritage Valley)	
					4/5/09	5.15	B770	HCA_VCMC (Eastman PT)	
					9/28/14	5.40	B770	HCA_VCMC (Eastman PT)	
PHARM	Pharmacist II	21	20/21	$11 - $21	9/30/79	$0	3201 (1)	HCA_QA_MGT (MHL Admin)	
					12/11-8/15	$11	C390 (7)	HCA_VCMC (Pharmacy IP)	
							C392 (1)	HCA (Pharmacy Infusion)	
					4/10/09	$13	C390 (1)	HCA_VCMC (Pharmacy IP)	
					11/08-4/16	$14	C390 (5)	HCA_VCMC (Pharmacy IP)	
							C392 (2)	HCA (Pharmacy Infusion)	
							C395 (1)	HCA_SP_HOS (Pharmacy IP – SPH)	
					4/15/15	$16.50	C390 (1)	HCA_VCMC (Pharmacy IP)	
					5/29/02	$17	C390 (1)	HCA_VCMC (Pharmacy IP)	
					1/27/08	$21	C392 (1)	HCA_VCMC (Pharmacy Infusion)	
PHARM	Pharmacy Tech II	13	ALL	$3.24 - $4.70	5/10-4/15	$3.24*	C390 (4)	HCA_VCMC (Pharmacy IP)	
							C390 (1)	HCA_SP_HOS (Pharmacy IP)	
							C392 (2)	HCA (Pharmacy Infusion)	
							C395 (1)	HCA_VCMC (Pharmacy IP – SPH)	

CODE	Position	#	Receiving	Range Variance					COMMENTS
					4/07-3/14	$4.23	C390 (3)	HCA_VCMC (Pharmacy IP)	
							C395 (1)	HCA_SP_HOS (Pharmacy IP – SPH)	
					6/23/13	$4.70	C390 (1)	HCA_VCMC (Pharmacy IP)	
PRNRES	Principal Respiratory Therapist	33	31/33	$0 (2) $6.31 - $9.92	3/15-4/15	$0	C794 (2)	HCA_KNOLLH (Catch Grant)	• The 2 not receiving both are at KNOLLH (CATCH GRANT) • 116488 changed from 6.36 to 9.36 on 7/3 w/o chg in job class
					1/15-4/16	$6.31	B720 (2)	HCA_VCMC (Respiratory Therapy)	
							B720 (1)	HCA_SP_HOS (Respiratory Therapy)	
						$6.36	B720 (7)	HCA_VCMC (Respiratory Therapy)	
							B725 (2)	HCA_VCMC (Respiratory Therapy SPH)	
							B720 (2)	HCA_SP_HOS (Respiratory Therapy)	
						$6.71	B720 (2)	HCA_VCMC (Respiratory Therapy)	
						$7.52	B720 (1)	HCA_SP_HOS (Respiratory Therapy)	
						$7.70	B720 (1)	HCA_VCMC (Respiratory Therapy)	
						$7.91	B720 (1)	HCA_SP_HOS (Respiratory Therapy)	
						$8.36	B720 (1)	HCA_SP_HOS (Respiratory Therapy)	
						$8.98	B720 (1)	HCA_VCMC (Respiratory Therapy)	
						$9.36	B720 (6)	HCA_VCMC (Respiratory Therapy)	
							B720 (2)	HCA_SP_HOS (Respiratory Therapy)	
						$9.71	B720 (1)	HCA_VCMC (Respiratory Therapy)	
						$9.92	B720 (1)	HCA_VCMC (Respiratory Therapy)	
LPTAST	Senior Physical Therapist	20	2 of 20	$1 & $1.39	5/18/11	$1	B770	HCA_VCMC (Heritage Valley PT)	
					4/29/01	$1.39	B775	HCA_VCMC (Heritage Valley PT)	
THRPST	Supervising Therapist II	4	3 of 4	$1.37 - $5.50	4/10/99	$0	3141	HCA_GONCMS (CA Children's Services)	
					12/2/92	$1.37 (1)	B770	HCA_VCMC (Eastman Physical Therapy)	
					10/31/99	$1.56	B775	HCA_SP_HOS (Heritage Valley PT)	
					1/26/1981	$5.50	B770	HCA_VCMC (Eastman Physical Therapy)	

Human Resources Division certifies that said employee is qualified for the position to which he/she is demoted. Such employee shall be demoted to the entry level hourly rate of pay/salary in the lower class or, upon request by the Agency/Department head and approval by the Director-Human Resources, retain his/her current hourly rate of pay/salary or receive the top of the range for the lower class, whichever is less. The employee shall also be required to serve a new probationary period.

Sec. 515 HOURLY RATE OF PAY/SALARY ON DEMOTION: Whenever an employee who has completed his/her probationary period in a higher class is then demoted to a position in a lower class for reasons other than unsatisfactory performance, or for functional disability, he/she shall receive the highest hourly rate of pay/salary on the new range that does not exceed his/her hourly rate of pay/salary immediately prior to demotion and shall retain his/her merit qualifying hours needed.

Sec. 516 MERIT INCREASES: Merit increases within a range shall not be automatic. They shall be based on merit and shall require the written approval of the appointing authority, containing the effective date thereof. Except as otherwise provided, a merit increase shall consist of an increase of approximately five percent (5%) within a range for the class unless the employee is less than five percent (5%) from the top of the range and, in such a case, the increase shall be to the top of the pay/salary range. Qualifying service for merit increase consideration shall be by compensable hours, which include all paid hours exclusive of overtime compensation.

Sec. 517 TIME FOR MERIT INCREASES:
A newly appointed, re-employed, or promoted employee may qualify for:

A. An initial merit increase within the pay/salary range upon completion of at least 1,040 hours of compensable service in that class.

B. Succeeding merit increases within the pay/salary range upon completion of each additional 2,080 hours of compensable service in that class. The period of service required to qualify for merit increases by regular part-time (less than full-time) employees shall be the same as for a regular full-time employee. All approved merit increases will be effective on the first Sunday of the pay period after completing the required compensable hours of service.

Sec. 518 MERIT REVIEW: At least one (1) pay period prior to an employee qualifying for a merit increase, the appointing authority shall notify the Director-Human Resources and the employee in writing of his/her decisions regarding approval or denial of a merit increase. In all cases, the recommendation of the appointing authority shall be based on the employee's performance.

Sec. 519 DENIAL OF MERIT INCREASE: If, in the appointing authority's judgment, the employee's performance does not warrant a merit hourly rate of pay/salary increase upon meeting the time requirements, the Department/Agency Head may deny the increase and must complete the County/APCD performance evaluation rating form. Any time prior to the employee qualifying for his/her next merit increase, the employee may request a review of his/her merit increase by the appointing authority or the appointing authority, by his/her own initiative, may review the matter. If the appointing authority concurs with the requested review or if the appointing authority independently initiates his/her own review, then the appointing authority shall reopen the matter by submitting another performance rating and recommendation. If an employee's merit increase is granted prior to completing at least 2,080 hours of compensable service after it was denied, that employee's next merit increase shall not be due until the employee has completed at least an additional 2,080 hours of compensable service from the first day of the pay period on which the increase was actually granted.

Sec. 520 CORRECTING ERROR IN OVERLOOKING MERIT INCREASE: Upon discovery that an employee who would otherwise have been recommended for a merit increase failed to receive such increase as the result of an oversight in recognition of the employees completion of the merit qualifying hours needed, the Auditor-Controller shall compensate the employee for the additional hourly rate of pay/salary he/she should have received dating from the first day of the pay period after which he/she would have satisfied the merit qualifying hours by adding said additional hourly rate of pay/salary to the employee's next biweekly paycheck. In such cases, there shall be no adjustment of the employee's merit qualifying hours.

Sec. 521 HOURLY RATE OF PAY/SALARY ON PROMOTION: Except as provided below, a newly appointed employee or a regular employee who is appointed to a position in a classification having a higher hourly rate of pay/salary rate than his/her previous classification shall receive the entry level hourly rate of pay/salary for the higher classification or such higher amount as would constitute a hourly rate of pay/salary increase of approximately five percent (5%) on the range of the new classification over the hourly rate of pay/salary received prior to promotion, whichever is greater.

A. Notwithstanding the provisions described above, a newly appointed employee or regular employee who is appointed to a position in a class having a higher hourly rate of pay/salary rate may, upon recommendation of his/her appointing authority and subject to the approvals described below, have his/her initial hourly rate of pay/salary established at any point of the pay/salary range of the new classification. Such rate must, however, be at least the entry rate for the higher classification or constitute an increase of five percent (5%)

Webb, Linda

From: Dembowski, Jim
Sent: Wednesday, May 03, 2017 11:25 AM
To: Webb, Linda; Atin, Shawn; Stallings, Julie
Cc: Reynolds, Michelle
Subject: RE: MBPP

Linda:

Shawn asked that I respond as I led the bargaining effort with SEIU that resulted in the current MOA.

It is recognized that the single sentence that was carried over from the prior MOA in the fourth paragraph of Section 622 of the MOA would seemingly preclude those who are receiving the MBPP from receiving an MBA. However, that would not result in the employees receiving what was intended by the parties at the table. As is well established in Labor Relations, a contract is to be read not line by single line, but rather in total, so as to implement the true understanding of the parties at the table. In this instance, and in sharp contrast to the language found in 502-B of the prior MOA, the language I wrote (as approved by County Counsel) to create 502-B in the current MOA specifically provides that the MBAs be given not only to the subject classifications, *but to all individuals employed therein…* of great note is that there is no stated exclusion of those receiving the benefit of Section 622. Further, the MOA was costed and presented to the BoS as if all individuals within the classification were to receive the benefit, again, irrespective as to whether or not the individual also received MBPP.

Obviously, the failure to delete that outlier sentence has resulted in some confusion and need be corrected by a letter to the BoS. That will occur in the near future.

It is thought the above should allay any confusion regarding the application(s) of 502-B and 622.

J. A. Dembowski
Sr. Deputy Executive Officer - Human Resources
County of Ventura □County Executive Office
800 South Victoria Avenue, L □1970
Ventura, CA 93009
(805) 654-2568
jim.dembowski□ ventura.org

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From: Webb, Linda
Sent: Wednesday, May 3, 2017 10:05 AM
To: Atin, Shawn <Shawn.Atin@ventura.org>; Stallings, Julie <Julie.Stallings@ventura.org>
Cc: Reynolds, Michelle <Michelle.Reynolds@ventura.org>; Dembowski, Jim <Jim.Dembowski@ventura.org>
Subject: RE: MBPP

Shawn,
The reason we are asking is that you've referred us to the MOA for the provisions which guide MBPP. Regarding MBAs, it says that those receiving MBPPs get the GSIs without an MBPP reduction, but are not be eligible for MBAs.

lw

From: Atin, Shawn
Sent: Wednesday, May 03, 2017 9:21 AM
To: Stallings, Julie
Cc: Webb, Linda; Reynolds, Michelle; Dembowski, Jim
Subject: RE: MBPP

Julie –

We have made the case that the HCA Fiscal Premium Pay is similar to MBPP and as such should be included as pension compensation. Regarding the MBA and MBPP, in this round of negotiations MBAs have been provided to all employees in eligible classifications. I am unclear how this impacts the pension compensation question before you. Please clarify.

Shawn Atin
Human Resources Director
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Shawn.Atin ventura.org

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From: Stallings, Julie
Sent: Wednesday, May 03, 2017 8:43 AM
To: Atin, Shawn <Shawn.Atin@ventura.org>
Cc: Webb, Linda <Linda.Webb@ventura.org>; Reynolds, Michelle <Michelle.Reynolds@ventura.org>; Dembowski, Jim <Jim.Dembowski@ventura.org>
Subject: RE: MBPP

Shawn, I wanted to make sure you saw the separate question in the email string that we had asked Michelle regarding MBAs and MBPP. On the last round of MBAs, it appears to have been applied across entire classifications, including for employees already receiving MBPP.

One additional question – is the HCA Fiscal Premium Pay considered a type of MBPP? If not, can you explain how it differs from them?

Thanks,
Julie

From: Atin, Shawn
Sent: Thursday, April 27, 2017 5:53 PM
To: Stallings, Julie
Cc: Webb, Linda; Reynolds, Michelle; Dembowski, Jim
Subject: RE: MBPP

We will review the individuals in question to determine specific facts and circumstances surrounding each. In general, as you point out, MBPP is related to market conditions. In the event of any unintentional discrepancies, we will of course make corrections as needed.

Let me know if we can be of further assistance

Shawn Atin
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From: Stallings, Julie
Sent: Thursday, April 27, 2017 1:48 PM
To: Atin, Shawn <Shawn.Atin@ventura.org>
Cc: Webb, Linda <Linda.Webb@ventura.org>; Reynolds, Michelle <Michelle.Reynolds@ventura.org>; Dembowski, Jim <Jim.Dembowski@ventura.org>
Subject: RE: MBPP

Shawn,

We were asking Michelle about MBPP pay items via email and phone. Specifically, those that have stopped or been discontinued and we provided specific examples to illustrate. We understand there are 3 MBPPs that have historically stopped or been discontinued for all or some employees: Histologist Premium Pay, Radiologic Specialist Premium Pay and Therapist Premium Pay.

The Radiologic Tech pay item has been inactive for some time, and we wanted to confirm that it was suspended as a result of a drop in the overall market rate. In looking at the histologist and therapist ones, the premium pay ended at different times for different people. For example:
105627 – Histologist premium pay ended 10/9/05
102039 – Histologist premium pay ended 7/15/07
122129 – Therapist premium pay ended 8/19/12
100740 – Therapist premium pay increased on 1/24/10, but no change in MBPP for the other two Supervising Therapist II who were receiving the premium (102789 and 105285).

We asked Michelle about these specific circumstances, as well as the HASC study timing in general. In preparation of her memorandum to our outside counsel, Linda Webb asked us to identify MBPPs that had been reduced or discontinued and the circumstances that triggered it, such as the HASC study or other market data.

Please let me know if you need any other information regarding our questions.

Thank you,

Julie Stallings
Chief Operations Officer

Ventura County Employees' Retirement Association
1190 S. Victoria Ave., Ste. 200
Ventura, CA 93003
(805) 339-4265
FAX: (805) 339-4269

From: Atin, Shawn
Sent: Wednesday, April 26, 2017 5:28 PM
To: Stallings, Julie
Cc: Webb, Linda; Reynolds, Michelle; Dembowski, Jim
Subject: FW: MBPP

Julie,

Please direct all your questions regarding MBPP through my office. We will be happy to provide you the information you request; but we will need time to complete and review your information request. In summary, the SEIU MOA describes the provisions which guide the MBPP.

Since I have just become involved, please enumerate your questions.

Thank you

Shawn Atin
Human Resources Director
County of Ventura | County Executive Office
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Ventura, CA 93009
☎ (805) 654-2561
Shawn.Atin ventura.org

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From: Reynolds, Michelle
Sent: Wednesday, April 26, 2017 5:21 PM
To: Atin, Shawn <Shawn.Atin@ventura.org>
Cc: Dembowski, Jim <Jim.Dembowski@ventura.org>; McKinney, Katie <Katie.McKinney@ventura.org>
Subject: FW: MBPP

From: Stallings, Julie
Sent: Tuesday, April 18, 2017 4:55 PM
To: Reynolds, Michelle <Michelle.Reynolds@ventura.org>; Nunna, Shalini <Shalini.Nunna@ventura.org>
Subject: RE: MBPP

We just discussed this with our administrator and she is willing to hold off until you're able to respond, as long as it is soon. Sorry if we weren't clear about the turnaround time frame.

We appreciate your help with this!

Julie

From: Reynolds, Michelle
Sent: Tuesday, April 18, 2017 2:08 PM
To: Stallings, Julie; Nunna, Shalini
Subject: RE: MBPP

Julie, I apologize that I did not understand that you needed the information right away. I need to run what I provide to you by Shawn first so you might not get it today.

Michelle

From: Stallings, Julie
Sent: Tuesday, April 18, 2017 1:57 PM
To: Nunna, Shalini <Shalini.Nunna@ventura.org>; Reynolds, Michelle <Michelle.Reynolds@ventura.org>
Subject: RE: MBPP

Hi Michelle,

I just left you a message regarding the information below that we previously requested, but thought I'd follow-up with an email. VCERA will be sending all relevant information related to MBPP to our outside Counsel for review today, and we were hoping to include this information. We would also like to include the reasoning behind the MBPP recipients receiving Market-Based Adjustments in January 2017.

Please let me know if you have any questions.

Thanks,
Julie

From: Nunna, Shalini
Sent: Monday, April 10, 2017 5:12 PM
To: Reynolds, Michelle
Cc: Stallings, Julie
Subject: MBPP

Hi Michelle,

Thanks again for the information that you provided. Just to summarize, here are the employees we are currently reviewing:

105627 – Histologist premium pay ended 10/9/05
102039 – Histologist premium pay ended 7/15/07
122129 – Therapist premium pay ended 8/19/12
100740 – Therapist premium pay increased on 1/24/10, but no change in MBPP for the other two Supervising Therapist II who were receiving the premium (102789 and 105285).

As you mentioned on the phone, market based premium pay is somewhat discretionary and it's based on more than the annual HASC study. Other factors that could affect MBPP include recruitment and retention challenges, annual budget, etc. If you could identify the criteria that is used to award MBPP, we would greatly appreciate it.

Attached is an excerpt from the County Employees' Retirement Law (CERL) regarding pensionable compensation – CA Government Code Section 7522.34. You can find the complete law book here:
https://www.lacera.com/about_lacera/pdf/retirement_law_book.pdf

Thanks again for your help!

Shalini Nunna | Retirement Benefits Manager
Ventura County Employees' Retirement Association
1190 S. Victoria Avenue, Suite 200 | Ventura, CA 93003
Direct: 805-339-4264 | Department Fax: 805-339-4269
Shalini.Nunna@ventura.org I www.ventura.org/VCERA

Count of ID	Rate Code								
Job Title	CLS123	LPTAST	PHARM	PRNRES	PSYCH	SPEECH	THRPST	N/A	Grand Total
Clinical Lab Scientist I	1								1
Clinical Lab Scientist II	25								25
Clinical Lab Scientist III	9								9
Histologist								3	3
Licensed Physical Therapy Asst		3							3
Pharmacist II			20					1	21
Pharmacy Technician I			4						4
Pharmacy Technician II			15						15
Physical Therapist								1	1
Principal Respiratory Therapst				33				2	35
Radiologic Specialist I								14	14
Radiologic Specialist II								11	11
Radiologic Specialist III								3	3
Radiologic Technologist								11	11
Senior Psychologist					13				13
Staff Psychologist					2				2
Senior Speech Pathologist						1			1
Speech Pathologist						1			1
Supervising Therapist I								6	6
Supervising Therapist II							3	1	4
Senior Physical Therapist							2	19	21
Occupational Therapist								1	1
Senior Occupational Therapist							1	11	12
Grand Total	35	3	39	33	15	2	6	84	217

Total Number of Employees Receiving MBPP		133	61%
Total Numer of Employees Not Receiving MBPP		84	39%
Total Number of Employees Eligible for MBPP		**217**	**100%**

county of ventura

COUNTY EXECUTIVE OFFICE
MICHAEL POWERS
County Executive Officer

J. Matthew Carroll
Assistant County Executive Officer

Catherine Rodriguez
County Chief Financial Officer

Shawn Atin
Assistant County Executive Officer/
Human Resources Director
Labor Relations

September 7, 2017

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

RE: Market-Based Premium Pay and Its Pensionability Under the California Public Employees' Pension Reform Act

Dear Board:

The County of Ventura (County) respectfully requests that your Board reaffirm its decision of October 19, 2015, to include Market-Based Premium Pay (MBPP) in pensionable compensation.

1. Retirement Board's Approval and Request for Publicly Available Schedule

Your Board scheduled a meeting for October 19, 2015, to determine which items of compensation should be included in pensionable compensation under the Public Employees Pension Reform Act (PEPRA). At that time, the County reiterated its position that MBPP was essentially part of regular salary, stating that "[m]arket-based salary adjustments are a significant component of an employee's base pay and are a practical and effective tool to ensure competitive compensation."[1] The Service Employees International Union, Local 721 (SEIU) was in complete agreement with the County's position, and also urged your Board to include MBPP in pensionable compensation. SEIU stated that "[t]he MBPP is treated by the County to be comparable to the Market Based Adjustment, which is indisputably pensionable income," and presented sworn evidence that "[t]he MBPP functions to effectively bring wages of the classifications outlined in section 622 of the MOU to market levels."[2] VCERA's outside counsel also deviated from VCERA staff's recommendation and advised your Board that PEPRA did not expressly mandate that MBPP be excluded from pensionable compensation.[3]

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[1] Letter from Michael Powers to VCERA dated October 13, 2015, pages 3-4; reproduced at Master Pages 141-142 of June 19, 2017, agenda packet.

[2] Letter from Weinberg, Roger & Rosenfeld dated October 2, 2015, on behalf of SEIU, page 3, and attached declaration of Angela Portillo, p. 9; reproduced at Master Pages 148 &156 of June 19, 2017, agenda packet.

[3] October 19, 2015, VCERA staff report, page 4; reproduced at Master Page 79 of October 19, 2015, agenda.

Hall of Administration L#1940
800 South Victoria Avenue, Ventura, CA 93009 • (805) 654-2681 • FAX (805) 658-4500

On October 19, 2015, your Board fully considered the facts and advice of counsel, and voted 8 to 1 to include MBPP in pensionable compensation for PEPRA-covered members. As part of the motion to include MBPP in pensionable compensation, your board "requested" that the Board of Supervisors "create a publicly available schedule of the items in Table A [i.e., the MBPP classifications] by July 1, 2016."[4]

What has followed is a nearly two-year effort by the County to comply with your Board's request, and VCERA staff's continual resistance. Unfortunately, we have now reached the point that VCERA staff is recommending to your Board that, almost two years after VCERA started including MBPP in pensionable compensation, that your Board now "[e]xclude MBPP from pensionable compensation due to deficiency in meeting PEPRA criteria."[5]

As will be shown, the County has fully respected and complied with your Board's request to create a publicly available schedule for MBPPs. As to the other issues raised by VCERA's staff report, it is clear that there have not been any material changes in facts or law since 2015 to justify a change by your Board. Nonetheless, VCERA's staff continues to restate old arguments. For example, VCERA staff continues to make arguments, like those related to date of hire. VCERA staff states that the County has reshaped and contradicted its arguments about date of hire. The County has consistently taken the position that date of hire is of marginal relevance, if any, and distracts from the core question of whether MBPP is a component of base pay (as your Board implicitly agreed in 2015), or is a variety of special compensation subject to the complex and nearly indecipherable administrative criteria developed by your staff for analyzing special compensation.

The genesis of VCERA staff's position can be traced to September 23, 2015 when representatives from the County and VCERA met to discuss areas of agreement and disagreement concerning pensionable compensation under PEPRA in an attempt to resolve as many issues as possible in advance of your October 19, 2015, meeting. Despite best efforts, there was no agreement on MBPP. A memorandum prepared by VCERA staff succinctly stated the positions of the parties:

"COV feels that this is essentially base pay of people who are paid this premium, and is applied as such on a practical basis. . . . VCERA's administrative recommendation of exclude is based on the understanding that

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[4]See minutes of October 19, 2015, meeting, approved at November 16, 2015, meeting; Master Pages 7-8.)

[5]See staff report for VCERA's June 19, 2017, meeting; reproduced at Master Page 117.

there is not a subgroup of 'similarly situated' employees in the same grade or class who receive premium pay; rather the premium is based on date of hire of a particular individual, may be taken away without change of duties of that individual at any time, and may not be paid to the next person hired at a later date into the same job. VCERA does not believe that PEPRA's requirement that in order to be pensionable a pay item must be paid to 'similarly situated individuals' should be interpreted to include premiums paid in addition to normal salary that are tied only to date of hire and are not necessarily paid to others hired into the position later.[6]"

2. The County has Complied with Your Board's Request to Create Publicly Available Schedule

Your Board adopted a resolution in 2014 defining publicly available pay schedule.[7] The resolution sets forth items of information the pay schedule must possess, but also as a practical matter, that the information may be set forth in a union contract or the Management Resolution.[8]

Although the County could have simply pointed out that all the required items of information are contained in the union contracts or the Management Resolution, the County went further. Because the foundation for the County's position is that MBPP is a component of base pay, the County amended its Job Code and Salary Listing by Job Titles (hereinafter "Salary Listing") to include an express reference to MBPP and the job titles affected. The Salary Listing is the single document publicly available on the County's website that lists all job classification titles and the associated wage/salary ranges. A person employed in one of the job classifications is paid a regular wage/salary somewhere within the stated range, but exact placement within the range will vary employee by employee.

The County provided your staff with its amended Salary Listing by letter dated June 6, 2016. The amendment consisted of a table listing all job codes and titles eligible

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[6]Summary of Meeting of Sept. 23 on Pensionable Compensation for PEPRA Members; Master Page 144 of June 19, 2017, agenda packet.

[7]VCERA Resolution dated November 17, 2014.

[8]Paragraph 4(h) of the Resolution provides that a publicly available pay schedule "[d]oes not reference another documents in lieu of disclosing the item of Pensionable Compensation other than those outlined in a 'labor policy or agreement, . . ." Labor polices and agreements are defined to include a Memorandum of Agreement and a Management, Confidential Clerical and Other Unrepresented Employees Resolution. The Resolution further provides that "[i]dentifying a percentage increase in salary . . . does comply with this interpretation of 'pay schedule'."

for a MBPP and the marginal wage extension.[9] Because VCERA's staff asked for it, the County also provided it with a list of every County employee eligible for a MBPP and their date of hire. The County noted in its June 30, 2016, cover letter that "we do not believe that inclusion of the hire dates is necessary for compliance" and "we believe too much emphasis has been placed by VCERA Administration on date of hire . . . ." [10] VCERA's staff was not satisfied with the County's approach and much communication followed concerning the significance of an employee's date of hire, and other demands.

Nonetheless, the County has continued to modify and improve its publicly available information to honor your Board's request. The County has recently implemented its proposal to upgrade the Salary Listing to explicitly refer to the MBPPs as increases to the top of the salary ranges, and to revise the salary range listings for each affected classification so that any person who views the County's Salary Listing will immediately see that the MBPPs are included as regular salary.[11]

We ask that your Board affirm that the County has sufficiently complied with your request to create a publicly available schedule for MBPPs.

3. VCERA Staff's Request that Your Board Reconsider Its 2015 Action Is Unwarranted.

VCERA's staff letter implies there have been developments and additional information received since 2015 that warrant your Board reversing course. As demonstrated above, nothing material has changed. The core contentions between the County and VCERA's staff remain. The County, and presumably SEIU, continue to believe MBPP is a component of base pay and thus pensionable. VCERA staff still believes, as it stated in its summary of the parties September 23, 2015, meeting, that MBPPs are "premiums paid in addition to normal salary that are tied only to date of hire."[12]

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[9] See Master Pages 119-120 of VCERA's June 19, 2017, agenda packet.

[10] See Master Pages 121-126 of VCERA's June 19, 2017, agenda packet.

[11] See Current and proposed versions of Salary Listing format on Master Pages 129-130 of VCERA's June 19, 2017, agenda packet.

[12] Summary of Meeting of Sept. 23 on Pensionable Compensation for PEPRA Members; Master Page 144 of June 19, 2017, agenda packet.

Fundamentally, the County believed and still believes that only base pay should count toward pensionable compensation under PEPRA. Your Board decided otherwise, and included specified items of special compensation in pensionable compensation. The County has accepted your Board's decision, those parts it disagreed with as well as those it agreed with. VCERA staff should do likewise. It is unreasonable and unnecessary for your Board to now reconsider and change the settled expectations of the County, unions and employees on the issue of MBPPs.

4. VCERA Staff's Theories About Discretionary Pay Items Are Misplaced.

VCERA staff's letter sets forth straw-man arguments dealing with alleged discretionary nature of MBPPs. The framing of the questions reflects that staff has never let go of its view that MBPPs are special compensation, and not an element of base pay as the County contends.

The County believes VCERA staff's position is misplaced because it considers MBPPs to be special compensation and not a part of base pay. To demonstrate the point, the County invites your Board to apply the tests enunciated by VCERA staff to base pay. If one were to follow staff's application of this test to the County's MBPP he or she would conclude that base pay does not count as compensation earnable. Of course, such a conclusion would be absurd.

The County believes VCERA staff got on the wrong track by applying PERS regulatory test for special compensation, which like your Board's 2014 Resolution requires publicly available information about the conditions for payment of an item. (See 2 Cal.Regs. 571.) In contrast, State regulations for publicly available pay schedules for base pay or regular salary contain no such requirement, but in its place require publication of the "time base" for the pay, e.g., hourly, weekly, etc. Thus, the test to be used depends entirely on whether one is examining base pay or special compensation. By refusing to yield to your Board's 2015 decision in favor of the County and SEIU on this point, your staff has pre-ordained the current deadlock.

A further example with demonstrate that MBPPs are a component of base pay and not special compensation. At least for purposes of pensionable compensation, the MBPPs are absolutely indistinguishable from Market-Based Adjustments that the County and unions routinely use to increase salary ranges. For example, with Market Based Adjustments the County increases the salary ranges for all job titles shown to be under market by a study. Contrary to VCERA's staff's assertions, many times these studies and percentage increases are not determined until well after the union contracts are signed.[13]

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[13] See, e.g., 2013-2016 MOU between County and SEIU, section 502; reproduced as Master Pages159-161 of VCERA's June 19, 2017, agenda packet.

Employees may or may not ever receive compensation within the increased salary range. There is no objectively defined criteria for receiving any amount along the salary range. The MBPPs are nearly identical. The only difference is that the contracts authorize the Human Resource Director to approve market based increases capped at fixed dollar amount increase. Like with Market Based Adjustments to the salary range, any particular employee may never receive compensation within the increase to the salary range. The most notable difference from Market Based Adjustments is that MBPPs can easily be rescinded if market conditions or the employee's value to the County changes. The same is true for all employee salaries, of course, but differing procedures make achievement of such changes more deliberate and prolonged. Nonetheless, it remains an incontrovertible fact that no employee has an objectively defined entitlement to placement at any point along a salary range, but no reasonable person would contend employee salaries cannot be included in pensionable compensation.

For all the reasons set forth above, the County urges your Board to not follow staff's recommendation to exclude MBPPs from pensionable compensation for PEPRA-covered employees.

Sincerely,

Shawn Atin
Assistant County Executive Officer
Director of Human Resources

cc: Michael Powers, County Executive Officer

VCERA
VENTURA COUNTY EMPLOYEES' RETIREMENT ASSOCIATION

June 19, 2017

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

SUBJECT: EVALUATION OF HCA FISCAL PREMIUM PAY PENSIONABILITY UNDER PEPRA

Dear Board Members:

Background

In January of this year, VCERA staff brought 9 new pay codes to the Board of Retirement for inclusion or exclusion in pensionable compensation under PEPRA. These codes were ones not originally included in the 2015 action, as they were established after the initial data was gathered.

One of these pay codes was the Health Care Agency (HCA) Fiscal Premium Pay. It was the only code of the nine on which VCERA and the County did not agree. Section 410 of the County of Ventura Management Resolution provides:

> *"At the sole discretion of the Director-Health Care Agency and upon his/her recommendation, the Director-Human Resources may approve a premium pay at the rate of seven and one-half percent (7.5%) of the employee's base bi-weekly pay (exclusive of other additions) for employees in the classifications of Fiscal Manager I-IV and Assistant Chief Financial Officer-HCA who are assigned to positions in the Ventura County Medical Center and/or Santa Paula Hospital. The premium provided by this section is "at will", meaning it may be discontinued at any time without cause and without any pre-deprivation process at the sole discretion of the Director-Health Care Agency." (Emphasis added.)*

Staff recommended exclusion because HCA Fiscal Premium Pay is a discretionary pay item that may be withheld at a later date without a change in duties. It is comparable to items previously excluded from pensionable compensation by the Board of Retirement in its October 19, 2015 action, such as supplemental pay for attorneys (pay code TSC). The pay description for this attorney premium in the Management Resolution also indicates it is at the sole discretion of the Appointing Authority, and may be discontinued at any time without cause and without any pre-deprivation process; it also expires in one year unless renewed.

Ultimately, after hearing comments from VCERA staff and County HR, the Board asked for HCA Fiscal Premium Pay to be brought back for consideration at a later date, after the parties were able to discuss. Since then, the County has continued to contend that HCA Fiscal Premium Pay is similar to MBPP and thus should be included as pensionable compensation.

Complicating the situation further is that the underlying authority for paying HCA Fiscal Premium Pay is in question. It was originally implemented in September 2015 and presented as a measure to be taken immediately, but that the long-term plan was to examine the HCA specific positions overall. When that examination occurred, the classification titles changed with corresponding increases, and yet the premium pay remained attached. (See Attachments) The result is that HCA Premium Pay is now paid to job classifications not approved by the Board of Supervisors to receive it. This was brought to HR's attention, but no explanation has been provided to VCERA. While the question of legal authority to make the payment remains with the County and its Board of Supervisors, the question of legal authority to include the payment in pensionable compensation resides with VCERA and this Board.

Because the Director-HCA has reserved complete discretion over the payment, and ability to discontinue the payment of the HCA Fiscal Premium Pay and payment that is not provided to all similarly situated members of the same group or class of employment, staff categorizes it as ad hoc and a discretionary bonus. Such a payment is not within the Board's discretion to include in pensionable compensation.

<u>RECOMMENDED ACTION</u>: EXCLUDE MBPP FROM PENSIONABLE COMPENSATION DUE TO DEFICIENCY IN MEETING PEPRA CRITERIA.

Staff will respond to any questions at the June 19, 2017 business meeting.

Sincerely,

Linda Webb
Retirement Administrator

Attachments:
1. Management Resolution Excerpt – Section 410
2. HCA Fiscal Premium Pay Inception in Board of Supervisors' Letter
3. HCA Fiscal Positions Reworked and Retitled

Sec. 410 **Health Care Agency Fiscal Premium Pay:** At the sole discretion of the Director-Health Care Agency and upon his/her recommendation, the Director-Human Resources may approve a premium pay at the rate of seven and one-half percent (7.5%) of the employee's base bi-weekly pay (exclusive of other additions) for employees in the classifications of Fiscal Manager I-IV and Assistant Chief Financial Officer-HCA who are assigned to positions in the Ventura County Medical Center and/or Santa Paula Hospital. The premium provided by this section is "at will", meaning it may be discontinued at any time without cause and without any pre-deprivation process at the sole discretion of the Director-Health Care Agency.

restructured into three distinct sections: Recruitment, Labor Relations, and Support Services.

Five additional staff are requested. Support staff: One (1) regular Management Assistant III-C will provide clerical and administrative support, freeing the time of professional staff to focus on the HCA's pressing recruitment and labor relations matters. Thus reducing the time-to-hire and time to resolve sensitive employment matters.

Professional staff: One (1) regular Personnel Management Analyst, two (2) regular Personnel Analyst I's, and one (1) regular Personnel Analyst II are requested to provide more timely recruitments, labor relations, and support services. The Personnel Management Analyst will be responsible for managing the Labor Relations unit, along with responding to and handling the most sensitive Labor Relations issues that arise. The position will also oversee the Return to Work/Leave of Absence subsection. The HCA typically has 140 employees on varying leaves at any one time. The Personnel Analyst I and II will be assigned to the recruitment section; this team accounted for 36% of all County recruitments during FY 14-15. Due to the highly specialized needs of the HCA, the HCA has a number of difficult to recruit classifications which, in addition to traditional recruitment methodologies, require extensive sourcing and outreach of potential qualified candidates. The other Personnel Analyst I will provide direction, guidance and coordination to staff within the Certification Unit, which supports recruitments by facilitating candidate testing and on-boarding.

Recommendation No. 7 – Amend the Management Resolution

Approve an amendment to the Management, Confidential Clerical and Other Unrepresented Employees Resolution to add Section 410, Health Care Agency Hospital Fiscal Premium Pay (page 21 of attached red-line Resolution). This change will have no material impact on the funding status of the retirement system.

Discussion for Recommendation No. 7 – Amend the Management Resolution

Central to the Health Care Agency is the Fiscal Department, and specifically the fiscal managers at the hospital who are responsible for leading and managing staff and whose goal it is to ensure regulatory compliance, accurate accounting, timely invoicing for services rendered, payments, and the compilation of a significant variety of required annual and periodic complex reports.

As previously noted, the significant growth of our healthcare system, combined with changes of the healthcare industry have led to a more complex work environment, with correspondent additional staff responsibility and workload.

CEO-HR reviewed the following California counties that have a healthcare fiscal classification comparable to the Ventura County benchmark classification of Fiscal Manager IV: Los Angeles, Riverside, San Bernardino, San Mateo and Santa Clara. These public entities were selected because they have significant healthcare

operations, specifically hospital operations, administered by each county and they have specialized healthcare fiscal management job classifications. Our review indicates that for classifications that are comparable to the benchmark Ventura County classification, Fiscal Manager IV, the market median base salary is at $11,450.80 monthly, which is 13.5% above the Ventura County classification of Fiscal Manager IV ($10,086.58 monthly). This survey suggests that other public entities recognize the relative additional complexity and responsibility associated with fiscal management in a hospital setting compared to non-hospital settings.

Additionally, our analysis shows that in the critical management positions, which are responsible for oversight of regulatory compliance, the average job tenure is only two years. High turnover in management positions leads to a loss of institutional memory and a greater risk of errors and omissions.

One step to enhance retention within the VCMC Fiscal department is the creation of a pay differential for hospital fiscal managers, which recognizes the increased complexity of fiscal management within hospital accounting. It is recommended that a 7.5% premium pay be established for fiscal management classifications assigned to the hospital in the Fiscal Manager series to include Fiscal Manager I, II, III, IV and Assistant Chief Financial Officer-HCA, excluding the hospital Chief Financial Officer-HCA.

It should be noted that further review of the classification will be undertaken to determine if, in the long-term, HCA specific fiscal job classifications are warranted. Additionally, CEO-HR will review additional fiscal management classifications within the HCA such as the Chief Financial Officer-HCA ("CFO-HCA") classification. A recent Hospital Association of Southern California survey indicates that the compensation for classifications similar to the CFO-HCA may be significantly higher than that currently offered by Ventura County which has remained unfilled for a period of nineteen (19) months. We will return to your Board at a later date to report our findings and recommendations on this matter.

There are six (6) positions, which include the two positions requested in this Board Letter, which are affected by this recommendation. The estimated annual cost impact including benefits as a result of this premium is approximately $72,000. The appropriation request is included in recommendation #4 above.

This letter has been reviewed by the County Executive Office, County Counsel, and the Auditor-Controller's Office. If you have any questions regarding this item, please contact me at (805) 654-2561.

Respectfully,

S. Atin

SHAWN ATIN
Human Resources Director

Michael Powers

MICHAEL POWERS
County Executive Officer

c: Jeff Burgh, Auditor-Controller
Matt Carroll, Assistant County Executive Officer
Leroy Smith, County Counsel

Attachments

RESOLUTION NO. 16-098

EXHIBIT 1

RESOLUTION OF THE BOARD OF SUPERVISORS OF THE COUNTY OF VENTURA CONCERNING CLASSIFICATION, CLASS CODES, AND ALLOCATIONS THEREIN PURSUANT TO SECTIONS 903 AND 908 OF THE COUNTY PERSONNEL RULES AND REGULATIONS

WHEREAS, Section 903 of the Ventura County Personnel Rules and Regulations requires that the number of positions and classifications of such positions within departments shall be established by resolution of the Board of Supervisors; and

WHEREAS, Section 908 of the Ventura County Personnel Rules and Regulations provides that the Ventura County classification listing all classes of positions in the general County Service designating class title, class code and salary ranges shall be established by resolution of this Board.

NOW, THEREFORE, BE IT RESOLVED, DETERMINED AND ADOPTED AS FOLLOWS:

1a. In accordance with Sections 903 and 908 of the Ventura County Personnel Rules and Regulations, the following fifteen (15) classifications and salary ranges are established, effective September 25, 2016:

Job Code	Classification	FLSA Status	Union Code	Compensation Frequency	Hourly (H) / Salary (S) Range
00796	Accounting Technician-CC	N	MCC	Hourly	$20.892774 - $29.249880 (H)
00797	Senior Accounting Technician-CC	N	MCC	Hourly	$22.459731- $31.443625 (H)
00910	Accountant I-MB	N	MB4	Hourly	$24.061048 - $33.685466 (H)
00911	Accountant II-MB	N	MB4	Hourly	$26.734495 - $37.428293 (H)
00912	Senior Accountant-MB	P	MB4	Salaried	$61,168.53 - $85,635.94 (S)
00913	Principal Accountant-MB	P	MB4	Salaried	$70,343.81 - $98,481.33 (S)
00921	Finance Analyst I	N	MB4	Hourly	$29.585115 - $40.457620 (H)
00922	Finance Analyst II	P	MB4	Salaried	$68,374.49 - $95,724.28 (S)
00923	Senior Finance Analyst	P	MB4	Salaried	$75,211.94 - $105,296.71 (S)
00946	Manager, Accounting I	P	MB3	Salaried	$78,339.87 - $109,675.82 (S)
00947	Manager, Accounting II	P	MB3	Salaried	$87,044.30 - $121,862.02 (S)
00948	Senior Manager, Accounting	P	MB3	Salaried	$95,748.73 - $134,048.23 (S)
00957	Manager, Accounting-Treasurer Tax Collector	P	MB3	Salaried	$87,044.30 - $121,862.02 (S)

00959	Manager, Accounting-Auditor Controller	P	MB3	Salaried	$91,396.52 - $127,955.13 (S)
00990	Manager, Accounting-Hospital	P	MB3	Salaried	$98,251.26 - $137,551.76 (S)

1b. In accordance with Sections 903 and 908 of the Ventura County Personnel Rules and Regulations, the following thirteen (13) classifications and salary ranges are deleted, effective September 25, 2016:

Job Code	Classification	FLSA Status	Union Code	Compensation Frequency	Hourly (H) / Salary (S) Range
01297	Fiscal Assistant I-C	N	MCC	Hourly	$14.756613 – 20.659260 (H)
01298	Fiscal Assistant II-C	N	MCC	Hourly	$16.507756 – 23.110857 (H)
01299	Fiscal Assistant III-C	N	MCC	Hourly	$18.529194 – 25.940875 (H)
01301	Fiscal Assistant IV-C	N	MCC	Hourly	$19.797935 – 27.717111 (H)
01302	Fiscal Technician I-C	N	MCC	Hourly	$20.052240 – 28.075889 (H)
01303	Fiscal Technician II-C	N	MCC	Hourly	$21.502113 – 30.105908 (H)
02092	Accounting Officer IV-MB	P	MB4	Salaried	$64,713.99 – 85,494.39 (S)
02072	Financial Analyst I	P	MB4	Salaried	$62,616.94 – 82,714.85 (S)
02071	Financial Analyst II	P	MB4	Salaried	$68,824.37 – 90,923.51 (S)
02070	Financial Analyst III	P	MB4	Salaried	$75,648.53 – 99,938.66 (S)
02069	Fiscal Manager I	P	MB3	Salaried	$75,648.53 – 99,938.66 (S)
02067	Fiscal Manager III	P	MB3	Salaried	$85,256.53 – 112,632.61 (S)
02066	Fiscal Manager IV	P	MB3	Salaried	$91,620.06 – 121,038.98 (S)

Upon motion of Supervisor Foy, seconded by Supervisor Long, the foregoing resolution was passed and adopted on this 13 day of September 2016.

By: Linda Parks
Chair, Board of Supervisors
County of Ventura

ATTEST: MICHAEL POWERS,
Clerk of the Board of Supervisors,
County of Ventura, State of California

By: [signature]
Deputy Clerk of the Board

COUNTY OF VENTURA CALIFORNIA

VCERA
VENTURA COUNTY EMPLOYEES' RETIREMENT ASSOCIATION

September 25, 2017

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

SUBJECT: FISCAL YEAR 2016-17 FINAL BUDGET ADJUSTMENTS

Dear Board Members:

Background

At the February 27, 2017 business meeting, (Item VIII.C.1), staff presented a mid-year budget update for the fiscal year. Staff reported that overall projected expenditures would be within budget but that Salaries & Benefits and Information Technology (IT) costs were anticipated to exceed budget. The Board authorized budgetary adjustments from Services and Supplies to cover the projected shortfall in Salaries & Benefits and IT. At that time, Services and Supplies were projected to be under budget at fiscal year-end and could cover the variance in Salaries and IT.

The 2016-17 fiscal year (FY) is now complete and a final Budget Summary for the year ending June 30, 2017 is provided (Attachment 1). Overall, total expenditures before contingency came under budget by approximately $122,700, or 1.6% of budget. However, within all major expenditure group categories IT exceeded the budget by approximately $244,300, offset by savings in Salaries & Benefits ($84,100) and Services and Supplies ($282,900). Staff proposes a transfer of $244,300 from the Services and Supplies category to Information Technology to close out the fiscal year with all major expenditure group categories within budget (Attachment 2).

Salaries & Employee Benefits: Overall Salaries and Employee Benefits were under budget by approximately $84,100, a decrease of $49,400 from the amount projected in February 2017. Savings were realized primarily from unfilled Retirement Specialist (Legal) position and lower than anticipated use of extra-help resources.

Services & Supplies: Overall Service and Supplies were under budget by $282,900, a decrease of $205,500 from the amount projected in February 2017. The primary contributors to the budget savings were in the categories of Professional Services ($206,200), Conference, Seminar and Travel ($38,900), ISF & Non-ISF Printing ($17,800), Furniture ($13,300), Facilities Charges ($9,600), and Education Allowance ($6,000), offset with budget overruns in Postage & Express ($9,600) and Equipment ($9,300) with minor variances in the remaining accounts. More specifically, the Professional Services savings of

FISCAL YEAR 2016-17 FINAL BUDGET ADJUSTMENTS
September 25, 2017

$206,200 were due to realized savings from contracted IT-Manager ($140,500) and deferral of actuarial audit ($75,000) to FY 2017-18. The remaining savings or budget overruns were due to increased/decreased operational needs.

Information Technology: The Information Technology exceeded the adopted budget by approximately ($244,300). This overage was primarily due to postproduction system maintenance fixes and enhancements to the pension administration system (PAS) being $339,000 higher than originally projected in February offset with savings due to return of defective server replacement ($55,000) with replacement to be made in fiscal year 2017-18, final completion of replacement financial accounting system ($15,000) with remaining cost to be incurred in fiscal year 2017-18 and inadvertent omission of payment for one month's hosting services charges ($20,000) paid in fiscal year 2017-18. With respect to pension administration overage, in December 2016, the Board authorized the purchase of a block of hours with Vitech under specific terms for postproduction system maintenance fixes and enhancements; if those terms were not accepted by Vitech, the authorization was to default to a time and materials basis. Vitech did not agree to the specific terms so charges have been on a time and materials basis. In February, staff had estimated 750 hours (February – June) plus actual costs incurred in December and January for system maintenance fixes. This estimate did not include work on system enhancements, which had not yet been presented to the Board for approval, or costs for remediation of post-warranty defects or issues.

As stated previously, overall the total expenditures came in under budget by approximately 1.6%, and staff is requesting that budget transfers be authorized between Service and Supplies and Information Technology to close out the fiscal year within budget for all major expenditure group categories.

Recommendation:

1. Authorize Staff to process the following Budgetary Adjustments to close out FY 2016-17:

INCREASE –	Information Technology	$244,300
DECREASE –	Services and Supplies	$244,300

2. Receive and file the Budget Summary for June 30, 2017 (Final) (Attachment 2) as revised with Budgetary Adjustments.

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

Sincerely,

Henry C. Solis, CPA
Chief Financial Officer

Linda Webb
Retirement Administrator

Attachments

VENTURA COUNTY EMPLOYEES' RETIREMENT ASSOCIATION
BUDGET SUMMARY FISCAL YEAR 2016-2017
June 2017 Final - 100% of Fiscal Year Expended

Attachment 1

EXPENDITURE DESCRIPTIONS	Adopted 2016/2017 Budget	Adjusted 2016/2017 Budget	Jun-17	Year to Date Expended	Available Balance	Percent Expended
Salaries & Benefits:						
Salaries	$ 2,370,800.00	$ 2,512,612.00	$ 318,248.92	$ 2,468,513.05	$ 44,098.95	98.24%
Extra-Help	192,400.00	192,400.00	21,614.60	178,556.19	13,843.81	92.80%
Overtime	3,000.00	3,000.00	0.00	31.47	2,968.53	1.05%
Supplemental Payments	74,400.00	75,322.00	4,935.19	48,959.71	26,362.29	65.00%
Vacation Redemption	131,300.00	191,300.00	8,570.46	176,817.45	14,482.55	92.43%
Retirement Contributions	432,100.00	437,235.00	60,301.57	441,046.35	(3,811.35)	100.87%
OASDI Contributions	141,800.00	143,515.00	20,790.91	142,761.64	753.36	99.48%
FICA-Medicare	37,800.00	38,202.00	4,862.34	38,630.01	(428.01)	101.12%
Retiree Health Benefit	4,000.00	4,000.00	0.00	3,970.75	29.25	99.27%
Group Health Insurance	194,300.00	197,212.00	25,409.04	205,904.51	(8,692.51)	104.41%
Life Insurance/Mgmt	1,100.00	1,125.00	118.00	1,089.34	35.66	96.83%
Unemployment Insurance	2,400.00	2,427.00	318.24	2,459.05	(32.05)	101.32%
Management Disability Insurance	18,400.00	18,609.00	1,952.35	16,492.15	2,116.85	88.62%
Worker' Compensation Insurance	19,900.00	20,138.00	2,555.23	20,338.66	(200.66)	101.00%
401K Plan Contribution	48,600.00	49,403.00	7,076.43	56,813.56	(7,410.56)	115.00%
Transfers In	135,500.00	135,500.00	0.00	23,668.92	111,831.08	17.47%
Transfers Out	(135,500.00)	(135,500.00)	0.00	(23,668.92)	(111,831.08)	17.47%
Total Salaries & Benefits	$ 3,672,300.00	$ 3,886,500.00	$ 476,753.28	$ 3,802,383.89	84,116.11	97.84%
Services & Supplies:						
Telecommunication Services - ISF	$ 35,400.00	$ 35,400.00	$ 3,006.02	$ 36,965.04	$ (1,565.04)	104.42%
General Insurance - ISF	13,100.00	13,100.00	0.00	13,079.00	21.00	99.84%
Office Equipment Maintenance	2,000.00	2,000.00	75.31	747.31	1,252.69	37.37%
Membership and Dues	14,700.00	14,700.00	150.00	13,587.00	1,113.00	92.43%
Education Allowance	8,000.00	8,000.00	0.00	2,000.00	6,000.00	25.00%
Cost Allocation Charges	89,500.00	89,500.00	0.00	89,508.00	(8.00)	100.01%
Printing Services - Not ISF	12,000.00	12,000.00	16.70	3,532.54	8,467.46	29.44%
Books & Publications	3,000.00	3,000.00	250.00	1,552.52	1,447.48	51.75%
Office Supplies	20,000.00	20,000.00	560.48	15,143.85	4,856.15	75.72%
Postage & Express	60,000.00	60,000.00	9,826.31	69,584.88	(9,584.88)	115.97%
Printing Charges - ISF	18,000.00	18,000.00	4,142.44	8,695.04	9,304.96	48.31%
Copy Machine Services - ISF	4,500.00	4,500.00	0.00	2,524.14	1,975.86	56.09%
Board Member Fees	13,300.00	13,300.00	800.00	11,200.00	2,100.00	84.21%
Professional Services	1,292,100.00	938,200.00	13,625.25	732,015.69	206,184.31	78.02%
Storage Charges	4,200.00	4,200.00	359.59	4,241.78	(41.78)	100.99%
Equipment	6,000.00	6,000.00	0.00	15,331.78	(9,331.78)	255.53%
Office Lease Payments	205,000.00	205,000.00	18,635.88	205,462.94	(462.94)	100.23%
Private Vehicle Mileage	12,500.00	12,500.00	1,364.84	13,180.80	(680.80)	105.45%
Conference, Seminar and Travel	138,400.00	138,400.00	6,632.65	99,529.18	38,870.82	71.91%
Furniture	15,000.00	15,000.00	0.00	1,658.76	13,341.24	11.06%
Facilities Charges	13,300.00	13,300.00	530.00	3,663.00	9,637.00	27.54%
Judgement & Damages	0.00	0.00	0.00	0.00	0.00	#DIV/0!
Transfers In	20,000.00	20,000.00	0.00	2,501.18	17,498.82	12.51%
Transfers Out	(20,000.00)	(20,000.00)	0.00	(2,501.18)	(17,498.82)	12.51%
Total Services & Supplies	$ 1,980,000.00	$ 1,626,100.00	$ 59,975.47	$ 1,343,203.25	282,896.75	82.60%
Total Sal, Ben, Serv & Supp	$ 5,652,300.00	$ 5,512,600.00	$ 536,728.75	$ 5,145,587.14	367,012.86	93.34%
Technology:						
Computer Hardware	$ 45,000.00	$ 65,000.00	$ 3,274.69	9,862.78	55,137.22	15.17%
Computer Software	216,000.00	216,000.00	912.30	261,592.42	(45,592.42)	121.11%
Systems & Application Support	449,000.00	474,000.00	16,036.67	380,639.38	93,360.62	80.30%
Pension Administration System	353,000.00	937,100.00	7,744.52	1,284,272.56	(347,172.56)	137.05%
Total Technology	$ 1,063,000.00	$ 1,692,100.00	$ 27,968.18	$ 1,936,367.14	(244,267.14)	114.44%
Contingency	$ 786,000.00	$ 296,600.00	$ -	$ -	296,600.00	0.00%
Total Current Year	$ 7,501,300.00	$ 7,501,300.00	$ 564,696.93	$ 7,081,954.28	419,345.72	94.41%

VENTURA COUNTY EMPLOYEES' RETIREMENT ASSOCIATION
BUDGET SUMMARY FISCAL YEAR 2016-2017
June 2017 Final with Final Budgetary Adjustments - 100% of Fiscal Year Expended

Attachment 2

EXPENDITURE DESCRIPTIONS	Adopted 2016/2017 Budget	Adjusted 2016/2017 Budget	Jun-17	Year to Date Expended	Available Balance	Percent Expended
Salaries & Benefits:						
Salaries	$ 2,370,800.00	$ 2,512,612.00	$ 318,248.92	$ 2,468,513.05	$ 44,098.95	98.24%
Extra-Help	192,400.00	192,400.00	21,614.60	178,556.19	13,843.81	92.80%
Overtime	3,000.00	3,000.00	0.00	31.47	2,968.53	1.05%
Supplemental Payments	74,400.00	75,322.00	4,935.19	48,959.71	26,362.29	65.00%
Vacation Redemption	131,300.00	191,300.00	8,570.46	176,817.45	14,482.55	92.43%
Retirement Contributions	432,100.00	437,235.00	60,301.57	441,046.35	(3,811.35)	100.87%
OASDI Contributions	141,800.00	143,515.00	20,790.91	142,761.64	753.36	99.48%
FICA-Medicare	37,800.00	38,202.00	4,862.34	38,630.01	(428.01)	101.12%
Retiree Health Benefit	4,000.00	4,000.00	0.00	3,970.75	29.25	99.27%
Group Health Insurance	194,300.00	197,212.00	25,409.04	205,904.51	(8,692.51)	104.41%
Life Insurance/Mgmt	1,100.00	1,125.00	118.00	1,089.34	35.66	96.83%
Unemployment Insurance	2,400.00	2,427.00	318.24	2,459.05	(32.05)	101.32%
Management Disability Insurance	18,400.00	18,609.00	1,952.35	16,492.15	2,116.85	88.62%
Worker' Compensation Insurance	19,900.00	20,138.00	2,555.23	20,338.66	(200.66)	101.00%
401K Plan Contribution	48,600.00	49,403.00	7,076.43	56,813.56	(7,410.56)	115.00%
Transfers In	135,500.00	135,500.00	0.00	23,668.92	111,831.08	17.47%
Transfers Out	(135,500.00)	(135,500.00)	0.00	(23,668.92)	(111,831.08)	17.47%
Total Salaries & Benefits	$ 3,672,300.00	$ 3,886,500.00	$ 476,753.28	$ 3,802,383.89	84,116.11	97.84%
Services & Supplies:						
Telecommunication Services - ISF	$ 35,400.00	$ 35,400.00	$ 3,006.02	$ 36,965.04	$ (1,565.04)	104.42%
General Insurance - ISF	13,100.00	13,100.00	0.00	13,079.00	21.00	99.84%
Office Equipment Maintenance	2,000.00	2,000.00	75.31	747.31	1,252.69	37.37%
Membership and Dues	14,700.00	14,700.00	150.00	13,587.00	1,113.00	92.43%
Education Allowance	8,000.00	8,000.00	0.00	2,000.00	6,000.00	25.00%
Cost Allocation Charges	89,500.00	89,500.00	0.00	89,508.00	(8.00)	100.01%
Printing Services - Not ISF	12,000.00	12,000.00	16.70	3,532.54	8,467.46	29.44%
Books & Publications	3,000.00	3,000.00	250.00	1,552.52	1,447.48	51.75%
Office Supplies	20,000.00	20,000.00	560.48	15,143.85	4,856.15	75.72%
Postage & Express	60,000.00	60,000.00	9,826.31	69,584.88	(9,584.88)	115.97%
Printing Charges - ISF	18,000.00	18,000.00	4,142.44	8,695.04	9,304.96	48.31%
Copy Machine Services - ISF	4,500.00	4,500.00	0.00	2,524.14	1,975.86	56.09%
Board Member Fees	13,300.00	13,300.00	800.00	11,200.00	2,100.00	84.21%
Professional Services	1,292,100.00	732,500.00	13,625.25	732,015.69	484.31	99.93%
Storage Charges	4,200.00	4,200.00	359.59	4,241.78	(41.78)	100.99%
Equipment	6,000.00	6,000.00	0.00	15,331.78	(9,331.78)	255.53%
Office Lease Payments	205,000.00	205,000.00	18,635.88	205,462.94	(462.94)	100.23%
Private Vehicle Mileage	12,500.00	12,500.00	1,364.84	13,180.80	(680.80)	105.45%
Conference, Seminar and Travel	138,400.00	99,800.00	6,632.65	99,529.18	270.82	99.73%
Furniture	15,000.00	15,000.00	0.00	1,658.76	13,341.24	11.06%
Facilities Charges	13,300.00	13,300.00	530.00	3,663.00	9,637.00	27.54%
Judgement & Damages	0.00	0.00	0.00	0.00	0.00	#DIV/0!
Transfers In	20,000.00	20,000.00	0.00	2,501.18	17,498.82	12.51%
Transfers Out	(20,000.00)	(20,000.00)	0.00	(2,501.18)	(17,498.82)	12.51%
Total Services & Supplies	$ 1,980,000.00	$ 1,381,800.00	$ 59,975.47	$ 1,343,203.25	38,596.75	97.21%
Total Sal, Ben, Serv & Supp	$ 5,652,300.00	$ 5,268,300.00	$ 536,728.75	$ 5,145,587.14	122,712.86	97.67%
Technology:						
Computer Hardware	$ 45,000.00	$ 65,000.00	$ 3,274.69	9,862.78	55,137.22	15.17%
Computer Software	216,000.00	216,000.00	912.30	261,592.42	(45,592.42)	121.11%
Systems & Application Support	449,000.00	474,000.00	16,036.67	380,639.38	93,360.62	80.30%
Pension Administration System	353,000.00	1,181,400.00	7,744.52	1,284,272.56	(102,872.56)	108.71%
Total Technology	$ 1,063,000.00	$ 1,936,400.00	$ 27,968.18	$ 1,936,367.14	32.86	100.00%
Contingency	$ 786,000.00	$ 296,600.00	$ -	$ -	296,600.00	0.00%
Total Current Year	$ 7,501,300.00	$ 7,501,300.00	$ 564,696.93	$ 7,081,954.28	419,345.72	94.41%

VCERA
VENTURA COUNTY EMPLOYEES' RETIREMENT ASSOCIATION

September 25, 2017

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

SUBJECT: FY 2017-18 BUDGET CROSSWALK FROM OLD TO NEW GENERAL LEDGER ACCOUNTS EFFECTIVE JULY 1, 2017

Dear Board Members:

Staff is recommending that fiscal year 2017-18 adopted budget be converted using the new expense accounts that were created for the new fiscal year. In the fiscal year 2016-17 budget, funds were allocated to upgrade the existing financial accounting system (system) effective July1, 2017, the start of the new fiscal year as the former system and general ledger structure had become outdated and provided limited flexibility for VCERA to meet its financial reporting requirements. As part of the upgrade, staff developed a new chart of accounts, including a sub-account structure, which provides detailed tracking of expenses and system generated expenditure reports as opposed to being created in EXCEL.

The timing for the development of the new chart of accounts and system implementation began after the FY 2017-18 budget development process had begun. Therefore, the FY 2017-18 budget was prepared under the existing chart of account expense categories. Attachment #1 is a budget crosswalk schedule listing the adopted budget under the former account structure, cross referenced to where those expenses will be shown under the new structure. Staff added many additional expense categories, along with many new descriptions to better identify the type of expense incurred. In addition, the new system allows for further breakdown to a sub-account category to accumulate costs that are subject to the statutory Cap on Administrative expenses and those that are exempt from the Cap. All expenses will be charged to one of the following sub-account categories:

10 – Administrative – Cap (Subject to Cap)
20 – Information Technology (IT) Administrative – Cap (Subject to Cap)
30 – Legal (Potentially exempt from Cap)
40 – Investment (Exempt from Cap)
50 – Information Technology (IT) (Exempt from Cap)
60 – Other Expenditures (Exempt from Cap)

In addition, Attachment #2 reflects the budget under solely in the new account and subaccount structure.

RECOMMENDATION: APPROVE CONVERSION OF ADOPTED FY 2017-18 BUDGET TO NEW GENERAL LEDGER ACCOUNT STRUCTURE AS PROVIDED.

I would be pleased to answer any questions at the September 25, 2017 meeting.

Sincerely,

Henry C. Solis, CPA
Chief Financial Officer

VCERA
Budget Crosswalk
Old to New Chart of Accounts

Attachment #1

Old General Ledger			New General Ledger									
Account Number	Account Name	Budget Amount	Account Number	Account Name	00-000	10-Admin - CAP	20-IT Admin - CAP	30 - Legal	40 - Investment	50 - IT Non-CAP	60 - Other Expenditures	Total
Salary and Benefits			**Salary and Benefits**									
9101	SALARIES - ADMIN	2,957,800	51000	Regular Salary		2,755,500			202,300			2,957,800
9102	SALARIES - IT	68,500	51000	Regular Salary			68,500					68,500
9103	SALARIES - PAS		51000	Regular Salary								-
9106	EXTRA HELP - ADMIN	294,400	51001	Extra-Help								-
9107	EXTRA HELP - IT		51001	Extra-Help								-
9108	EXTRA HELP - PAS		51001	Extra-Help								-
9306	TEMP SERVICES-ADMIN		53030	Temporary Services		294,400						294,400
9308	TEMP SERVICES-PAS		53030	Temporary Services								-
9111	OVERTIME - ADMIN		51002	Overtime								-
9112	OVERTIME - IT		51002	Overtime								-
9113	OVERTIME - PAS		51002	Overtime								-
9116	SUPPLEMENTAL PAYMENTS - ADMIN	57,500	51003	Supplemental Payments		57,500						57,500
9117	SUPPLEMENTAL PAYMENTS - IT	2,400	51003	Supplemental Payments			2,400					2,400
9118	SUPPLEMENTAL PAYMENTS - PAS		51003	Supplemental Payments								-
9121	VACATION REDEMPTION - ADMIN	139,500	51004	Vacation Redemption		139,500						139,500
9122	VACATION REDEMPTION - IT		51004	Vacation Redemption								-
9123	VACATION REDEMPTION - PAS		51004	Vacation Redemption								-
9126	RETIREMENT CONTRIBUTIONS - ADM	518,600	51005	Retirement Contributions		499,400			19,200			518,600
9127	RETIREMENT CONTRIBUTIONS - IT	12,600	51005	Retirement Contributions			12,600					12,600
9128	RETIREMENT CONTRIBUTIONS - PAS		51005	Retirement Contributions								-
9131	OASDI CONTRIBUTION - ADMIN	167,200	51006	OASDI Contribution		159,300			7,900			167,200
9132	OASDI CONTRIBUTION - IT	4,400	51006	OASDI Contribution			4,400					4,400
9133	OASDI CONTRIBUTION - PAS		51006	OASDI Contribution								-
9136	FICA - MEDICARE - ADMIN	47,100	51007	FICA-Medicare		44,200			2,900			47,100
9137	FICA - MEDICARE - IT	1,000	51007	FICA-Medicare			1,000					1,000
9138	FICA - MEDICARE - PAS		51007	FICA-Medicare								-
9141	MEDICAL INSURANCE - ADMIN	296,800	51008	Medical Insurance		287,100			9,700			296,800
9142	MEDICAL INSURANCE - IT	5,200	51008	Medical Insurance			5,200					5,200
9143	MEDICAL INSURANCE - PAS		51008	Medical Insurance								-
9146	LIFE INSURANCE/MGMT - ADMIN	1,300	51010	Life Insurance		1,300						1,300
9147	LIFE INSURANCE/MGMT - IT		51010	Life Insurance								-
9148	LIFE INSURANCE/MGMT - PAS		51010	Life Insurance								-
9151	UNEMPLOYMENT INSURANCE - ADMIN	2,400	51011	Unemployment Insurance		2,200			200			2,400
9152	UNEMPLOYMENT INSURANCE - IT	100	51011	Unemployment Insurance			100					100
9153	UNEMPLOYMENT INSURANCE - PAS		51011	Unemployment Insurance								-
9156	MGMT DISABILITY INSURANCE-ADMI	23,100	51012	Mgmt Disability Insurance		21,500			1,600			23,100
9157	MGMT DISABILITY INSURANCE - IT	500	51012	Mgmt Disability Insurance			500					500
9158	MGMT DISABILITY INSURANCE-PAS		51012	Mgmt Disability Insurance								-
9161	WORKERS COMPENSATION INS - ADM	22,900	51013	Workers Compensation Insurance		21,900			1,000			22,900
9162	WORKERS COMPENSATION INS - IT	600	51013	Workers Compensation Insurance			600					600
9163	WORKERS COMPENSATION INS - PAS		51013	Workers Compensation Insurance								-
9166	401K PLAN CONTRIBUTION - ADMIN	70,400	51014	401K Plan Contribution		64,300			6,100			70,400
9167	401K PLAN CONTRIBUTION - IT	2,100	51014	401K Plan Contribution			2,100					2,100
9168	401K PLAN CONTRIBUTION - PAS		51014	401K Plan Contribution								-
9171	RETIREE HEALTH BENEFIT - ADMIN		51009	Retiree Health Insurance								-
9191	TRANSFERS OUT - ADMIN											-
9192	TRANSFERS IN - IT											-
9193	TRANSFERS IN - PAS											-
9194	TRANSFERS OUT - IT											-
	Total Salary and Benefits	**4,696,400**		**Total Salary and Benefits**	**-**	**4,348,100**	**97,400**	**-**	**250,900**	**-**	**-**	**4,696,400**

VCERA
Budget Crosswalk
Old to New Chart of Accounts

Attachment #1

Old General Ledger			New General Ledger									
Account Number	Account Name	Budget Amount	Account Number	Account Name	00-000	10-Admin - CAP	20-IT Admin - CAP	30 - Legal	40 - Investment	50 - IT Non-CAP	60 - Other Expenditures	Total
Service and Supplies			**Service and Supplies**									
9201	TELECOMMUNICATIONS - ADMIN	12,900	57550	Technology-Data Communication		12,900						12,900
9202	TELECOMMUNICATIONS - IT	27,200	57550	Technology-Data Communication			27,200					27,200
9203	TELECOMMUNICATIONS - PAS											-
9206	OFFICE EQUIP MAINTENACE - ADMI	2,000	57050	Equipment - Maint and Repairs		2,000						2,000
9207	OFFICE EQUIP MAINTENACE - IT											-
9208	OFFICE EQUIP MAINTENANCE - PAS											-
9211	MEMBERSHIP AND DUES - ADMIN	13,100	58030	Membership & Dues		9,800			3,300			13,100
9212	MEMBERSHIP AND DUES - IT	200	58030	Membership & Dues			200					200
9213	MEMBERSHIP AND DUES - PAS											-
9216	EDUCATION ALLOWANCE - ADMIN	6,000	56000	Education Allowance		6,000						6,000
9217	EDUCATION ALLOWANCE - IT											-
9218	EDUCATION ALLOWANCE - PAS											-
9221	PRINTING SERVICE-NOT ISF-ADMIN	21,000	54010	Printing		21,000						21,000
9222	PRINTING SERVICE-NOT ISF-IT											-
9223	PRINTING SERVICE-NOT ISF- PAS											-
9226	BOOKS & PUBLICATIONS - ADMIN	2,000	58010	Books & Publications		1,500			500			2,000
9227	BOOKS & PUBLICATIONS - IT	500	58010	Books & Publications			500					500
9228	BOOKS & PUBLICATIONS - PAS											-
9231	OFFICE SUPPLIES - ADMIN	18,000	58020	Office Supplies		18,000						18,000
9232	OFFICE SUPPLIES - IT											-
9233	OFFICE SUPPLIES - PAS											-
9236	POSTAGE AND EXPRESS - ADMIN	71,400	54020	Postage		71,400						71,400
9237	POSTAGE AND EXPRESS - IT											-
9238	POSTAGE AND EXPRESS - PAS											-
9241	PRINTING CHARGES - ISF - ADMIN	12,000	54010	Printing		12,000						12,000
9242	PRINTING CHARGES - ISF - IT											-
9243	PRINTING CHARGES - ISF - PAS											-
9246	EQUIPMENT - ADMIN	10,000	59020	Non-Capital Equipment		10,000						10,000
9247	EQUIPMENT - IT											-
9248	EQUIPMENT - PAS											-
9251	OFFICE LEASE PAYMENTS- ADMIN	209,900	59010	Rents - Structures		209,900						209,900
9252	OFFICE LEASE PAYMENTS- IT											-
9253	OFFICE LEASE PAYMETNS- PAS											-
9256	PRIVATE VEHICLE MILEAGE REIMBU	15,400	56050	Mileage-Staff		8,500						8,500
			56060	Mileage-Trustee								-
			56070	Mileage-Due Diligence-Staff								-
			56080	Mileage-Due Diligence-Trustee								-
			56090	Auto Allowance		6,900						6,900
9257	PRIVATE VEHICLE MILEAGE REIMBU-IT											-
9258	PRIVATE VEHICLE MILEAGE REIMBU-PAS											-
9261	CONFERENCE SEMINAR & TRAVEL	120,000	56010	Traning/Travel-Staff		41,500			6,000			47,500
			56020	Training/Travel-Trustee		53,100						53,100
			56030	Travel-Due Diligence-Staff								-
			56040	Travel-Due Diligence-Trustee					19,400			19,400
9262	CONFERENCE SEMINAR & TRAVEL-IT	6,700	56010	Traning/Travel-Staff			6,700					6,700
9263	CONFERENCE SEMINAR & TRAVEL-PAS											-
9266	FURNITURE - ADMIN	40,000	59030	Non-Capital Furniture		40,000						40,000
9267	FURNITURE - IT											-
9268	FURNITURE - PAS											-
9271	FACILITIES CHARGES - ADMIN	2,600	57010	Faciliities-Security		2,600						2,600
9272	FACILITIES CHARGES - IT	1,100	57010	Faciliities-Security			1,100					1,100

Attachment #1

VCERA
Budget Crosswalk
Old to New Chart of Accounts

Old General Ledger			New General Ledger								
Account Number	Account Name	Budget Amount	Account Number	Account Name	00-000	10-Admin - CAP	20-IT Admin - CAP	30 - Legal	40 - Investment	50 - IT Non-CAP	60 - Other Expenditures	Total
9273	FACILITIES CHARGES - PAS											-
9276	GENERAL INSURANCE - ADMIN	9,500	55000	General Liability Insurance		9,500						9,500
9277	COST ALLOCATION CHARGES- ADMIN	33,500	55020	Cost Allocation Charges		33,500						33,500
9278	COPY MACHINE CHARGES ISF-ADMIN	4,000	54050	Copy Machine		4,000						4,000
9279	BOARD MEMBER FEES - ADMIN	13,200	52000	Board Member Stipend		13,200						13,200
9280	STORAGE - ADMIN	4,800	58050	Offsite Storage		4,800						4,800
9281	JUDGEMENT & DAMAGES - ADMIN		58090	Claims, Judgements, Crt Orders								-
9294	TRANSFERS OUT - IT											-
9295	TRANSFER OUT - ADMIN											-
9296	TRANSFERS IN - IT											-
9297	TRANSFERS IN - PAS											-
9300	PROFESSIONAL SERVICES - ADMIN	690,700	55010	Fiduciary Liability Insurance		85,000						85,000
			53000	Other Professional Services		134,700						134,700
			53050	Election Services		9,000						9,000
			58000	General Office Expense		6,000						6,000
9301	PAYROLL SERVICE		53000	Other Professional Services								-
9302	BANK OF AMERICA		58040	Bank Service Charges								-
9303	AUDITOR		53010	Auditing		46,000						46,000
9304	HEARING OFFICERS		53020	Hearing Officers		60,000						60,000
9305	LEGAL FEES		53040	Legal Fees		150,000			200,000			350,000
9306	TEMP SERVICES-ADMIN			See Salaries and Benefits								-
9308	TEMP SERVICES-PAS			See Salaries and Benefits								-
9360	PROFESSIONAL SERV-IT (CAP)	90,000	53000	Other Professional Services			90,000					90,000
	Total Service and Supplies	**1,437,700**		**Total Service and Supplies**	**-**	**1,082,800**	**125,700**	**-**	**229,200**	**-**	**-**	**1,437,700**
Technology			**Technology**									
9400	COMP HARDWARE-IT (N/C)-OTHER	49,400	57500	Technology Hardware						49,400		49,400
			57505	Technology Hardware Support								
9405	COMP HARDWARE-PAS (N/C) OTHER											-
9410	COMP SOFTWARE- IT N/C - OTHER	232,100	57510	Technology Software/License						213,100		213,100
			57515	Technology Software Support						19,000		19,000
9415	COMP SOFTWARE-PAS (N/C)-OTHER											-
9416	SYS & APP SUPPORT-IT (CAP)-SYS											-
9417	SYS & APP SUPPORT-IT (CAP)-INF	15,700	57550	Technology-Data Communication s			15,700					15,700
9418	SYS & APP SUPPORT-IT (CAP)-APP											-
9419	SYS & APP SUPPORT-PAS(CAP)-INF											-
9420	SYS & APP SUPPORT-IT (N/C)-SYS	263,400	57520	Technology-Systems Support						263,400		263,400
9421	SYS & APP SUPPORT - IT (N/C)	300	57530	Technology-Infrastructure Support						300		300
9422	SYS & APP SUPPORT-IT (N/C)-APP	507,000	57540	Technology-Application Support						507,000		507,000
9430	SYS & APP SUPPORT - PAS (N/C)											-
9435	PAS N/C - OTHER											-
9436	PAS N/C - VITECH											-
9437	PAS N/C - LINEA											-
9438	PAS N/C - DATA CONVERSION											-
	Total Technology	**1,067,900**		**Total Technology**	**-**	**-**	**15,700**	**-**	**-**	**1,052,200**	**-**	**1,067,900**
9440	CONTINGENCY - ADMIN	532,800	69000	Contingency	532,800							532,800
9441	CONTINGENCY - IT (CAP)											-
9442	CONTINGENCY - PAS (CAP)											-
9443	CONTINGENCY - IT (NON CAP)											-
9444	CONTINGENCY - PAS (NON CAP)											-
	Total Contigency	**532,800**		**Total Contingency**	**532,800**	**-**	**-**	**-**	**-**	**-**	**-**	**532,800**

Attachment #1

VCERA
Budget Crosswalk
Old to New Chart of Accounts

Old General Ledger			New General Ledger									
Account Number	Account Name	Budget Amount	Account Number	Account Name	00-000	10-Admin - CAP	20-IT Admin - CAP	30 - Legal	40 - Investment	50 - IT Non-CAP	60 - Other Expenditures	Total
9471	INVESTMENT EXPENSES- OTHER											
9472	ACTUARY	201,000	53100	Actuary - Valuation							159,000	159,000
			53110	Actuary - GASB 67								-
			53120	Actuary-Assumptions/Exp Study								-
			53130	Actuary-415 Calculation								-
			53140	Actuary-Misc Hrly Consulting								-
			53150	Actuary-Actuarial Audit							42,000	42,000
9473	INVESTMENT EXPENSES-LEGAL FEES			See Services and Supplies								-
	DEPRECIATION/AMORTIZATION	1,163,500	59040	Depreciation/Amortization							1,163,500	1,163,500
	Total Investment & Other Expenses	**1,364,500**		**Total Other Expenditures**							**1,364,500**	**1,364,500**
	Total Budget	**9,099,300**		**Total Budget**	**532,800**	**5,430,900**	**238,800**	**-**	**480,100**	**1,052,200**	**1,364,500**	**9,099,300**

VCERA
Adopted Budget Under New General Ledger Account Structure
FY 2017-18

Attachment 2

Account Number	Account Name	00-000	10-Admin - CAP	20-IT Admin - CAP	30 - Legal	40 - Investment	50 - IT Non-CAP	60 - Other Expenditures	Total Operating Budget
Salary and Benefits									
51000	Regular Salary		$ 2,755,500	$ 68,500		$ 202,300			$ 3,026,300
51001	Extra-Help/Temporary Services		294,400						294,400
51002	Overtime								-
51003	Supplemental Payments		57,500	2,400					59,900
51004	Vacation Redemption		139,500						139,500
51005	Retirement Contributions		499,400	12,600		19,200			531,200
51006	OASDI Contribution		159,300	4,400		7,900			171,600
51007	FICA-Medicare		44,200	1,000		2,900			48,100
51008	Medical Insurance		287,100	5,200		9,700			302,000
51010	Life Insurance		1,300						1,300
51011	Unemployment Insurance		2,200	100		200			2,500
51012	Mgmt Disability Insurance		21,500	500		1,600			23,600
51013	Workers Compensation Insurance		21,900	600		1,000			23,500
51014	401K Plan Contribution		64,300	2,100		6,100			72,500
51009	Retiree Health Insurance								-
	Total Salary and Benefits	**$ -**	**$ 4,348,100**	**$ 97,400**	**$ -**	**$ 250,900**	**$ -**	**$ -**	**$ 4,696,400**
Service and Supplies, and Other Expenditures									
52000	Board Member Stipend		$ 13,200						$ 13,200
53000	Other Professional Services		134,700	90,000					224,700
53010	Auditing		46,000						46,000
53020	Hearing Officers		60,000						60,000
53030	Temporary Services								
53040	Legal Fees		150,000			200,000			350,000
53050	Election Services		9,000						9,000
53100	Actuary - Valuation							159,000	159,000
53110	Actuary - GASB 67								-
53120	Actuary-Assumptions/Experience Study								-
53130	Actuary-415 Calculation								-
53140	Actuary-Misc Hrly Consulting							-	-
53150	Actuary-Actuarial Audit							42,000	42,000
54010	Printing		33,000						33,000
54020	Postage		71,400						71,400
54050	Copy Machine		4,000						4,000
55000	General Liability Insurance		9,500						9,500
55010	Fiduciary Liability Insurance		85,000						85,000
55020	Cost Allocation Charges		33,500						33,500
56000	Education Allowance		6,000						6,000
56010	Traning/Travel-Staff		41,500	6,700		6,000			54,200

VCERA
Adopted Budget Under New General Ledger Account Structure
FY 2017-18

Attachment 2

Account Number	Account Name	00-000	10-Admin - CAP	20-IT Admin - CAP	30 - Legal	40 - Investment	50 - IT Non-CAP	60 - Other Expenditures	Total Operating Budget
56020	Training/Travel-Trustee		53,100						53,100
56030	Travel-Due Diligence-Staff								-
56040	Travel-Due Diligence-Trustee					19,400			19,400
56050	Mileage-Staff		8,500						8,500
56060	Mileage-Trustee								-
56070	Mileage-Due Diligence-Staff								-
56080	Mileage-Due Diligence-Trustee								-
56090	Auto Allowance		6,900						6,900
57010	Faciliities-Security		2,600	1,100					3,700
57050	Equipment - Maintenance and Repairs		2,000						2,000
58000	General Office Expense		6,000						6,000
58010	Books & Publications		1,500	500		500			2,500
58020	Office Supplies		18,000						18,000
58030	Membership & Dues		9,800	200		3,300			13,300
58040	Bank Service Charges								-
58050	Offsite Storage		4,800						4,800
58090	Claims, Judgements & Court Orders								-
59010	Rents - Structures		209,900						209,900
59020	Non-Capital Equipment		10,000						10,000
59030	Non-Capital Furniture		40,000						40,000
59040	Depreciation/Amortization							1,163,500	1,163,500
	Total Service and Supplies, and Other Expenditures	**$ -**	**$ 1,069,900**	**$ 98,500**	**$ -**	**$ 229,200**	**$ -**	**$ 1,364,500**	**$ 2,762,100**
Technology									
57500	Technology Hardware						49,400		49,400
57505	Technology Hardware Support								-
57510	Technology Software/License						213,100		213,100
57515	Technology Software Support						19,000		19,000
57520	Technology-Systems Support						263,400		263,400
57530	Technology-Infrastructure Support						300		300
57540	Technology-Application Support						507,000		507,000
57550	Technology-Data Communication		12,900	42,900					55,800
	Total Technology	**$ -**	**$ 12,900**	**$ 42,900**	**$ -**	**$ -**	**$ 1,052,200**	**$ -**	**$ 1,108,000**
Contingency									
69000	Contingency	532,800							532,800
	Total Expenditires	**$ 532,800**	**$ 5,430,900**	**$ 238,800**	**$ -**	**$ 480,100**	**$ 1,052,200**	**$ 1,364,500**	**$ 9,099,300**

VCERA
VENTURA COUNTY EMPLOYEES' RETIREMENT ASSOCIATION

September 25, 2017

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

SUBJECT: FY 2017-18 FINANCIAL REPORTS

Dear Board Members:

For fiscal year 2017-18 staff revised the financial reports that have been previously included in the consent section of agenda. The revised reports included and attached are a Statement of Fiduciary Net Position, Statement of Changes in Fiduciary Net Position, Investments, Cash and Cash Equivalent schedule, Schedule of Investment Management Fees and a Budget Summary. The goal was to improve the information contained in the reports by including clearer descriptions and condensing information. With respect to the Schedule of Investment Management Fees, no data populated as no investment management fees have been paid, but we wanted to provide the new report.

Staff would appreciate your feedback and suggested changes, if any, so they can be incorporated.

RECOMMENDATION: RECEIVE AND FILE.

I would be pleased to answer any questions at the September 25, 2017 meeting.

Sincerely,

Henry C. Solis, CPA
Chief Financial Officer

Attachments

Ventura County Employees' Retirement Association
Statement of Fiduciary Net Position
As of July 31, 2017 (Unaudited)

Assets

Cash & Cash Equivalents		**$283,980,500**
Receivables		
Interest and Dividends	3,815,935	
Securities Sold	8,542,866	
Miscellaneous	33,281	
Total Receivables		**12,392,083**
Investments at Fair Value		
Domestic Equity	1,575,627,858	
Non U.S. Equity	828,256,548	
Global Equity	553,075,695	
Fixed Income	948,863,036	
Private Equity	206,967,646	
Real Estate	391,122,352	
Liquid Alternatives	413,935,977	
Cash Overlay	41,677	
Total Investments		**4,917,890,789**
Capital Assets, Net of Accumulated Depreciation & Amortization		**14,386,488**
Total Assets		**5,228,649,860**

Liabilities

Securities Purchased	13,732,479	
Accounts Payable	1,721,865	
Tax Withholding Payable	3,115,473	
Deferred Revenue (PrePaid Contributions)	170,140,722	
Total Liabilities		**188,710,539**
Net Position Restricted for Pensions		**$5,039,939,321**

Ventura County Employees' Retirement Association
Statement of Changes in Fiduciary Net Position
For The One Month Ending July 31, 2017 (Unaudited)

ADDITIONS		
Contributions		
Employer	$7,832,019	
Employee	3,073,395	
Total Contributions		**$10,905,414.00**
Investment Income		
Net Appreciation (Depreciation) in Fair Value of Investments	84,998,242	
Interest Income	1,345,679	
Dividend Income	870,706	
Other Investment Income		
Real Estate Operating Income, Net		
Security Lending Income	56,963	
Total Investment Income	**87,271,591**	
Less Investment Expenses		
Management & Custodial Fees		
Other Investment Expenses	9,350	
Securities Lending Borrower Rebates	41,441	
Securities Lending Management Fees	5,054	
Total Investment Expenses	**55,845**	
Net Investment Income/(Loss)		**87,215,746**
Total Additions		**98,121,160**
DEDUCTIONS		
Retiree Benefit Payments	22,032,553	
Member Refunds and Death Benefit Payments	19,349	
Administrative Expenses	253,324	
Other Expenses	123,389	
Total Deductions		**22,428,615**
Net Increase/(Decrease)		**75,692,545**
Net Position Restricted for Pensions		
Beginning of Year		**4,964,246,776**
Ending Balance		**$5,039,939,321**

Ventura County Employees' Retirement Association
Investments, Cash, and Cash Equivalents
As of July 31, 2017 (Unaudited)

Equity		
Domestic Equity		
Blackrock - Russel 1000	$1,375,060,411	$0
Blackrock - Russel 2500	56,178,196	0
Western Asset Enhanced Equity Index Plus	144,389,250	36,960,747
Total Domestic Equity	**1,575,627,857**	**36,960,747**
Non U.S. Equity		
Blackrock - ACWI ex - US	405,455,530	0
Hexavest	91,348,617	0
Sprucegrove	216,629,369	0
Walter Scott	114,823,032	0
Total Non U.S. Equity	**828,256,548**	**0**
Global Equity		
Blackrock - ACWI Index	553,075,695	0
Total Global Equity	**553,075,695**	**0**
Fixed Income		
Blackrock - Bloomberg Barclays Aggregate Index	221,251,611	0
Loomis Sayles Multi Sector	78,416,665	2,810,249
Loomis Sayles Strategic Alpha	45,301,210	0
Reams	307,690,508	1,648
Western Asset Management	296,203,042	2,330,714
Total Fixed Income	**948,863,036**	**5,142,612**
Private Equity		
Adams Street	119,796,617	0
Drive Capital	2,213,067	0
Harbourvest	59,965,298	0
Pantheon	24,992,664	0
Total Private Equity	**206,967,646**	**0**
Real Estate		
Prudential Real Estate	139,056,749	0
RREEF	174,186	0
UBS Realty	251,891,417	0
Total Real Estate	**391,122,352**	**0**
Liquid Alternatives		
Bridgewater All Weather	294,823,475	0
Tortoise (MLP's)	119,112,502	3,852,594
Total Liquid Alternatives	**413,935,977**	**3,852,594**
Cash Overlay	**41,677**	**208,114,643**
In-House Cash		**29,909,905**
Total Investments, Cash, and Cash Equivalents	**$4,917,890,789**	**$283,980,500**

Ventura County Employees' Retirement Association
Schedule of Investment Management Fees
For The One Month Ended July 31, 2017 (Unaudited)

Equity Managers

Domestic Equity
- Blackrock - Russel 1000
- Blackrock - Russel 2500
- Western Asset Enhanced Equity Index Plus
- **Total Domestic Equity**

Non U.S. Equity
- Blackrock - ACWI ex - US
- Hexavest
- Sprucegrove
- Walter Scott
- **Total Non U.S. Equity**

Global Equity
- Blackrock - ACWI Index
- **Total Global Equity**

Fixed Income Managers
- Blackrock Bloomberg Barclays Aggregate Index
- Loomis Sayles Multi Sector
- Loomis Sayles Strategic Alpha
- Reams Asset Management
- Western Asset Management
- **Total Fixed Income**

Private Equity
- Adams Street
- Drive Capital
- Harbourvest
- Pantheon
- **Total Private Equity**

Real Estate
- Prudential Real Estate Advisors
- RREEF
- UBS Realty
- **Total Real Estate**

Liquid Alternatives
- Bridgewater All Weather
- Tortoise (MLP's)
- **Total Liquid Alternatives**

Cash Overlay

Securities Lending
- Borrower's Rebate
- Management Fees
- **Total Securities Lending**

Other Fees
- Investment Consultant (NEPC)
- Investment Custodian (State Street)
- **Total Other Fees**

Total Investment Management Fees

Ventura County Employees' Retirement Association
Budget Summary Fiscal Year 2017-2018
For the One Month Ended July 31, 2017 and Year-To-Date - 8.33% of Fiscal Year Expended

	Adopted 2018 Budget	*Adjusted 2018 Budget*	*July 2017*	*Year To Date Expended*	*Available Balance*	*Percent Expended*
Salaries and Benefits						
Regular Salary	$3,026,300.00	$3,026,300.00	$99,784.09	$99,784.09	$2,926,515.91	3.30%
Extra-Help/Temporary Services	294,400.00	294,400.00	662.64	662.64	293,737.36	0.23%
Supplemental Payments	59,900.00	59,900.00	1,804.57	1,804.57	58,095.43	3.01%
Vacation Redemption	139,500.00	139,500.00	9,746.02	9,746.02	129,753.98	6.99%
Retirement Contributions	531,200.00	531,200.00	14,871.31	14,871.31	516,328.69	2.80%
OASDI Contribution	171,600.00	171,600.00	5,182.82	5,182.82	166,417.18	3.02%
FICA-Medicare	48,100.00	48,100.00	1,481.54	1,481.54	46,618.46	3.08%
Medical Insurance	302,000.00	302,000.00	9,290.96	9,290.96	292,709.04	3.08%
Life Insurance	1,300.00	1,300.00	41.50	41.50	1,258.50	3.19%
Unemployment Insurance	2,500.00	2,500.00	58.88	58.88	2,441.12	2.36%
Mgmt Disability Insurance	23,600.00	23,600.00	713.85	713.85	22,886.15	3.02%
Workers Compensation Insurance	23,500.00	23,500.00	748.34	748.34	22,751.66	3.18%
401K Plan Contribution	72,500.00	72,500.00	2,429.47	2,429.47	70,070.53	3.35%
Total Salaries & Benefits	$4,696,400.00	$4,696,400.00	$146,815.99	$146,815.99	$4,549,584.01	3.13%
Services & Supplies						
Board Member Stipend	$13,200.00	$13,200.00	$900.00	$900.00	$12,300.00	6.82%
Other Professional Services	224,700.00	224,700.00	2,834.50	2,834.50	221,865.50	1.26%
Auditing	46,000.00	46,000.00	0.00	0.00	46,000.00	0.00%
Hearing Officers	60,000.00	60,000.00	35.00	35.00	59,965.00	0.06%
Legal	350,000.00	350,000.00	0.00	0.00	350,000.00	0.00%
Election Services	9,000.00	9,000.00	0.00	0.00	9,000.00	0.00%
Actuary-Valuation	159,000.00	159,000.00	0.00	0.00	159,000.00	0.00%
Actuary-Actuarial Audit	42,000.00	42,000.00	0.00	0.00	42,000.00	0.00%
Printing	33,000.00	33,000.00	0.00	0.00	33,000.00	0.00%
Postage	71,400.00	71,400.00	27.41	27.41	71,372.59	0.04%
Copy Machine	4,000.00	4,000.00	0.00	0.00	4,000.00	0.00%
General Liability	9,500.00	9,500.00	0.00	0.00	9,500.00	0.00%
Fiduciary Liability	85,000.00	85,000.00	84,588.00	84,588.00	412.00	99.52%
Cost Allocation Charges	33,500.00	33,500.00	0.00	0.00	33,500.00	0.00%
Education Allowance	6,000.00	6,000.00	0.00	0.00	6,000.00	0.00%
Training/Travel-Staff	54,200.00	54,200.00	0.00	0.00	54,200.00	0.00%
Training/Travel-Trustee	53,100.00	53,100.00	491.56	491.56	52,608.44	0.93%
Travel-Due Diligence-Staff	0.00	0.00	672.33	672.33	(672.33)	0.00%
Travel-Due Diligence-Trustee	19,400.00	19,400.00	1,217.89	1,217.89	18,182.11	6.28%
Mileage-Staff	8,500.00	8,500.00	0.00	0.00	8,500.00	0.00%
Mileage -Trustee	0.00	0.00	148.73	148.73	(148.73)	0.00%
Mileage-Due Diligence-Staff	0.00	0.00	73.51	73.51	(73.51)	0.00%
Mileage-Due Diligence-Trustee	0.00	0.00	101.65	101.65	(101.65)	0.00%
Auto Allowance	6,900.00	6,900.00	0.00	0.00	6,900.00	0.00%
Facilities-Security	3,700.00	3,700.00	0.00	0.00	3,700.00	0.00%
Equipment-Maint & Repairs	2,000.00	2,000.00	0.00	0.00	2,000.00	0.00%
General Office Expense	6,000.00	6,000.00	612.31	612.31	5,387.69	10.21%
Books & Publications	2,500.00	2,500.00	0.00	0.00	2,500.00	0.00%
Office Supplies	18,000.00	18,000.00	341.58	341.58	17,658.42	1.90%
Memberships & Dues	13,300.00	13,300.00	4,000.00	4,000.00	9,300.00	30.08%
Bank Service Charges	0.00	0.00	123.99	123.99	(123.99)	0.00%
Offsite Storage	4,800.00	4,800.00	359.73	359.73	4,440.27	7.49%
Rents/Leases-Structures	209,900.00	209,900.00	17,363.95	17,363.95	192,536.05	8.27%
Non-Capital Equipment	10,000.00	10,000.00	575.00	575.00	9,425.00	5.75%
Non-Capital Furniture	40,000.00	40,000.00	492.73	492.73	39,507.27	1.23%
Depreciation /Amortization	1,163,500.00	1,163,500.00	120,894.86	120,894.86	1,042,605.14	10.39%
Total Services & Supplies	$2,762,100.00	$2,762,100.00	$235,854.73	$235,854.73	$2,526,245.27	8.54%
Total Sal, Ben, Serv & Supp	$7,458,500.00	$7,458,500.00	$382,670.72	$382,670.72	$7,075,829.28	5.13%
Technology						
Technology Hardware	$49,400.00	$49,400.00	$7.56	$7.56	$49,392.44	0.02%
Technology Software	213,100.00	213,100.00	585.00	585.00	212,515.00	0.27%
Technology Software Support	19,000.00	19,000.00	0.00	0.00	19,000.00	0.00%
Technology Systems Support	263,400.00	263,400.00	2,799.87	2,799.87	260,600.13	1.06%
Technology Infrastruct Support	300.00	300.00	0.00	0.00	300.00	0.00%
Technology Application Support	507,000.00	507,000.00	0.00	0.00	507,000.00	0.00%
Technology Data Communication	55,800.00	55,800.00	0.00	0.00	55,800.00	0.00%
Total Technology	$1,108,000.00	$1,108,000.00	$3,392.43	$3,392.43	$1,104,607.57	0.31%
Congtingency	532,800.00	532,800.00	0.00	0.00	532,800.00	0.00%
Total Current Year	$9,099,300.00	$9,099,300.00	$386,063.15	$386,063.15	$8,713,236.85	4.24%

VCERA
VENTURA COUNTY EMPLOYEES' RETIREMENT ASSOCIATION

September 25, 2017

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

SUBJECT: SACRS VOTING DELEGATE FOR 2017 FALL CONFERENCE

Dear Board Members:

Staff recommends the appointment of a voting delegate and alternate voting delegate for the 2017 Fall SACRS (State Association of County Retirement Systems) conference, scheduled for November 14-17.

As you are aware, each member retirement system is expected to participate and vote at the SACRS Business Meeting. Staff will provide the voting proxy form to SACRS to reflect Board's direction.

Sincerely,

Linda Webb
Retirement Administrator

VCERA
VENTURA COUNTY EMPLOYEES' RETIREMENT ASSOCIATION

VCERA Member Self Service Portal
for Active, Deferred and Retired VCERA Members and Payees

Dear Valued VCERA Member,

We are excited to launch the new VCERA Member Portal starting October 1, 2017.

What is the VCERA Member Portal?
The VCERA Member Portal is a secure portal for retirement benefits information for VCERA members and payees, available on the web at: https://members.vcera.org.
In April 2016, VCERA went live with a new pension administration system called V3 from Vitech. This new pension system gives VCERA members up-to-date access into their retirement account and benefits.

What can you do with the VCERA Member Portal?
Active and Deferred members can generate retirement benefit estimates, review account balances, check beneficiary information, and more.
Retirees and Payees can view and print 1099-Rs and Earnings Statements, view deductions and tax withholdings, receive paperless statements, update contact information, and more.

How do I Register for VCERA Member Portal?
To access the VCERA Member Portal for the first time, you will need to self-register and create a new user account. Retirees and Payees will also need to register with ADP to access Earnings Statements. The attached Quick-Start Guide provides instructions on how to register online to access your VCERA account.

How do I get Help?
If you need assistance with registration or have any questions about your VCERA account, please call us at (805) 677-8700 or email us at memberportal@vcera.org.

1190 S. VICTORIA AVENUE, SUITE 200 • VENTURA, CA 93003
PHONE: 805-339-4250 • FAX: 805-339-4269 • WWW.VCERA.ORG

VCERA
VENTURA COUNTY EMPLOYEES' RETIREMENT ASSOCIATION

ACTIVE MEMBERS

Member Portal Quick-Start Guide

https://members.vcera.org

REGISTRATION

To use the VCERA Member Self-Service web portal, you must self-register.

Step 1

Go to https://members.vcera.org and click on "Register".

Step 2

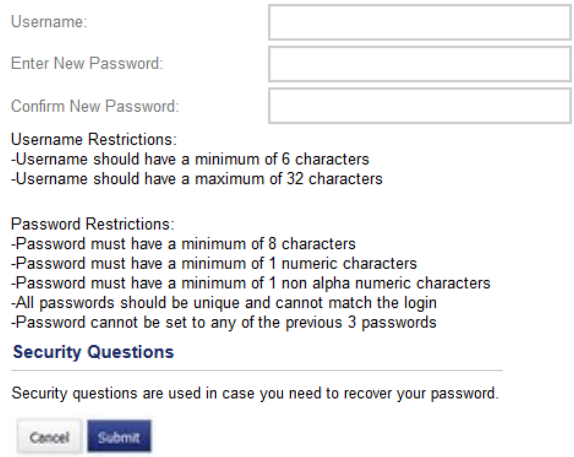
Review Terms of Service and click on "Accept" to continue with registration.

Step 3

Enter your Social Security Number, Last Name, and Date of Birth, then click on "Validate".

Step 4

NOTE: Username cannot be changed later.



For assistance, call VCERA at (805) 677-8700 or e-mail memberportal@vcera.org

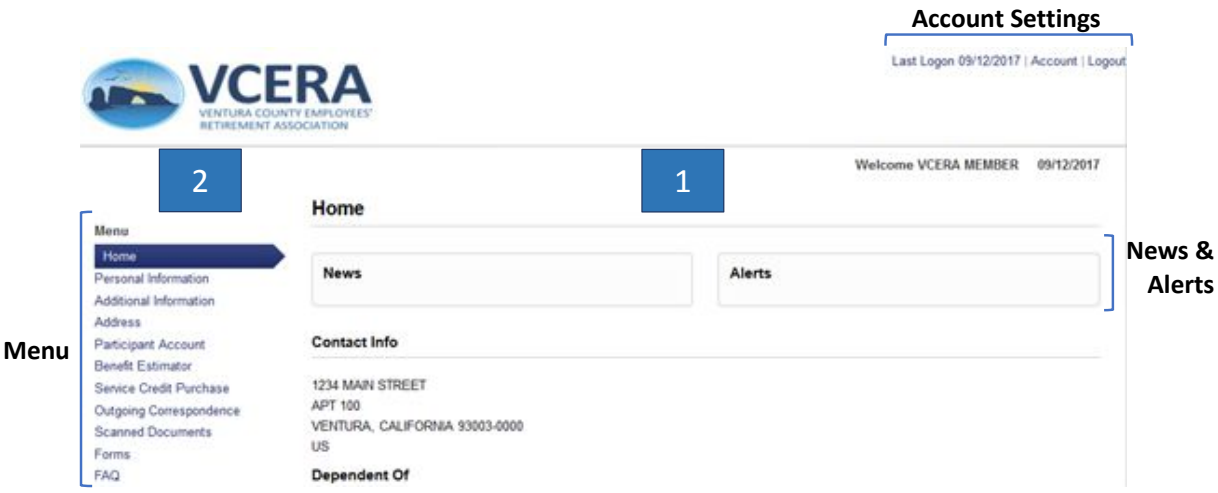
VCERA
VENTURA COUNTY EMPLOYEES' RETIREMENT ASSOCIATION

ACTIVE MEMBERS

Member Portal Quick-Start Guide

https://members.vcera.org

QUICK-REFERENCE GUIDE



1 Member Portal Home Page

Home Page: Default page upon log-in.
News and Alerts: VCERA will post basic news and alerts in this section.
Last Logon: Displays the last date you logged in to your account.
Account: Account settings to reset your password and update security questions.
Logout: Click on logout link to log out of the member portal.

2 Menu Navigation

Home: Click "Home" at any time to return to the homepage.
Personal Information: This page displays detailed personal information.
Additional Information: View VCERA membership information and current retirement plan.
Address: View current address. Actively employed members must change their address in VCHRP or contact their district.
Participant Account: View a summary of your total member contributions, interest earned and service credit.
Benefit Estimator: On this page, you can generate a retirement benefit estimate.
Service Credit Purchase: View details on service credit purchases, if any.
Outgoing Correspondence: View and print system-generated outgoing correspondence on file.
Scanned Documents: View and print select documents scanned into your VCERA account.
Forms: View and print commonly used forms.
FAQ: Access frequently asked questions and answers.

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VCERA
VENTURA COUNTY EMPLOYEES' RETIREMENT ASSOCIATION

RETIRED MEMBERS

Member Portal Quick-Start Guide

https://members.vcera.org

REGISTRATION

To use the VCERA Member Self-Service web portal, you must self-register.

Step 1

Go to https://members.vcera.org and click on "Register".

Step 2

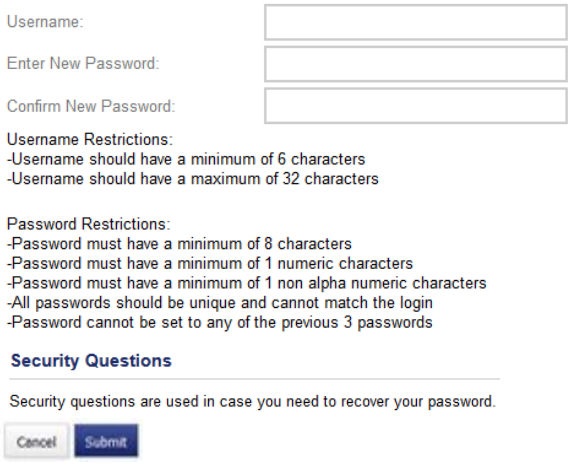
Review Terms of Service and click on "Accept" to continue with registration.

Step 3

Enter your Social Security Number, Last Name, and Date of Birth, then click on "Validate".

Step 4

NOTE: Username cannot be changed later.



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RETIRED MEMBERS

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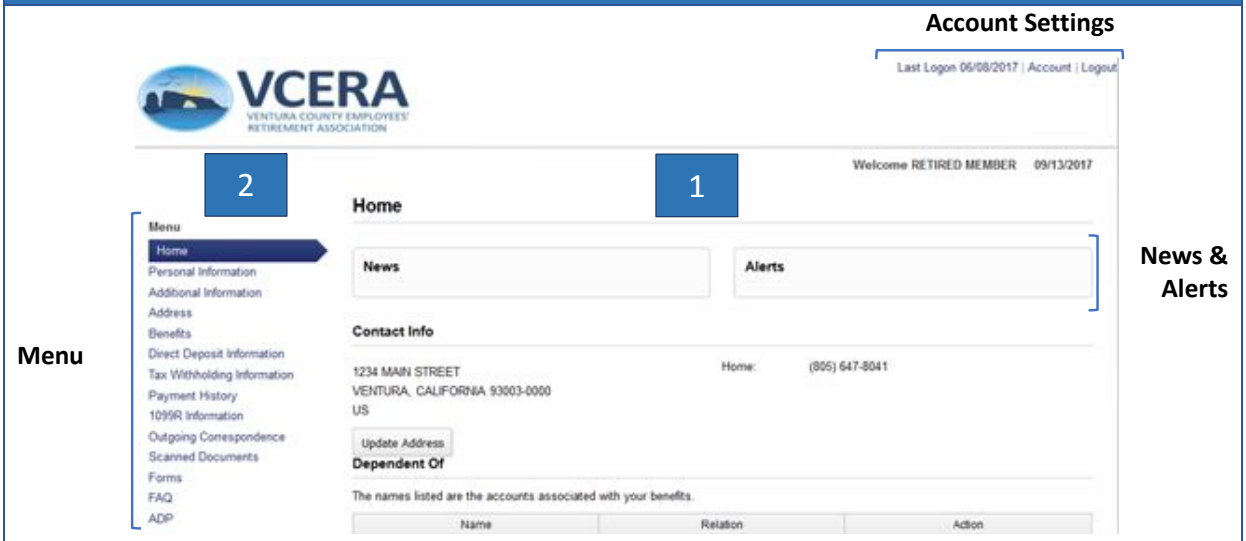

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Benefits: View details regarding your current VCERA benefit.
Direct Deposit Information: View your current direct deposit information.
Tax Withholding Information: View your current tax withholding information.
Payment History: View a summary of all disbursements. Access monthly statements using the ADP menu.
1099R Information: View and print copies of your 1099-R tax forms.
Outgoing Correspondence: View and print system-generated outgoing correspondence on file.
Scanned Documents: View and print select documents scanned into your VCERA account.
Forms: View and print commonly used forms.
FAQ: Access frequently asked questions and answers.
ADP: Click on the Go To ADP link (https://my.adp.com) to view and print your monthly pay statements issued through ADP. You may also sign up for paperless statements. Registration is required for first-time users and the registration code is **VCERA1-ONLINE**. See attached instructions for registration information.

For assistance, call VCERA at (805) 677-8700 or e-mail memberportal@vcera.org

NEPC, LLC

YOU DEMAND MORE. So do we.SM

Ventura County Employees' Retirement Association

Investment Summary
Quarter Ending June 30, 2017

Allan Martin, Partner,
Anthony Ferrara, CAIA, Consultant
Michael Miranda, Senior Analyst

255 State Street, Boston, MA 02109 | TEL: 617.374.1300 | FAX: 617.374.1313 | www.nepc.com
BOSTON | ATLANTA | CHARLOTTE | CHICAGO | DETROIT | LAS VEGAS | PORTLAND | SAN FRANCISCO

Market Environment Update and Outlook

Economic Environment

- **Second quarter GDP growth rate (advance estimate) is estimated at 2.6%.**
  - Retail sales ended May at +4.2% on a YoY basis. In the same period last year the YoY growth rate was 1.6%.
  - Corporate profits (ended January) as a percent of GDP decreased slightly to 9.1% from 9.2% (in October) and remain elevated relative to historical levels.
  - The inventory-to-sales ratio ended May flat at 1.4 and has remained relatively flat since early 2010.
  - The U.S. trade deficit declined by a meager 1.8% ended May as exports increased and imports decreased.

- **The unemployment rate decreased to 4.4% in Q2 from 4.5% in Q1; U-6, a broader measure of unemployment, decreased to 8.6% during the second quarter from 8.9%.**

- **The Case-Shiller Home Price Index (ended May) increased to 190.6 from 185.5 in January and is at levels higher than that of pre-financial crisis levels of 150.9.**

- **Rolling 12-month seasonally-adjusted CPI saw a down-tick to 1.6% at the end of June from 2.4% at the end of March; Capacity Utilization marginally increased to 76.6% in Q2 from 76.4% in Q1.**

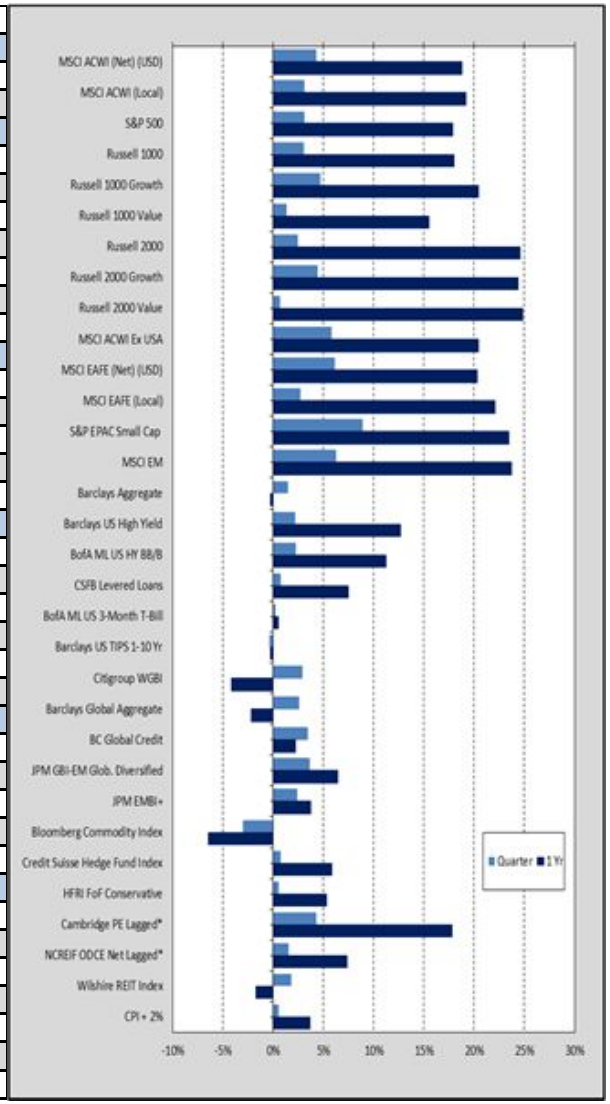
- **Fed Funds rate was increased +0.25% to a targeted range of 1.0% - to – 1.25%. The 10-year Treasury Yield (constant maturity) finished Q2 at 2.2% down from 2.5% in Q1.**

- **The Fed balance sheet decreased slightly during Q2 2017, while the European Central Bank balance sheet continues to increase.**
  - ECB held its benchmark refinance rate at 0%, deposit rates -0.4% and asset purchases at €60 billion per month of corporate and public securities

- **S&P valuations increased slightly in Q2 remaining above the 10-year and long-term averages.**
  - Cyclically adjusted Shiller PE ratio (29.7x) is above the long-term average of 16.7x and above the 10-year average of 23.0x.

Market Environment – Q2 2017 Overview

		Qtr.	1 Yr.	3 Yr.	5 Yr.	10 Yr.
World Equity Benchmarks						
MSCI ACWI (Net) (USD)	World	4.3%	18.8%	4.8%	10.5%	3.7%
MSCI ACWI (Local)	World (Local Currency)	3.1%	19.2%	7.6%	12.4%	4.3%
Domestic Equity Benchmarks						
S&P 500	Large Core	3.1%	17.9%	9.6%	14.6%	7.2%
Russell 1000	Large Core	3.1%	18.0%	9.3%	14.7%	7.3%
Russell 1000 Growth	Large Growth	4.7%	20.4%	11.1%	15.3%	8.9%
Russell 1000 Value	Large Value	1.3%	15.5%	7.4%	13.9%	5.6%
Russell 2000	Small Core	2.5%	24.6%	7.4%	13.7%	6.9%
Russell 2000 Growth	Small Growth	4.4%	24.4%	7.6%	14.0%	7.8%
Russell 2000 Value	Small Value	0.7%	24.9%	7.0%	13.4%	5.9%
International Equity Benchmarks						
MSCI ACWI Ex USA	World ex-US	5.8%	20.5%	0.8%	7.2%	1.1%
MSCI EAFE (Net) (USD)	Int'l Developed	6.1%	20.3%	1.1%	8.7%	1.0%
MSCI EAFE (Local)	Int'l Developed (Local Currency)	2.7%	22.1%	7.0%	12.5%	2.0%
S&P EPAC Small Cap	Small Cap Int'l	8.9%	23.4%	5.9%	13.2%	3.6%
MSCI EM	Emerging Equity	6.3%	23.7%	1.1%	4.0%	1.9%
Domestic Fixed Income Benchmarks						
Barclays Aggregate	Core Bonds	1.4%	-0.3%	2.5%	2.2%	4.5%
Barclays US High Yield	High Yield	2.2%	12.7%	4.5%	6.9%	7.7%
BofA ML US HY BB/B	High Yield	2.2%	11.2%	4.5%	6.7%	7.1%
CSFB Levered Loans	Bank Loans	0.8%	7.5%	3.5%	4.8%	4.2%
BofA ML US 3-Month T-Bill	Cash	0.2%	0.5%	0.2%	0.2%	0.6%
Barclays US TIPS 1-10 Yr	Inflation	-0.4%	-0.3%	0.3%	0.3%	3.6%
Global Fixed Income Benchmarks						
Citigroup WGBI	World Gov. Bonds	2.9%	-4.1%	-1.0%	-0.2%	3.5%
Barclays Global Aggregate	Global Core Bonds	2.6%	-2.2%	-0.4%	0.8%	3.7%
BC Global Credit	Global Bonds	3.4%	2.2%	0.9%	2.8%	4.3%
JPM GBI-EM Glob. Diversified	Em. Mkt. Bonds (Local Currency)	3.6%	6.4%	-2.8%	-0.7%	4.0%
JPM EMBI+	Em. Mkt. Bonds	2.4%	3.7%	4.8%	5.0%	7.2%
Alternative Benchmarks						
Bloomberg Commodity Index	Commodities	-3.0%	-6.5%	-14.8%	-9.2%	-6.5%
Credit Suisse Hedge Fund Index	Hedge Fund	0.8%	5.8%	1.6%	4.5%	3.2%
HFRI FoF Conservative	Fund of Hedge Funds	0.5%	5.3%	1.5%	3.6%	0.8%
Cambridge PE Lagged*	Private Equity	4.3%	17.8%	10.3%	12.7%	9.8%
NCREIF ODCE Net Lagged*	Real Estate	1.5%	7.4%	10.8%	10.9%	4.6%
Wilshire REIT Index	REIT	1.8%	-1.7%	8.3%	9.3%	5.6%
CPI + 2%	Inflation/Real Assets	0.5%	3.7%	2.9%	3.3%	3.7%



* As of 3/31/2017

Market Environment

Global Equity

- **U.S. equities as measured by the S&P 500 posted moderate gains in the second quarter (+3.1%).**
- **Small cap stocks underperformed large cap stocks during the quarter, with the Russell 2000 Index returning 2.5% and the Russell 1000 Index returning 3.1%.**
- **International equities outperformed U.S. markets during the quarter, returning 5.8%, as measured by the MSCI ACWI ex-U.S. Index. Emerging markets returned 6.3% as measured by the MSCI Emerging Markets Index in U.S. dollar terms.**
  - Developed international markets returned 6.1% in USD terms, while in local currency terms returned 2.7% as measured by the MSCI EAFE Index.

Private Equity

- **Capital commitment momentum continued in Q2 2017.**
- **Private equity fundraising totaled $121 billion in Q2 2017.**
  - North America focused private equity funds raised $67.5 billion.
  - Asia focused private equity funds raised $18.2 billion.
  - Europe focused private equity raised $32.5 billion.
- **Private equity dry powder continued its increase to $906 billion ended Q2 up from $842 billion ended Q1.**

Market Environment

Fixed Income

- **The nominal yield curve continued to flatten in Q2. Intermediate –to- long term yields declined 4 –to- 18 basis points across five to 30 year treasury bonds while short term yields increased 10 –to- 27 basis points across terms under one year.**
- **The spread between two and 10 year rates decreased to 93 basis points from 113 basis points in Q2.**
- **Treasury Inflation-Protected Securities, or TIPS, returned -0.4% during the quarter, as measured by the BBg Barclays US TIPS 1-10 Yr Index.**
- **The BBg Barclays Long Duration Credit Index gained 4.70%.**
- **Long Treasuries gained 3.96% and investment-grade US corporate debt gained 1.4%.**
- **The BBg Barclays 1-3 year US Government/ Credit Index returned 0.31%. US high yield bonds gained 2.2% driven by tighter spreads.**
- **Emerging markets debt had moderate –to- strong gains.**
  - US dollar-denominated debt, as measured by the JP Morgan EMBI Index, gained 2.4%; local currency debt gained 3.6%, according to the JP Morgan GBI-EM BD Index.

Market Environment

Real Assets/Inflation-Linked Assets

- **Energy remains attractive despite volatile oil prices.**
  - Private equity and debt opportunities are attractive.
  - Fire sale prices never materialized but focusing on assets outside of the hottest zip codes provides potential for strong returns as market normalizes.

- **Infrastructure – select opportunities to access growth markets.**
  - High quality assets are receiving premium bids from direct investors (Pension Funds and Sovereigns) with low costs of capital and long hold horizons; focus on mismanaged or niche opportunities.

- **Metals & Mining – have commodity prices bottomed?**
  - Peak capex occurred in 2012, lagging commodity price drops that began in 2011.
  - Diverse demand drivers for underlying commodity prices.

- **Timber – low return potential and limited opportunity for outperformance.**

- **Agriculture – near-term slowdown in price appreciation creates opportunity to invest in a strong (very) long term outlook supported by demographic trends.**

Market Environment

Commodities

- **Commodities ended the quarter down 3.0% as measured by the Bloomberg Commodity Index.**
  - Agricultural commodities and energy price weakness contributed to the quarter's losses.

Real Estate

- **NEPC continues to be neutral on core real estate in the US and remains positive on non-core real estate, that is, value-add and opportunistic strategies.**

- **Real estate fundamentals (rent growth, occupancy, net absorption) remain strong; however, valuations are high on an absolute and relative basis.**
  - Rising interest rates have been baked into existing valuations but excess cap rate expansion (beyond general expectations) will reset valuations.

- **Overall, the non-core real estate investment environment in the U.S. is normalizing; however, select areas remain attractive.**

- **Europe is viewed as the best place for a marginal dollar of non-core real estate investment.**
  - Current US-dollar denominated investors with currency exposure will feel near-term impact of Brexit, but new investors may benefit from a strong US-dollar. Long-term Brexit and broader European political instability, however, are unclear.

Key Market Themes

Extended US Economic Cycle

Economic cycles don't die of old age

We believe the US economy is in an extended expansionary cycle despite being eight years removed from the last recession

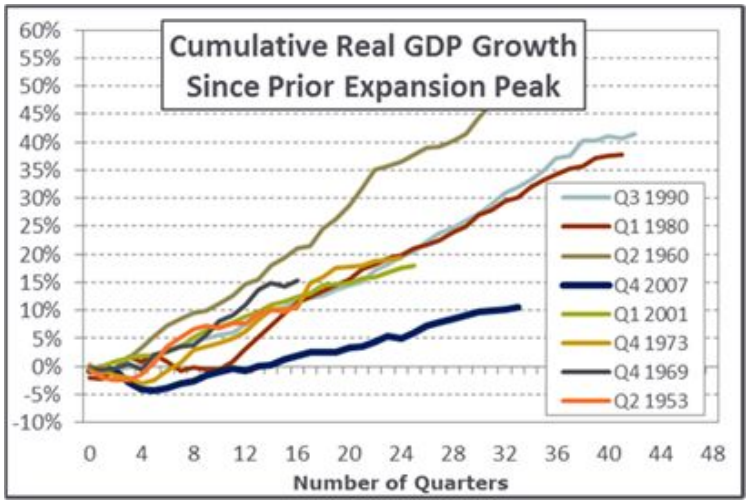
The health of US consumers continue to drive economic growth given relatively low debt levels

A prolonged US economic expansion can support a continued rally for US equities despite elevated valuation levels

US recession concerns are muted

The US economy appears on a path of slow but steady growth as excess capacity is gradually absorbed by the economy

The labor market recovery has been strong but slack remains as many have yet to return to the workforce



Source: FRED

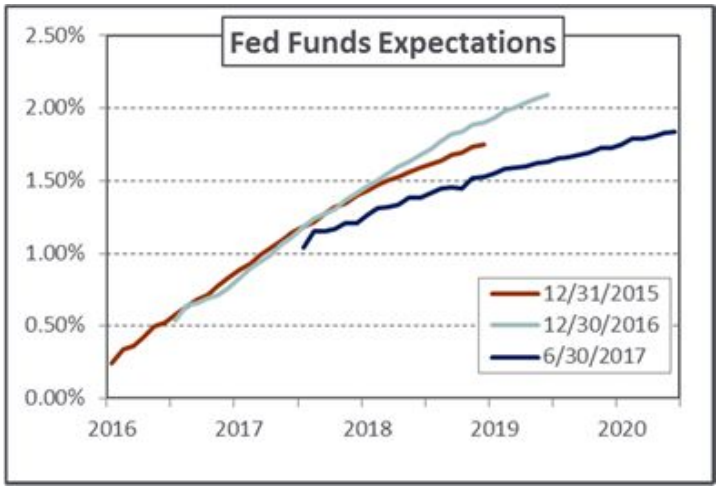
Key Market Themes

Federal Reserve Gradualism

The Federal Reserve is expected to slowly increase interest rates

Expected path of Fed policy through 2019 matters more than timing of the next hike as the disconnect between market expectations and Fed signaling has grown

A relatively accommodative Fed is likely to continue, unless there is a dramatic acceleration in inflation

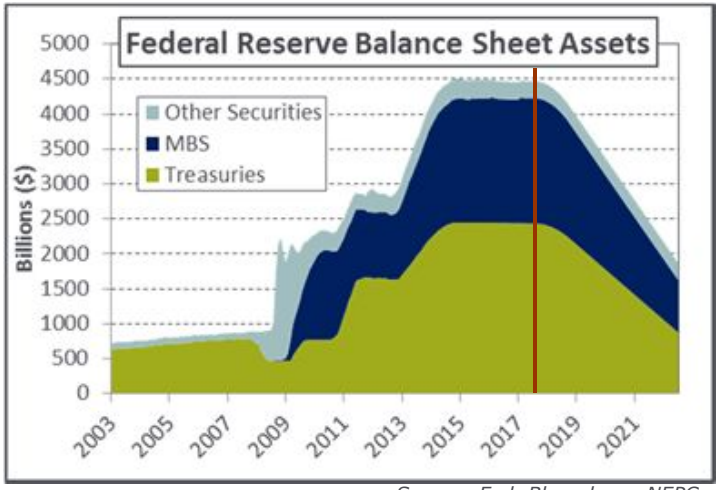


Source: Fed, Bloomberg

Reduction of the Fed balance sheet will likely be a gradual process

The market impact is untested but the Fed has announced a specific schedule to not reinvest a portion of the balance sheet securities that mature

Politics could intersect with Fed policy as Fed Chair Janet Yellen's term is set to expire in February 2018



Source: Fed, Bloomberg, NEPC

Forecast based on the June Fed Minutes: MBS assumes $4B per month for 3-month intervals over 12 months with a $20B cap; Treasuries assume $6B per month for 3-month intervals over 12 months with a $30B cap; Other Securities are assumed to stay constant

Despite Transparency, a Number of Outstanding Questions Remain…

What does this mean for the future path of rate hikes?

"The evolution of the economy will warrant gradual increases in the federal funds rate over time to achieve and maintain maximum employment and stable prices."

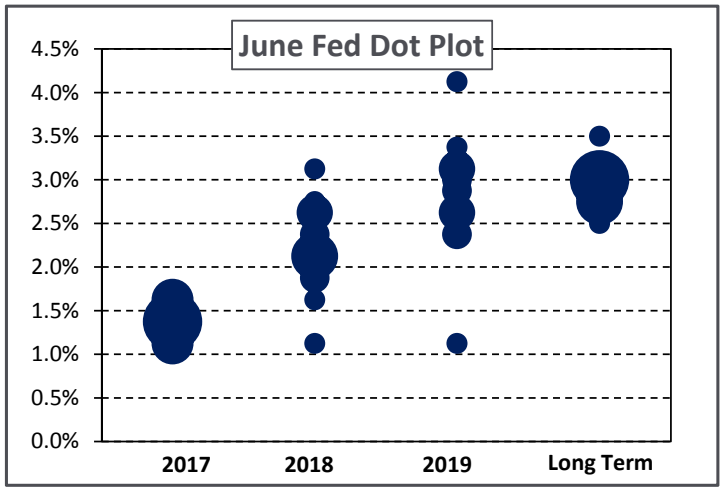
- Fed Chair Janet Yellen July 12th, 2017

What implications does this have for other central banks?

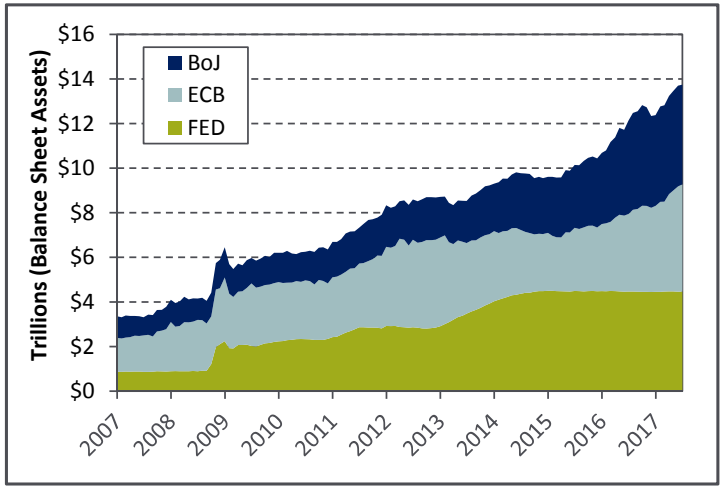
ECB: "A very substantial degree of monetary accommodation is still needed for underlying inflation pressures to gradually build…"

– ECB President Mario Draghi July 20th, 2017

BoJ: Though the monetary stimulus program remained unchanged in July, the 2% inflation target was postponed further – indicating ongoing stimulus measures will continue to be necessary



Source: Fed, NEPC



Source: Bloomberg, Federal Reserve, Bank of Japan, ECB, NEPC

The Fed's Challenge

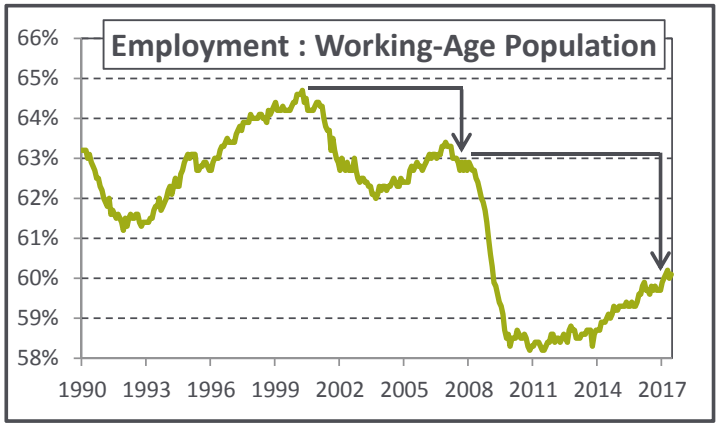
"With further gradual adjustments in the stance of monetary policy, the economy will continue to expand at a moderate pace over the next couple of years, with the job market strengthening somewhat further and inflation rising to 2%"

- Fed Chair Janet Yellen July 12th, 2017

- **The ongoing challenge for the Fed will be to balance continued strength in the labor market with lagging inflation**
  - Even with sustained improvements in unemployment, there has been significant difficulty reaching the 2% inflation target

- **Despite historically low unemployment, structural changes in demographics and the labor pool have introduced uncertainty regarding the remaining slack in the labor force**

Source: Bureau of Labor Statistics, Bloomberg



Source: Bureau of Labor Statistics
Represents employed persons as a percentage of age 16+ population

Key Market Themes

China Transitions

China is the global growth engine but faces fundamental transitions

China's economic transition is pivoting from a production to a service and consumption based economy

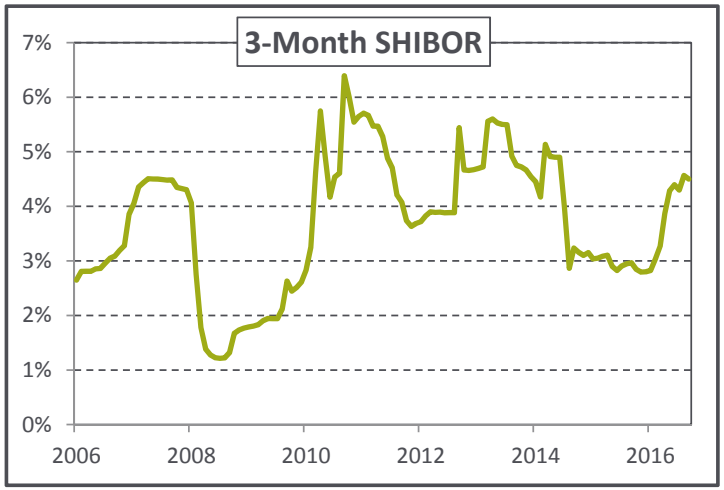
Fixed investment is required to sustain the production based economy and support labor force migration

Any disruption to these transitions will have global repercussions due to China's role in the global economy

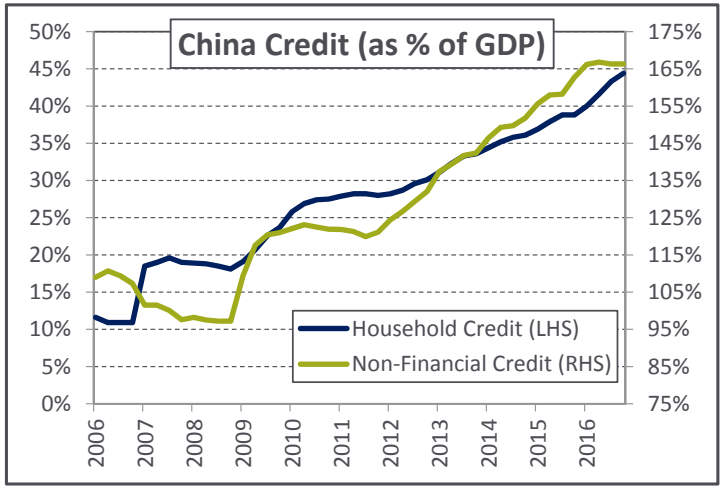
China's government is negotiating a balance between deleveraging and near term economic growth

Unrestrained growth in credit and real estate markets pose a systematic risk

Concerns of capital outflows have forced greater intervention from the central bank to limit currency movements



Source: China Foreign Exchange Trade System, Bloomberg



Source: Bank for International Settlements

Highlights of Second Quarter Happenings at NEPC

June 30, 2017

NEPC Insights

- 2017 First Quarter Market Thoughts (April 2017)
- The French Election – A Sigh of Relief (May 2017)
- An Insight into a Goals-Based Asset Allocation Framework (May 2017)
- The Essential Guide to Third-Party Valuations for Hedge Fund Investors (May 2017)
- Market Chatter: What's Next for Puerto Rico Bondholders? (June 2017)
- Are US Equities Falling out of Favor? (June 2017)

Webinar Replays

- NEPC's 7th Annual Investment Manager Webinar (May 2017)

To download NEPC's recent insights and webinar replays, visit: www.NEPC.com/insights

Conference Recap

- NEPC hosted its 22nd Annual Investment Conference in Boston in May. This year's agenda focused on the uncertainty and challenges facing investors today. Over 200 NEPC clients attended the panel discussions, keynote presentations and breakout sessions. Thank you to everyone who took time out of their schedules to make this conference our biggest and, according to our attendees, our best one yet! Check out some pictures from the event here: http://info.nepc.com/nepc-22nd-annual-investment-conference

Recent Updates

- Chief Investment Officer's 6th annual list of the world's most influential investment consultants includes NEPC's Allan Martin, Partner on the Public Funds team.
- Healthcare Financial Management Association (HFMA) has awarded NEPC's Healthcare practice with the "Peer Reviewed by HFMA ®" designation.*

PEER REVIEWED by HFMA*

NEPC Gives Back

- NEPC's Stacey Flier, CFA, Private Wealth Senior Consultant, hosted an educational day to discuss the importance of education and preparing for future careers to a group of 7th grade girls that attend St. Andrew Nativity School, a college-prep middle school in Portland, OR, that provides education for low-income, primarily minority, students of all religious backgrounds.

- NEPC participated in the J.P. Morgan Corporate Challenge Series, a world-wide series of 3.5-mile running events open to groups from organizations within the business and public sectors in Boston. The Corporate Challenge is set up to be the world's greenest road race, and this year the race made a donation to the Boston Children's Hospital Trust.

*HFMA staff and volunteers determined that this business solution has met specific criteria developed under the HFMA Peer Review Process. HFMA does not endorse or guarantee the use of this business solution.

Total Fund Performance Summary

Ventura County Employees' Retirement Association

Total Fund Performance Summary (Net)

	Market Value	3 Mo	Rank	YTD	Rank	1 Yr	Rank	3 Yrs	Rank	5 Yrs	Rank	10 Yrs	Rank	Return	Since
Total Fund	**$4,935,381,791**	**2.7%**	**63**	**7.4%**	**52**	**12.6%**	**54**	**4.9%**	**53**	**9.2%**	**26**	**5.2%**	**36**	**8.0%**	**Apr-94**
Policy Index		*3.1%*	*38*	*7.8%*	*33*	*13.1%*	*37*	*6.0%*	*8*	*9.5%*	*17*	*5.5%*	*18*	*8.1%*	*Apr-94*
Allocation Index		*2.9%*	*50*	*7.8%*	*33*	*13.5%*	*29*	*5.3%*	*33*	*8.9%*	*39*	*5.0%*	*45*	*--*	*Apr-94*
60% MSCI ACWI (Net) / 40% CITI WGBI		*3.7%*	*11*	*8.6%*	*14*	*9.1%*	*96*	*2.6%*	*94*	*6.3%*	*94*	*4.0%*	*83*	*--*	*Apr-94*
InvestorForce Public DB > $1B Net Median		*2.9%*		*7.4%*		*12.7%*		*4.9%*		*8.6%*		*4.8%*		*7.4%*	*Apr-94*

- For the five year period ending June 30, 2017, the Fund returned 9.2% trailing the policy index by 0.3% and ranking in the 26th percentile of its peers and outperforming the actuarial assumed rate of 7.5%. The Fund's volatility, as measured by standard deviation, ranked in the 76th percentile of its peers, and the risk-adjusted return, or Sharpe Ratio, ranks in the 46th percentile. This means that the Fund has earned more return per unit of volatility taken than 54% of its peers.

- For the three-year period, the Fund returned 4.9%, trailing the policy index by 1.1% and ranking in the 53rd percentile of its peers. The Fund's volatility ranks in the 76th percentile of its peers over this period, with the Fund's Sharpe Ratio ranking in the 66th percentile.

- For the one-year period, the Fund returned 12.6%, underperforming the policy index by 0.5% and ranking in the 54th percentile of the InvestorForce Public Funds > $1 Billion Universe (Net of fees).

- For the one-year period, the Fund experienced a net investment gain of $566 million which includes a net investment gain of $138 million in the quarter. Assets increased from $4.37 billion one year ago to $4.94 billion.

Quarterly and Cumulative Excess Performance

3 Years Ending June 30, 2017

	Anlzd Ret	Rank	Anlzd Std Dev	Rank	Sharpe Ratio	Rank	Sortino Ratio RF	Rank
Total Fund	4.9%	53	6.6%	76	0.7	66	1.2	45
Policy Index	6.0%	8	6.4%	70	0.9	28	1.4	21
InvestorForce Public DB > $1B Net Median	4.9%	--	5.9%	--	0.8	--	1.1	--

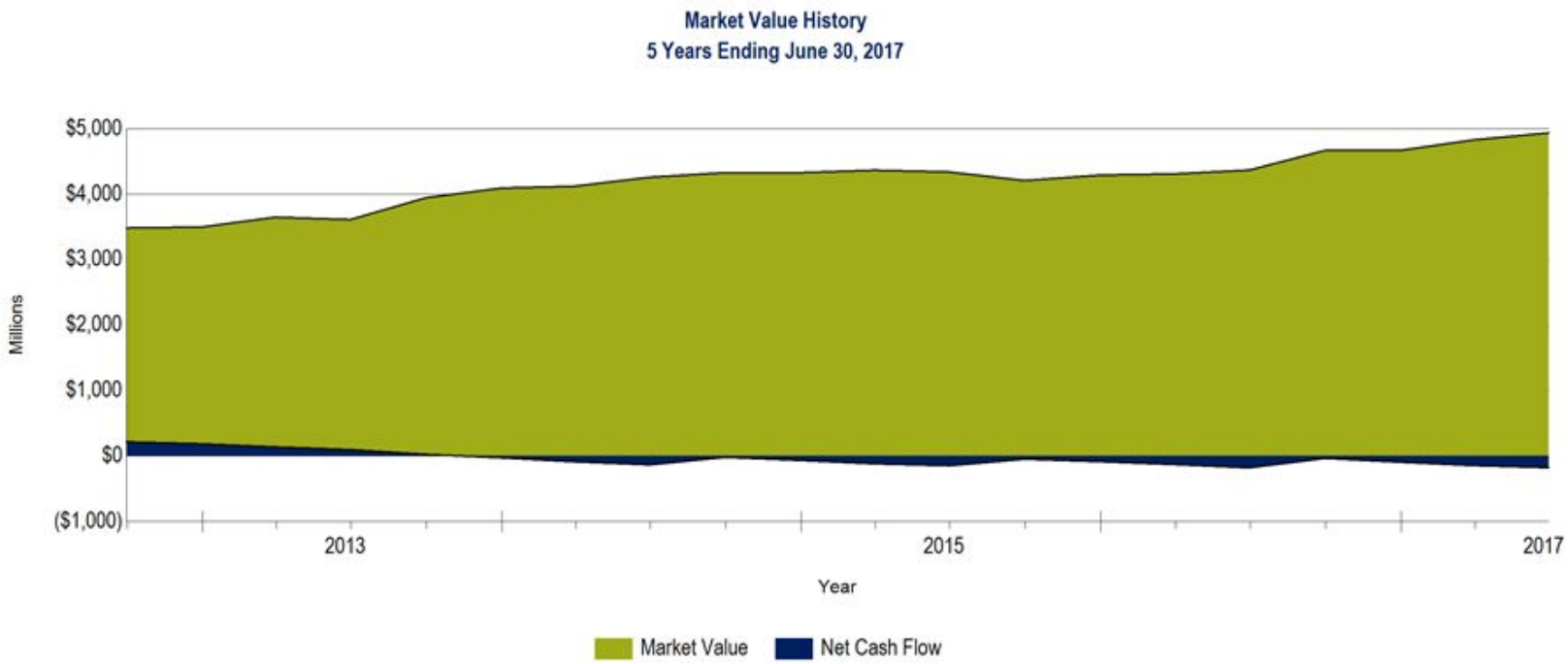
5 Years Ending June 30, 2017

	Anlzd Ret	Rank	Anlzd Std Dev	Rank	Sharpe Ratio	Rank	Sortino Ratio RF	Rank
Total Fund	9.2%	26	6.2%	76	1.4	46	2.5	29
Policy Index	9.5%	17	6.1%	70	1.5	32	2.6	26
InvestorForce Public DB > $1B Net Median	8.6%	--	5.7%	--	1.4	--	2.2	--

Policy Index as of January 2016: 28% Russell 3000, 20% Barclays Aggregate, 15% MSCI ACWI ex U.S., 10% MSCI ACWI, 10% DJ U.S. Total Stock Market Index + 3%, 10% CPI+4% Index, and 7% NCREIF ODCE Real Estate Index.

Ventura County Employees' Retirement Association

Total Fund Asset Growth Summary

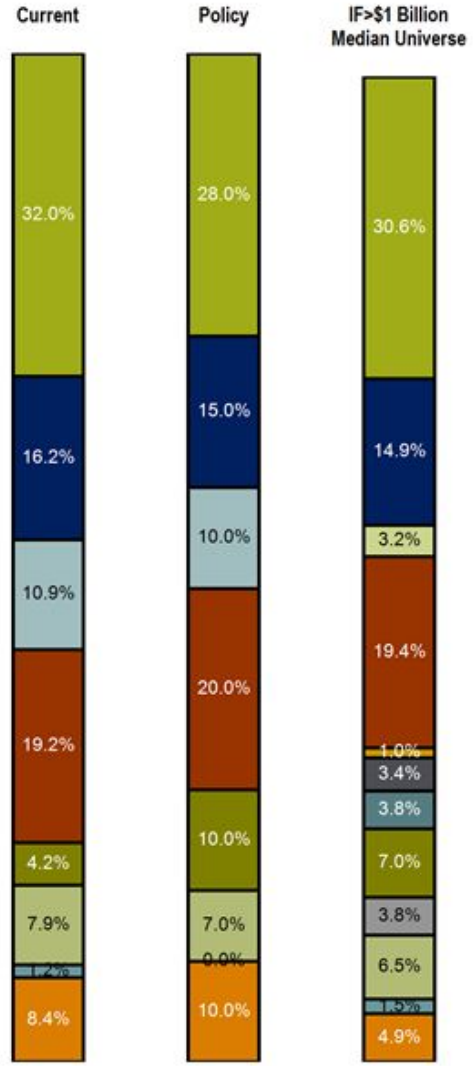


Summary of Cash Flows

	Last Three Months	One Year	Three Years	Five Years
Beginning Market Value	$4,829,813,958	$4,367,190,644	$4,258,489,574	$3,198,890,219
Net Cash Flow	-$32,739,680	$2,039,240	-$44,419,509	-$177,335,653
Net Investment Change	$138,307,513	$566,151,906	$721,311,725	$1,913,827,224
Ending Market Value	$4,935,381,791	$4,935,381,791	$4,935,381,791	$4,935,381,791

Ventura County Employees' Retirement Association

Total Fund Asset Allocation vs. Policy Targets



Asset Allocation vs. Target

	Current	Current	Policy	Difference*	Policy Range	Within Range
U.S. Equity	$1,579,052,368	32.0%	28.0%	4.0%	24.0% - 32.0%	Yes
Non-US Equity	$798,384,810	16.2%	15.0%	1.2%	12.0% - 18.0%	Yes
Emerging Markets Equity	--	--	--	0.0%		--
Global Equity	$537,900,281	10.9%	10.0%	0.9%	7.0% - 13.0%	Yes
U.S. Fixed Income	$945,558,360	19.2%	20.0%	-0.8%	16.0% - 24.0%	Yes
Fixed Income - Emerging	--	--	--	0.0%		--
Fixed Income - Global	--	--	--	0.0%		--
Global Asset Allocation	--	--	--	0.0%		--
Private Equity	$208,717,004	4.2%	10.0%	-5.8%	0.0% - 12.0%	Yes
Hedge Funds	--	--	--	0.0%		--
Real Estate	$391,122,352	7.9%	7.0%	0.9%	4.0% - 10.0%	Yes
Cash	$60,971,286	1.2%	0.0%	1.2%	0.0% - 3.0%	Yes
Liquid Alternatives	$413,675,330	8.4%	10.0%	-1.6%	5.0% - 15.0%	Yes
Total	**$4,935,381,791**	**100.0%**	**100.0%**			

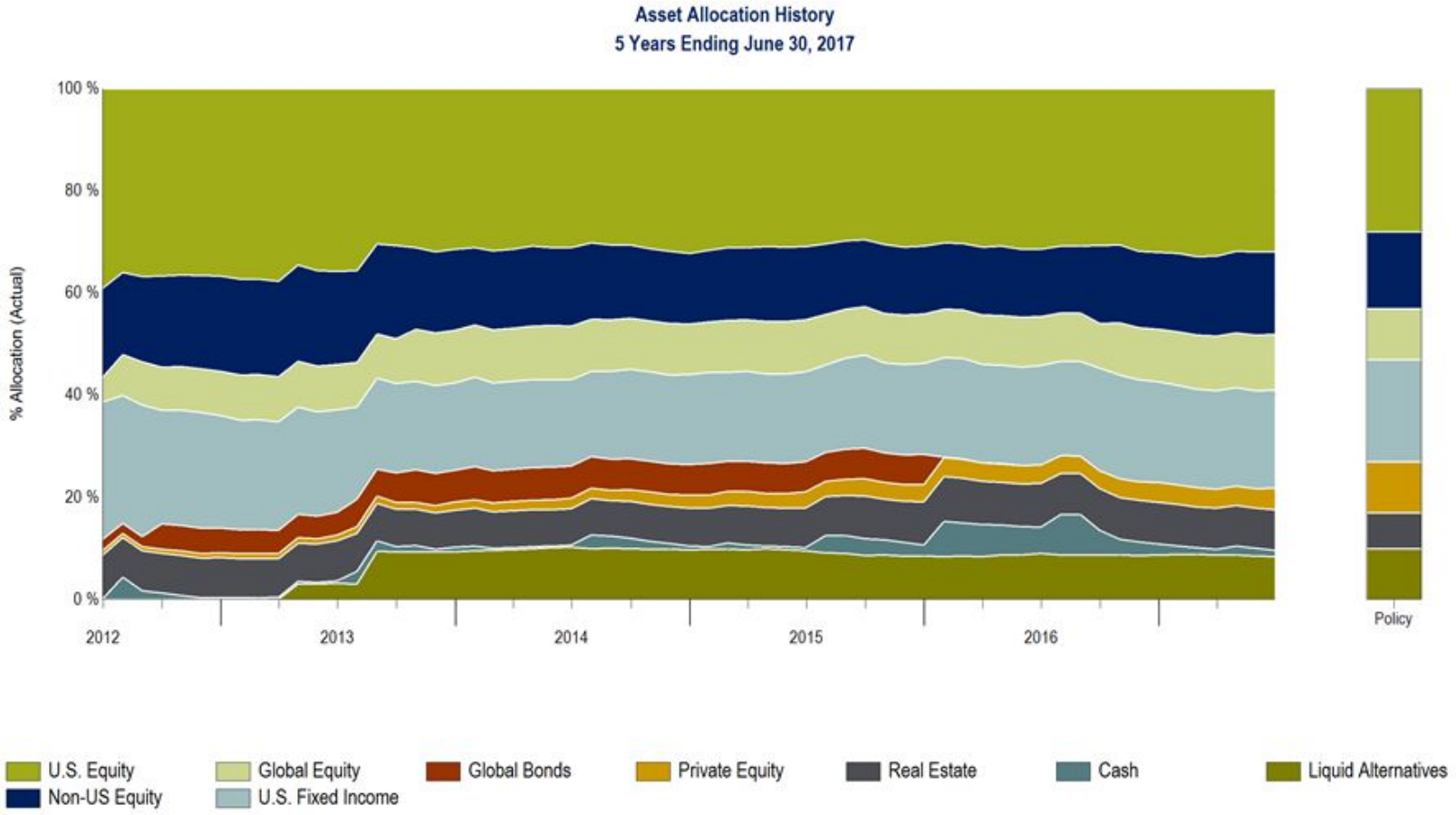
*Difference between Policy and Current Allocation

Cash represents assets in Parametric Overlay.

Policy Index as of January 2016:, 28% Russell 3000, 20% Barclays Aggregate, 15% MSCI ACWI ex U.S., 10% MSCI ACWI, 10% DJ U.S. Total Stock Market Index + 3%, 10% CPI+4% Index, and 7% NCREIF ODCE Real Estate Index.

Ventura County Employees' Retirement Association

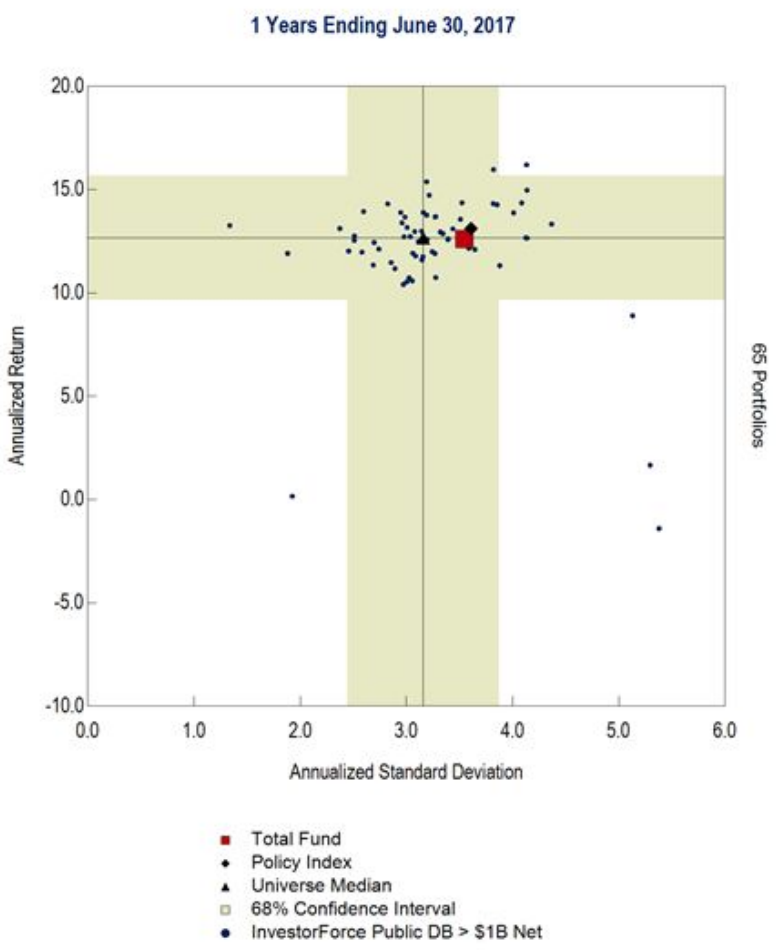
Total Fund Allocation History

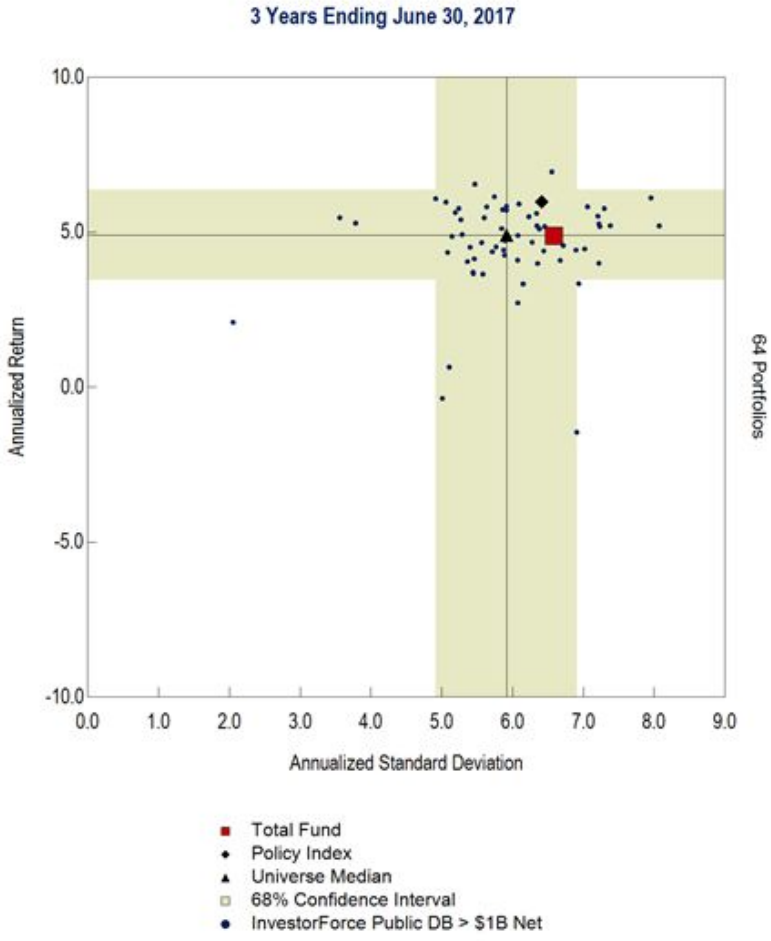


Policy Index shown is most recently approved index

Ventura County Employees' Retirement Association

Total Fund Risk/Return





Ventura County Employees' Retirement Association

Total Fund Risk Statistics vs. Peer Universe

Total Fund vs. InvestorForce Public DB > $1B Net
1 Year

Sortino Ratio requires two months with negative returns in the time period.

Ventura County Employees' Retirement Association

Total Fund Risk Statistics vs. Peer Universe

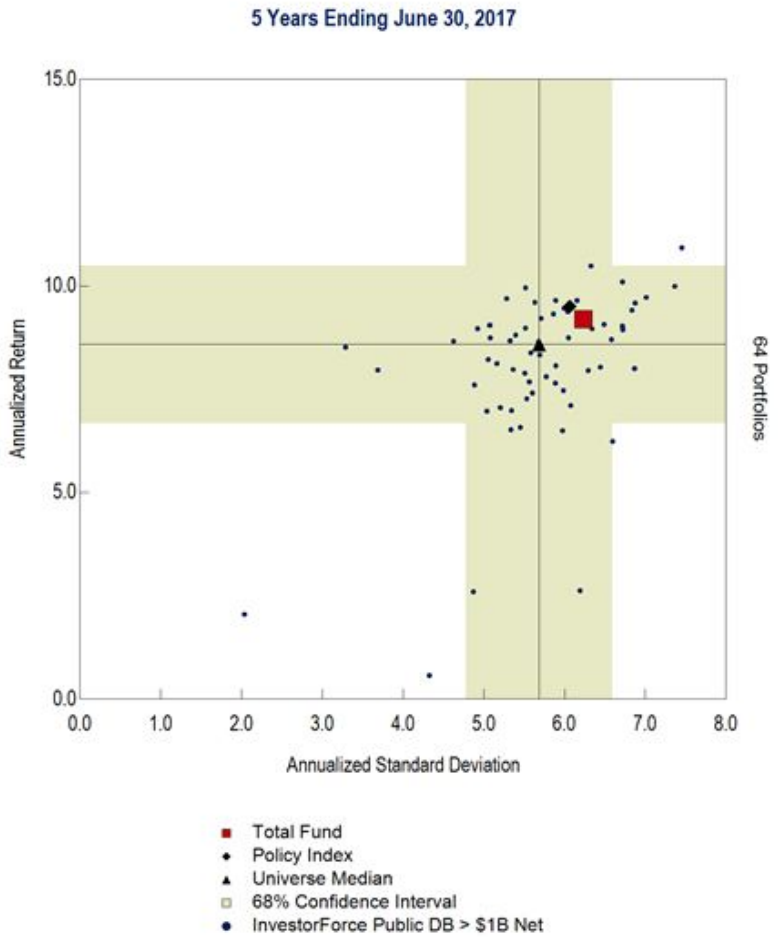
Total Fund vs. InvestorForce Public DB > $1B Net
3 Years

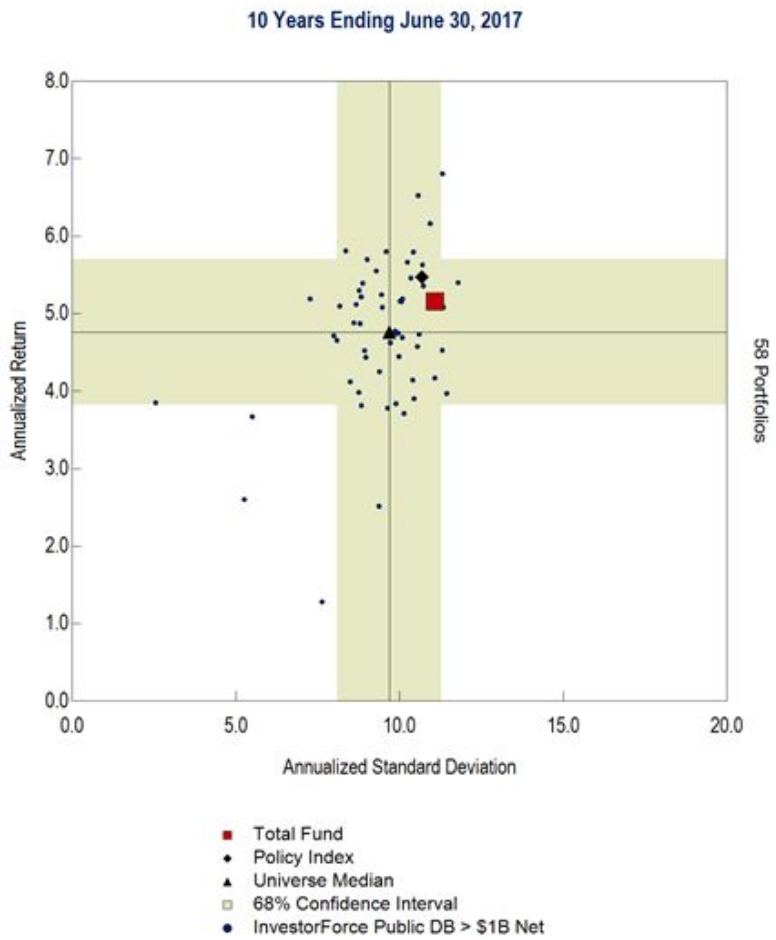
	Total Fund	Policy Index	Universe 5th %tile	Universe 25th %tile	Universe Median	Universe 75th %tile	Universe 95th %tile
Anlzd Return	4.9	6.0	6.1	5.5	4.9	4.2	2.2
Anlzd Standard Deviation	6.6	6.4	4.9	5.4	5.9	6.6	7.3
Sharpe Ratio	0.7	0.9	1.2	0.9	0.8	0.6	0.4
Sortino Ratio	1.2	1.5	1.8	1.5	1.2	1.0	0.7

	Total Fund	Policy Index
Anlzd Return	Rank 53	Rank 8
Anlzd Standard Deviation	Rank 76	Rank 70
Sharpe Ratio	Rank 66	Rank 28
Sortino Ratio	Rank 45	Rank 21

Ventura County Employees' Retirement Association

Total Fund Risk/Return





Ventura County Employees' Retirement Association

Total Fund Risk Statistics vs. Peer Universe

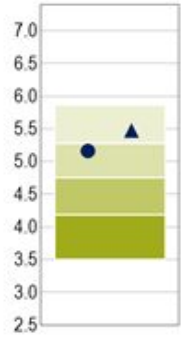
Total Fund vs. InvestorForce Public DB > $1B Net
5 Years

Ventura County Employees' Retirement Association

Total Fund Risk Statistics vs. Peer Universe

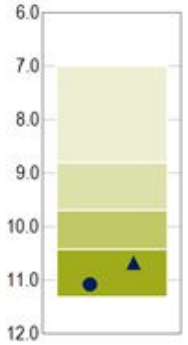
Total Fund vs. InvestorForce Public DB > $1B Net
10 Years

Anlzd Return



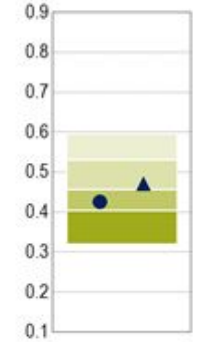
● Total Fund	
Value	5.2
Rank	36
▲ Policy Index	
Value	5.5
Rank	18
Universe	
5th %tile	5.9
25th %tile	5.3
Median	4.8
75th %tile	4.2
95th %tile	3.5

Anlzd Standard Deviation



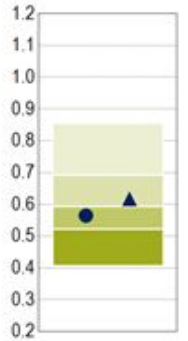
● Total Fund	
Value	11.1
Rank	92
▲ Policy Index	
Value	10.7
Rank	84
Universe	
5th %tile	7.0
25th %tile	8.8
Median	9.7
75th %tile	10.4
95th %tile	11.3

Sharpe Ratio



● Total Fund	
Value	0.4
Rank	66
▲ Policy Index	
Value	0.5
Rank	46
Universe	
5th %tile	0.6
25th %tile	0.5
Median	0.5
75th %tile	0.4
95th %tile	0.3

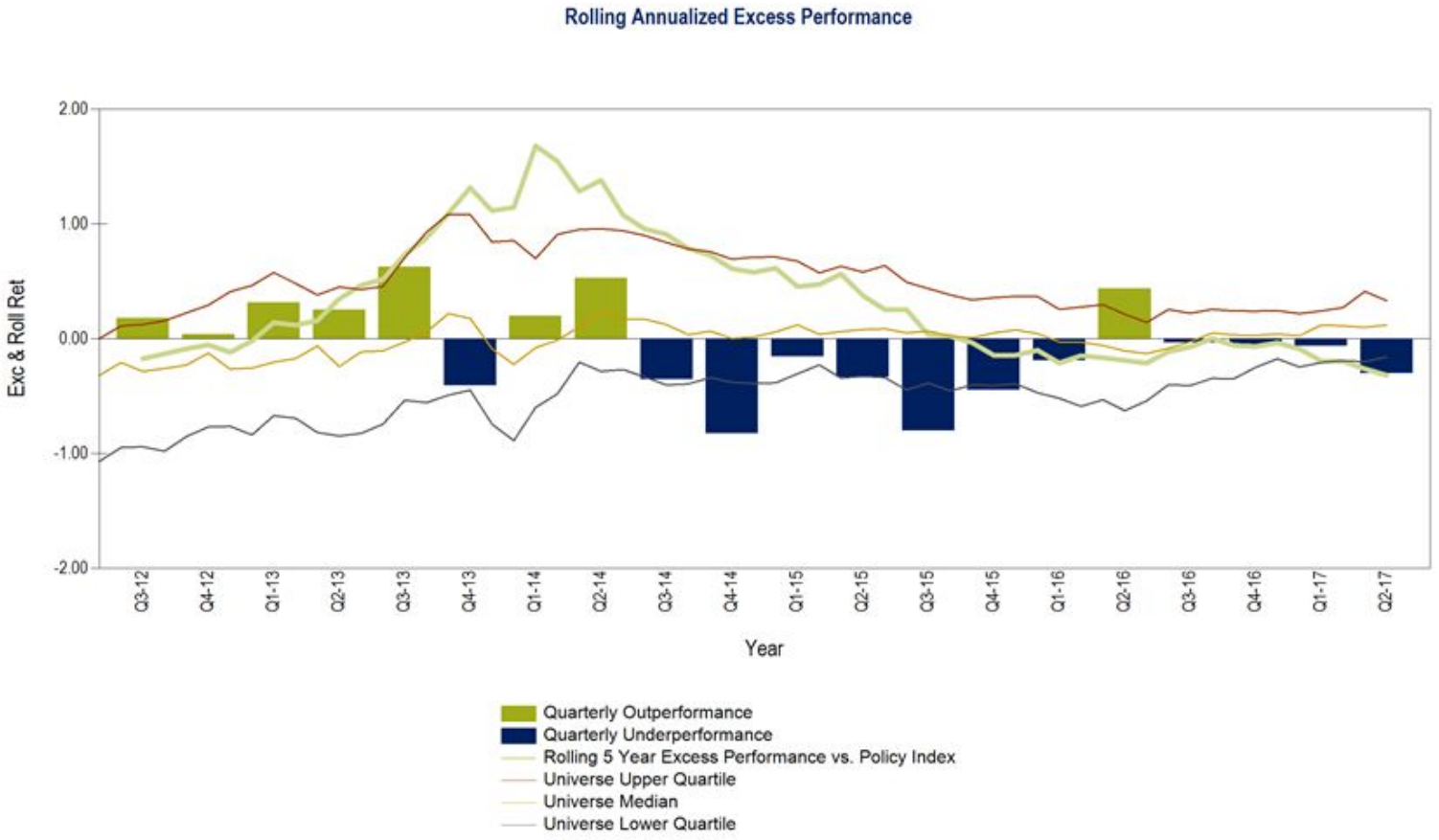
Sortino Ratio



● Total Fund	
Value	0.6
Rank	62
▲ Policy Index	
Value	0.6
Rank	41
Universe	
5th %tile	0.9
25th %tile	0.7
Median	0.6
75th %tile	0.5
95th %tile	0.4

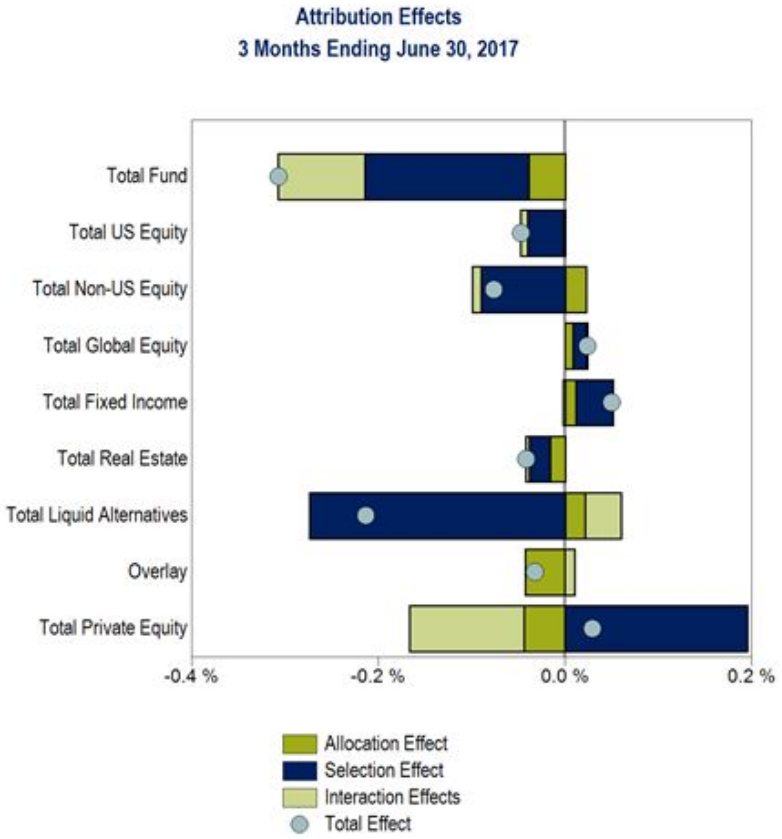
Ventura County Employees' Retirement Association

Rolling 5 Year Excess Returns- Net of Fees



Ventura County Employees' Retirement Association

Total Fund Attribution Analysis

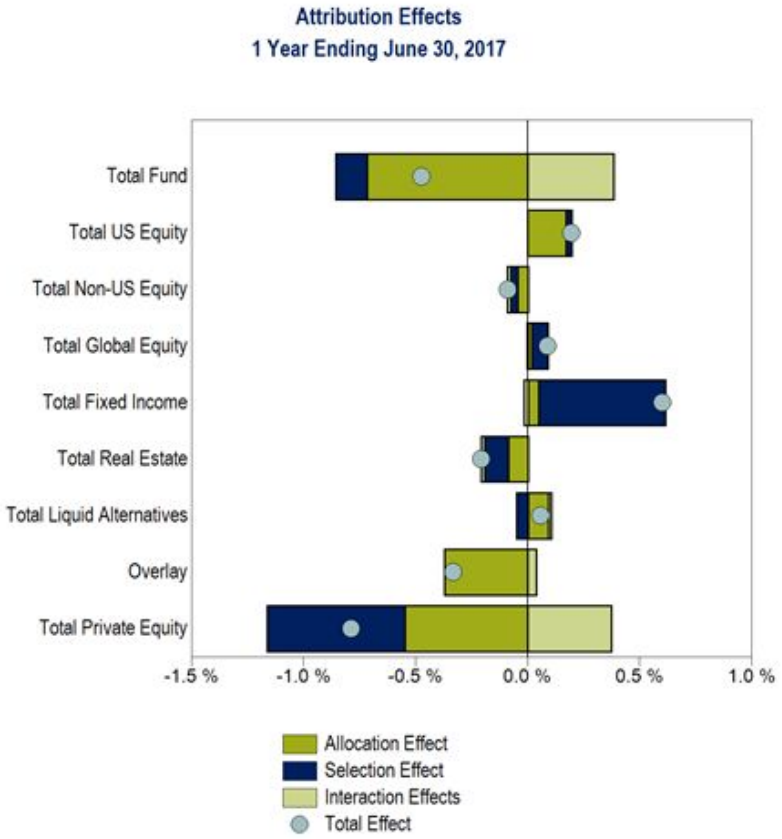


Attribution Summary
3 Months Ending June 30, 2017

	Wtd. Actual Return	Wtd. Index Return	Excess Return	Selection Effect	Allocation Effect	Interaction Effects	Total Effects
Total US Equity	2.9%	3.0%	-0.1%	0.0%	0.0%	0.0%	0.0%
Total Non-US Equity	5.2%	5.8%	-0.6%	-0.1%	0.0%	0.0%	-0.1%
Total Global Equity	4.4%	4.3%	0.1%	0.0%	0.0%	0.0%	0.0%
Total Fixed Income	1.6%	1.4%	0.2%	0.0%	0.0%	0.0%	0.0%
Total Real Estate	1.2%	1.5%	-0.3%	0.0%	0.0%	0.0%	0.0%
Total Liquid Alternatives	-1.2%	1.5%	-2.7%	-0.3%	0.0%	0.0%	-0.2%
Overlay	0.9%	0.2%	0.7%	0.0%	0.0%	0.0%	0.0%
Total Private Equity	5.7%	3.8%	1.9%	0.2%	0.0%	-0.1%	0.0%
Total	**2.7%**	**3.1%**	**-0.3%**	**-0.2%**	**0.0%**	**-0.1%**	**-0.3%**

Ventura County Employees' Retirement Association

Total Fund Attribution Analysis

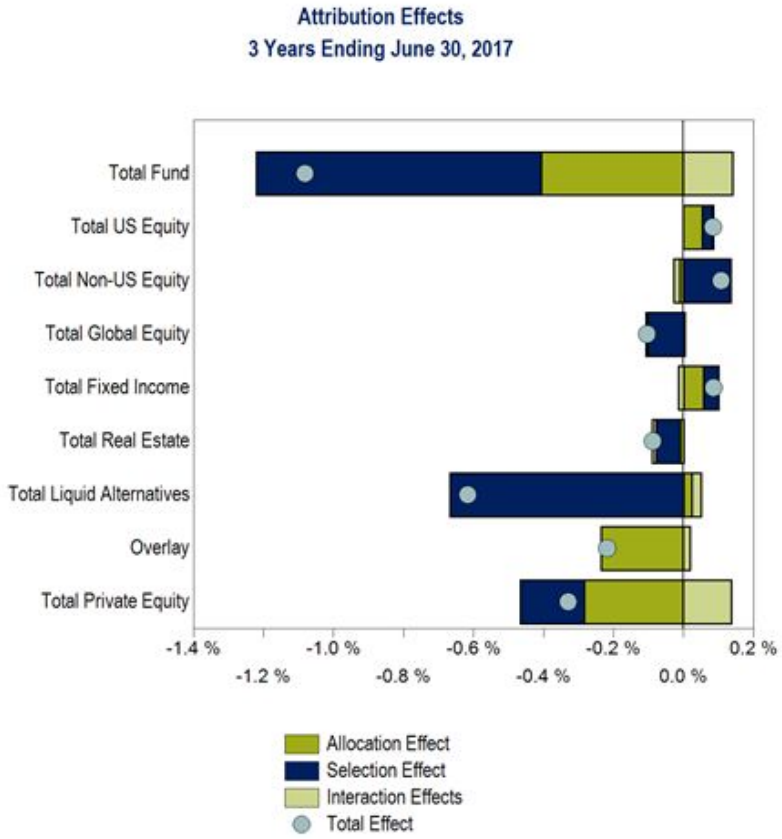


Attribution Summary
1 Year Ending June 30, 2017

	Wtd. Actual Return	Wtd. Index Return	Excess Return	Selection Effect	Allocation Effect	Interaction Effects	Total Effects
Total US Equity	18.6%	18.5%	0.1%	0.0%	0.2%	0.0%	0.2%
Total Non-US Equity	20.2%	20.5%	-0.2%	0.0%	0.0%	0.0%	-0.1%
Total Global Equity	19.5%	18.8%	0.7%	0.1%	0.0%	0.0%	0.1%
Total Fixed Income	2.2%	-0.3%	2.6%	0.6%	0.1%	0.0%	0.6%
Total Real Estate	5.5%	6.9%	-1.4%	-0.1%	-0.1%	0.0%	-0.2%
Total Liquid Alternatives	5.1%	5.7%	-0.6%	0.0%	0.1%	0.0%	0.1%
Overlay	2.7%	0.5%	2.2%	0.0%	-0.4%	0.0%	-0.3%
Total Private Equity	15.7%	22.0%	-6.3%	-0.6%	-0.5%	0.4%	-0.8%
Total	**12.6%**	**13.1%**	**-0.5%**	**-0.1%**	**-0.7%**	**0.4%**	**-0.5%**

Ventura County Employees' Retirement Association

Total Fund Attribution Analysis

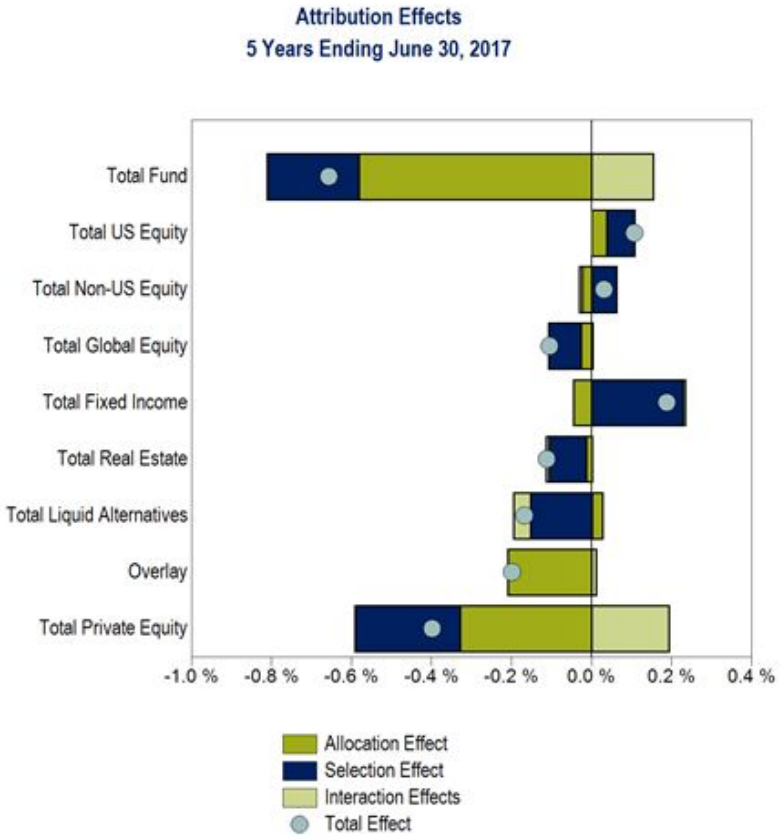


Attribution Summary
3 Years Ending June 30, 2017

	Wtd. Actual Return	Wtd. Index Return	Excess Return	Selection Effect	Allocation Effect	Interaction Effects	Total Effects
Total US Equity	9.1%	9.0%	0.1%	0.0%	0.1%	0.0%	0.1%
Total Non-US Equity	1.8%	0.8%	1.0%	0.1%	0.0%	0.0%	0.1%
Total Global Equity	3.8%	4.8%	-1.0%	-0.1%	0.0%	0.0%	-0.1%
Total Fixed Income	2.1%	1.8%	0.3%	0.0%	0.1%	0.0%	0.1%
Total Real Estate	9.3%	10.3%	-1.0%	-0.1%	0.0%	0.0%	-0.1%
Total Liquid Alternatives	-1.9%	4.9%	-6.8%	-0.7%	0.0%	0.0%	-0.6%
Overlay	1.0%	0.2%	0.8%	0.0%	-0.2%	0.0%	-0.2%
Total Private Equity	12.7%	12.3%	0.4%	-0.2%	-0.3%	0.1%	-0.3%
Total	**4.9%**	**6.0%**	**-1.1%**	**-0.8%**	**-0.4%**	**0.1%**	**-1.1%**

Ventura County Employees' Retirement Association

Total Fund Attribution Analysis



Attribution Summary
5 Years Ending June 30, 2017

	Wtd. Actual Return	Wtd. Index Return	Excess Return	Selection Effect	Allocation Effect	Interaction Effects	Total Effects
Total US Equity	14.7%	14.5%	0.2%	0.1%	0.0%	0.0%	0.1%
Total Non-US Equity	7.7%	7.2%	0.5%	0.1%	0.0%	0.0%	0.0%
Total Global Equity	9.7%	10.5%	-0.8%	-0.1%	0.0%	0.0%	-0.1%
Total Fixed Income	2.8%	1.8%	0.9%	0.2%	0.0%	0.0%	0.2%
Total Real Estate	9.5%	10.8%	-1.2%	-0.1%	0.0%	0.0%	-0.1%
Total Liquid Alternatives	--	5.2%	--	-0.2%	0.0%	0.0%	-0.2%
Overlay	--	0.1%	--	0.0%	-0.2%	0.0%	-0.2%
Total Private Equity	13.6%	17.9%	-4.3%	-0.3%	-0.3%	0.2%	-0.4%
Total	**8.9%**	**9.6%**	**-0.6%**	**-0.2%**	**-0.6%**	**0.2%**	**-0.7%**

Ventura County Employees' Retirement Association

Total Fund Risk Statistics

1 Year Ending June 30, 2017

	% of Tot	Anlzd Ret	Rank	Anlzd Std Dev	Rank	Anlzd AJ	Rank	Tracking Error	Rank	Info Ratio	Rank	Beta
Total Equity	59.1%	19.1%	39	5.4%	73	0.8%	37	1.5%	56	0.2	33	1.0
MSCI ACWI	--	18.8%	51	5.3%	69	0.0%	59	0.0%	1	--	--	1.0
Total US Equity	32.0%	18.6%	43	6.6%	50	-0.1%	29	0.4%	5	0.2	36	1.0
Russell 3000	--	18.5%	46	6.6%	44	0.0%	28	0.0%	1	--	--	1.0
Total Non-US Equity	16.2%	20.2%	48	7.2%	50	-0.1%	45	1.1%	7	-0.2	49	1.0
MSCI ACWI ex USA	--	20.5%	45	7.2%	49	0.0%	44	0.0%	1	--	--	1.0
Total Global Equity	10.9%	19.5%	65	5.1%	20	1.5%	57	0.4%	3	2.1	3	1.0
MSCI ACWI	--	18.8%	69	5.3%	25	0.0%	67	0.0%	1	--	--	1.0
Total Fixed Income	19.2%	2.2%	54	2.4%	45	2.4%	42	0.7%	47	3.8	19	0.8
Total Fixed Income Policy Index	--	-0.3%	88	3.0%	77	0.0%	82	0.0%	1	--	--	1.0
Total US Fixed Income	19.2%	2.2%	34	2.4%	55	2.4%	33	0.7%	60	3.8	23	0.8
BBgBarc US Aggregate TR	--	-0.3%	78	3.0%	88	0.0%	71	0.0%	1	--	--	1.0
Total Liquid Alternatives	8.4%	5.1%	--	5.3%	--	-6.7%	--	5.1%	--	-0.1	--	2.2
CPI + 4% (Unadjusted)	--	5.7%	--	0.7%	--	0.0%	--	0.0%	--	--	--	1.0

	% of Tot	Anlzd Ret	Rank	Anlzd Std Dev	Rank
Total Real Estate	7.9%	5.5%	73	2.3%	39
NCREIF ODCE Net	--	6.9%	43	2.9%	61
Total Private Equity	4.2%	15.7%	18	5.3%	55
DJ U.S. Total Stock Market Index + 3%	--	22.0%	2	6.6%	78

Total U.S. Equity Benchmark: Russell 3000 Index. Prior to January 2016, the Benchmark is a dynamic hybrid using the respective managers' market value weights within the U.S. Equity component toward their benchmark. Prior to May 2013, the Dow Jones U.S. Total Stock Market Index. Prior to May 2007, the Russell 3000 Index.

Total Non-U.S. Equity Benchmark: MSCI ACWI ex US Free, prior to May 2002, the MSCI EAFE.

Composite rankings are used for Total Equity (InvestorForce Public DB Total Eq consists of 95 portfolios),Total Us Equity (InvestorForce Public DB US Eq consists of 183 portfolios), Total Non-US Equity (InvestorForce Public DB ex-US Eq consists of 132 portfolios),Total Global Equity (InvestorForce Public DB Glbl Eq consists of 40 portfolios),Total Fixed Income (InvestorForce Public DB Total Fix Inc consists of 94 portfolios),Total US Fixed Income (InvestorForce Public DB US Fix Inc consists of 116 portfolios),Total Real Estate (InvestorForce Public DB Real Estate Pub+Priv consists of 72 portfolios) and Total Private Equity(InvestorForce Public DB Private Eq consists of 48 portfolios).

Ventura County Employees' Retirement Association

Total Fund Risk Statistics

3 Years Ending June 30, 2017

	% of Tot	Anlzd Ret	Rank	Anlzd Std Dev	Rank	Anlzd AJ	Rank	Tracking Error	Rank	Info Ratio	Rank	Beta
Total Equity	59.1%	6.2%	44	10.5%	59	1.6%	10	1.4%	37	1.0	1	1.0
MSCI ACWI	--	4.8%	79	10.8%	85	0.0%	62	0.0%	1	--	--	1.0
Total US Equity	32.0%	9.1%	21	10.7%	51	0.1%	22	0.2%	1	0.5	8	1.0
Russell 3000	--	9.0%	29	10.6%	47	0.0%	24	0.0%	1	--	--	1.0
Total Non-US Equity	16.2%	1.8%	49	11.8%	42	1.0%	46	1.3%	5	0.8	14	0.9
MSCI ACWI ex USA	--	0.8%	78	12.4%	82	0.0%	70	0.0%	1	--	--	1.0
Total Global Equity	10.9%	3.8%	76	11.0%	71	-1.1%	99	1.2%	4	-0.9	99	1.0
MSCI ACWI	--	4.8%	73	10.8%	59	0.0%	97	0.0%	1	--	--	1.0
Total Fixed Income	19.2%	2.1%	64	2.5%	37	0.9%	25	1.9%	65	0.2	40	0.7
Total Fixed Income Policy Index	--	1.8%	80	2.8%	52	0.0%	67	0.0%	1	--	--	1.0
Total US Fixed Income	19.2%	2.7%	44	2.4%	45	1.1%	19	2.1%	84	0.1	52	0.6
BBgBarc US Aggregate TR	--	2.5%	51	2.9%	67	0.0%	71	0.0%	1	--	--	1.0
Total Liquid Alternatives	8.4%	-1.9%	--	9.8%	--	-13.2%	--	9.6%	--	-0.7	--	2.4
CPI + 4% (Unadjusted)	--	4.9%	--	1.1%	--	0.0%	--	0.0%	--	--	--	1.0

	% of Tot	Anlzd Ret	Rank	Anlzd Std Dev	Rank
Total Real Estate	7.9%	9.3%	69	4.1%	40
NCREIF ODCE Net	--	10.3%	54	4.4%	47
Total Private Equity	4.2%	12.7%	18	6.3%	79
DJ U.S. Total Stock Market Index + 3%	--	12.3%	28	10.6%	98

Total U.S. Equity Benchmark: Russell 3000 Index. Prior to January 2016, the Benchmark is a dynamic hybrid using the respective managers' market value weights within the U.S. Equity component toward their benchmark. Prior to May 2013, the Dow Jones U.S. Total Stock Market Index. Prior to May 2007, the Russell 3000 Index.

Total Non-U.S. Equity Benchmark: MSCI ACWI ex US Free, prior to May 2002, the MSCI EAFE.

Composite rankings are used for Total Equity (InvestorForce Public DB Total Eq consists of 84 portfolios),Total Us Equity (InvestorForce Public DB US Eq consists of 169 portfolios), Total Non-US Equity (InvestorForce Public DB ex-US Eq consists of 124 portfolios),Total Global Equity (InvestorForce Public DB Glbl Eq consists of 34 portfolios),Total Fixed Income (InvestorForce Public DB Total Fix Inc consists of 85 portfolios),Total US Fixed Income (InvestorForce Public DB US Fix Inc consists of 111 portfolios),Total Real Estate (InvestorForce Public DB Real Estate Pub+Priv consists of 68 portfolios) and Total Private Equity(InvestorForce Public DB Private Eq consists of 47 portfolios).

Ventura County Employees' Retirement Association

Total Fund Risk Statistics

5 Years Ending June 30, 2017

	% of Tot	Anlzd Ret	Rank	Anlzd Std Dev	Rank	Anlzd AJ	Rank	Tracking Error	Rank	Info Ratio	Rank	Beta
Total Equity	59.1%	11.9%	44	9.7%	48	1.8%	6	1.3%	34	1.0	2	1.0
MSCI ACWI	--	10.5%	83	10.0%	77	0.0%	71	0.0%	1	--	--	1.0
Total US Equity	32.0%	14.7%	9	9.9%	39	0.2%	16	0.3%	1	0.8	2	1.0
Russell 3000	--	14.5%	31	9.8%	35	0.0%	22	0.0%	1	--	--	1.0
Total Non-US Equity	16.2%	7.7%	56	10.9%	24	0.9%	39	1.2%	7	0.4	31	0.9
MSCI ACWI ex USA	--	7.2%	70	11.6%	77	0.0%	73	0.0%	1	--	--	1.0
Total Global Equity	10.9%	9.7%	67	10.1%	55	-0.8%	90	1.1%	5	-0.8	99	1.0
MSCI ACWI	--	10.5%	64	10.0%	48	0.0%	85	0.0%	1	--	--	1.0
Total Fixed Income	19.2%	2.8%	47	2.6%	25	1.4%	25	1.7%	59	0.6	34	0.7
Total Fixed Income Policy Index	--	1.8%	86	2.8%	44	0.0%	82	0.0%	1	--	--	1.0
Total US Fixed Income	19.2%	3.1%	32	2.5%	46	1.5%	20	1.8%	82	0.5	46	0.7
BBgBarc US Aggregate TR	--	2.2%	55	2.9%	63	0.0%	75	0.0%	1	--	--	1.0
Total Liquid Alternatives	8.4%	--	--	--	--	--	--	--	--	--	--	--
CPI + 4% (Unadjusted)	--	10.3%	--	6.7%	--	0.0%	--	0.0%	--	--	--	1.0

	% of Tot	Anlzd Ret	Rank	Anlzd Std Dev	Rank
Total Real Estate	7.9%	9.5%	76	4.0%	37
NCREIF ODCE Net	--	10.8%	51	4.5%	50
Total Private Equity	4.2%	13.6%	28	6.5%	75
DJ U.S. Total Stock Market Index + 3%	--	17.9%	2	9.8%	92

Total U.S. Equity Benchmark: Russell 3000 Index. Prior to January 2016, the Benchmark is a dynamic hybrid using the respective managers' market value weights within the U.S. Equity component toward their benchmark. Prior to May 2013, the Dow Jones U.S. Total Stock Market Index. Prior to May 2007, the Russell 3000 Index.

Total Non-U.S. Equity Benchmark: MSCI ACWI ex US Free, prior to May 2002, the MSCI EAFE.

Composite rankings are used forTotal Equity (InvestorForce Public DB Total Eq consists of 66 portfolios),Total Us Equity (InvestorForce Public DB US Eq consists of 137 portfolios), Total Non-US Equity (InvestorForce Public DB ex-US Eq consists of 104 portfolios),Total Global Equity (InvestorForce Public DB Glbl Eq consists of 22 portfolios),Total Fixed Income (InvestorForce Public DB Total Fix Inc consists of 72 portfolios),Total US Fixed Income (InvestorForce Public DB US Fix Inc consists of 93 portfolios),Total Real Estate (InvestorForce Public DB Real Estate Pub+Priv consists of 62 portfolios) andTotal Private Equity(InvestorForce Public DB Private Eq consists of 44 portfolios).

Ventura County Employees' Retirement Association

Total Fund Performance Detail (Net)

	Market Value ($)	% of Portfolio	Policy %	3 Mo (%)	Rank	YTD (%)	Rank	1 Yr (%)	Rank	3 Yrs (%)	Rank	5 Yrs (%)	Rank	10 Yrs (%)	Rank	Return (%)	Since
Total Fund	**4,935,381,791**	**100.0**	**100.0**	2.7	63	7.4	52	12.6	54	4.9	53	9.2	26	5.2	36	8.0	**Apr-94**
Policy Index				3.1	38	7.8	33	13.1	37	6.0	8	9.5	17	5.5	18	8.1	*Apr-94*
Over/Under				-0.4		-0.4		-0.5		-1.1		-0.3		-0.3		-0.1	
Allocation Index				2.9	50	7.8	33	13.5	29	5.3	33	8.9	39	5.0	45	--	*Apr-94*
60% MSCI ACWI (Net) / 40% CITI WGBI				3.7	11	8.6	14	9.1	96	2.6	94	6.3	94	4.0	83	--	*Apr-94*
InvestorForce Public DB > $1B Net Median				2.9		7.4		12.7		4.9		8.6		4.8		7.4	*Apr-94*
Total Fund ex Parametric	**4,869,942,501**	**98.7**	**--**	2.7	--	7.2	--	11.9	--	4.8	--	9.0	--	5.0	--	8.0	**Apr-94**
Total Fund ex Private Equity	**4,726,664,787**	**95.8**	**--**	2.6	71	7.4	55	12.5	60	4.7	59	8.6	50	--	--	9.0	**Jan-12**
Policy Index				3.1	38	7.8	33	13.1	37	6.0	8	9.5	17	5.5	18	9.7	*Jan-12*
Over/Under				-0.5		-0.4		-0.6		-1.3		-0.9				-0.7	
InvestorForce Public DB > $1B Net Median				2.9		7.4		12.7		4.9		8.6		4.8		8.8	*Jan-12*
Total US Equity	**1,579,052,368**	**32.0**	**28.0**	2.9	46	8.8	32	18.6	43	9.1	21	14.7	9	7.0	46	9.1	**Dec-93**
Russell 3000				3.0	31	8.9	29	18.5	46	9.0	29	14.5	31	7.3	21	9.4	*Dec-93*
Over/Under				-0.1		-0.1		0.1		0.1		0.2		-0.3		-0.3	
InvestorForce Public DB US Eq Net Median				2.9		8.4		18.3		8.6		14.1		6.9		9.1	*Dec-93*
Western U.S. Index Plus	175,117,296	3.5		2.7	53	8.8	40	18.1	59	9.9	17	15.5	19	5.2	89	5.0	May-07
S&P 500				3.1	44	9.3	36	17.9	60	9.6	20	14.6	33	7.2	49	6.9	*May-07*
Over/Under				-0.4		-0.5		0.2		0.3		0.9		-2.0		-1.9	
eA All US Equity Net Median				2.8		7.6		19.1		7.6		13.8		7.1		6.9	*May-07*
Blackrock Russell 1000 Index	1,348,309,874	27.3		--	--	--	--	--	--	--	--	--	--	--	--	2.0	May-17
Russell 1000				3.1	48	9.3	45	18.0	49	9.3	27	14.7	27	7.3	43	2.0	*May-17*
Over/Under																0.0	
eA US Large Cap Equity Net Median				3.0		8.7		17.8		7.8		13.7		7.0		2.0	*May-17*
Blackrock Russell 2500 Index	55,596,159	1.1		--	--	--	--	--	--	--	--	--	--	--	--	1.3	May-17
Russell 2500				2.1	56	6.0	55	19.8	48	6.9	45	14.0	38	7.4	51	1.4	*May-17*
Over/Under																-0.1	
eA US Small-Mid Cap Equity Net Median				2.5		6.6		19.7		6.6		13.4		7.4		1.5	*May-17*

Color Coding: PERFORMANCE: Green-Over performance, Red-Under performance / Color Coding: RANKS: 1 - 25 Green - Positive Result, 26 - 50 Yellow, 50 - 75 Orange, 76 - 100 Red - Negative Result.

Policy Index: Currently, 28% Russell 3000 Index, 20% Barclays Aggregate, 15% MSCI ACWI ex U.S., 10% MSCI ACWI, 10% DJ U.S. Total Stock Market Index + 3%, 10% CPI+4% Index, and 7% NCREIF ODCE Real Estate Index.

Total U.S. Equity Benchmark: Russell 3000 Index. Prior to January 2016, the Benchmark is a dynamic hybrid using the respective managers' market value weights within the U.S. Equity component toward their benchmark. Prior to May 2013, the Dow Jones U.S. Total Stock Market Index. Prior to May 2007, the Russell 3000 Index.

Ventura County Employees' Retirement Association

Total Fund Performance Detail (Net)

	Market Value ($)	% of Portfolio	Policy %	3 Mo (%)	Rank	YTD (%)	Rank	1 Yr (%)	Rank	3 Yrs (%)	Rank	5 Yrs (%)	Rank	10 Yrs (%)	Rank	Return (%)	Since
Total Non-US Equity	**798,384,810**	**16.2**	**15.0**	**5.2**	**86**	**13.3**	**91**	**20.2**	**48**	**1.8**	**49**	**7.7**	**56**	**1.5**	**47**	**6.5**	**Mar-94**
MSCI ACWI ex USA				*5.8*	*71*	*14.1*	*82*	*20.5*	*45*	*0.8*	*78*	*7.2*	*70*	*1.1*	*59*	*5.2*	*Mar-94*
Over/Under				-0.6		-0.8		-0.3		1.0		0.5		0.4		1.3	
MSCI EAFE				*6.1*	*55*	*13.8*	*86*	*20.3*	*47*	*1.1*	*70*	*8.7*	*32*	*1.0*	*62*	*4.9*	*Mar-94*
MSCI ACWI ex USA Local Currency				*3.3*	*99*	*8.7*	*99*	*21.3*	*33*	*6.5*	*1*	*11.0*	*2*	*2.4*	*23*	*--*	*Mar-94*
MSCI EAFE Local Currency				*2.7*	*99*	*7.5*	*99*	*22.1*	*26*	*7.0*	*1*	*12.5*	*1*	*2.0*	*35*	*4.9*	*Mar-94*
InvestorForce Public DB ex-US Eq Net Median				*6.3*		*15.5*		*20.1*		*1.7*		*7.9*		*1.3*		*5.6*	*Mar-94*
BlackRock ACWI ex-U.S. Index	391,107,141	7.9		6.0	77	14.5	69	20.7	45	1.3	65	7.8	80	1.6	65	2.4	Mar-07
MSCI ACWI ex USA				*5.8*	*79*	*14.1*	*76*	*20.5*	*45*	*0.8*	*74*	*7.2*	*82*	*1.1*	*75*	*1.9*	*Mar-07*
Over/Under				0.2		0.4		0.2		0.5		0.6		0.5		0.5	
MSCI ACWI ex USA Local Currency				*3.3*	*99*	*8.7*	*99*	*21.3*	*36*	*6.5*	*11*	*11.0*	*17*	*2.4*	*53*	*3.0*	*Mar-07*
eA ACWI ex-US All Cap Equity Net Median				*6.9*		*15.8*		*20.0*		*2.4*		*9.2*		*2.5*		*3.2*	*Mar-07*
Sprucegrove	205,846,500	4.2		2.8	99	11.2	97	24.1	25	1.1	72	7.5	81	2.0	59	7.5	Mar-02
MSCI ACWI ex USA				*5.8*	*79*	*14.1*	*76*	*20.5*	*45*	*0.8*	*74*	*7.2*	*82*	*1.1*	*75*	*6.6*	*Mar-02*
Over/Under				-3.0		-2.9		3.6		0.3		0.3		0.9		0.9	
MSCI EAFE				*6.1*	*72*	*13.8*	*80*	*20.3*	*46*	*1.1*	*71*	*8.7*	*68*	*1.0*	*80*	*6.1*	*Mar-02*
MSCI ACWI ex USA Local Currency				*3.3*	*99*	*8.7*	*99*	*21.3*	*36*	*6.5*	*11*	*11.0*	*17*	*2.4*	*53*	*5.3*	*Mar-02*
MSCI EAFE Local Currency				*2.7*	*99*	*7.5*	*99*	*22.1*	*34*	*7.0*	*10*	*12.5*	*8*	*2.0*	*59*	*4.6*	*Mar-02*
eA ACWI ex-US All Cap Equity Net Median				*6.9*		*15.8*		*20.0*		*2.4*		*9.2*		*2.5*		*7.2*	*Mar-02*
Hexavest	89,006,040	1.8		4.8	82	11.1	92	14.8	81	1.6	68	7.5	94	--	--	4.6	Dec-10
MSCI EAFE				*6.1*	*62*	*13.8*	*54*	*20.3*	*35*	*1.1*	*74*	*8.7*	*62*	*1.0*	*74*	*5.0*	*Dec-10*
Over/Under				-1.3		-2.7		-5.5		0.5		-1.2				-0.4	
MSCI EAFE Local Currency				*2.7*	*99*	*7.5*	*99*	*22.1*	*20*	*7.0*	*3*	*12.5*	*10*	*2.0*	*45*	*8.0*	*Dec-10*
eA EAFE All Cap Equity Net Median				*6.4*		*14.1*		*18.9*		*2.4*		*9.3*		*1.5*		*6.0*	*Dec-10*
Walter Scott	112,425,129	2.3		7.1	44	15.2	58	16.3	79	4.3	28	7.7	80	--	--	5.6	Dec-10
MSCI ACWI ex USA				*5.8*	*79*	*14.1*	*76*	*20.5*	*45*	*0.8*	*74*	*7.2*	*82*	*1.1*	*75*	*3.6*	*Dec-10*
Over/Under				1.3		1.1		-4.2		3.5		0.5				2.0	
MSCI ACWI ex USA Local Currency				*3.3*	*99*	*8.7*	*99*	*21.3*	*36*	*6.5*	*11*	*11.0*	*17*	*2.4*	*53*	*6.9*	*Dec-10*
MSCI EAFE				*6.1*	*72*	*13.8*	*80*	*20.3*	*46*	*1.1*	*71*	*8.7*	*68*	*1.0*	*80*	*5.0*	*Dec-10*
eA ACWI ex-US All Cap Equity Net Median				*6.9*		*15.8*		*20.0*		*2.4*		*9.2*		*2.5*		*5.7*	*Dec-10*

Ventura County Employees' Retirement Association

Total Fund Performance Detail (Net)

	Market Value ($)	% of Portfolio	Policy %	3 Mo (%)	Rank	YTD (%)	Rank	1 Yr (%)	Rank	3 Yrs (%)	Rank	5 Yrs (%)	Rank	10 Yrs (%)	Rank	Return (%)	Since
Total Global Equity	**537,900,281**	**10.9**	**10.0**	**4.4**	**84**	**11.7**	**82**	**19.5**	**65**	**3.8**	**76**	**9.7**	**67**	**3.1**	**29**	**5.7**	**May-05**
MSCI ACWI				*4.3*	*85*	*11.5*	*85*	*18.8*	*69*	*4.8*	*73*	*10.5*	*64*	*3.7*	*23*	*6.7*	*May-05*
Over/Under				0.1		0.2		0.7		-1.0		-0.8		-0.6		-1.0	
InvestorForce Public DB Glbl Eq Net Median				*5.5*		*14.2*		*21.1*		*6.2*		*12.0*		*1.5*		*6.1*	*May-05*
BlackRock MSCI ACWI Equity Index	537,900,281	10.9		4.4	58	11.7	45	19.3	40	5.3	46	11.0	51	--	--	10.8	Aug-12
MSCI ACWI				*4.3*	*60*	*11.5*	*48*	*18.8*	*44*	*4.8*	*55*	*10.5*	*60*	*3.7*	*62*	*10.4*	*Aug-12*
Over/Under				0.1		0.2		0.5		0.5		0.5				0.4	
eA All Global Equity Net Median				*4.8*		*11.2*		*17.6*		*5.0*		*11.0*		*4.1*		*10.9*	*Aug-12*

Ventura County Employees' Retirement Association

Total Fund Performance Detail (Net)

	Market Value ($)	% of Portfolio	Policy %	3 Mo (%)	Rank	YTD (%)	Rank	1 Yr (%)	Rank	3 Yrs (%)	Rank	5 Yrs (%)	Rank	10 Yrs (%)	Rank	Return (%)	Since
Total Private Equity	**208,717,004**	**4.2**	**10.0**	**5.7**	**18**	**8.0**	**28**	**15.7**	**18**	**12.7**	**18**	**13.6**	**28**	**--**	**--**	**14.1**	**Jan-12**
DJ U.S. Total Stock Market Index + 3%				*3.8*	*36*	*10.6*	*4*	*22.0*	*2*	*12.3*	*28*	*17.9*	*2*	--	--	*18.4*	*Jan-12*
Over/Under				1.9		-2.6		-6.3		0.4		-4.3				-4.3	
InvestorForce Public DB Private Eq Net Median				*2.6*		*5.8*		*11.7*		*9.7*		*11.8*		*8.1*		*11.7*	*Jan-12*
Adams Street Global Fund Series	120,268,756	2.4		3.6	--	5.4	--	12.2	--	10.0	--	11.7	--	--	--	12.5	Jan-12
DJ U.S. Total Stock Market Index + 3%				*3.8*	--	*10.6*	--	*22.0*	--	*12.3*	--	*17.9*	--	--	--	*18.4*	*Jan-12*
Over/Under				-0.2		-5.2		-9.8		-2.3		-6.2				-5.9	
Harbourvest	62,329,635	1.3		7.5	--	12.2	--	18.6	--	19.3	--	--	--	--	--	19.1	Aug-13
DJ U.S. Total Stock Market Index + 3%				*3.8*	--	*10.6*	--	*22.0*	--	*12.3*	--	*17.9*	--	--	--	*14.9*	*Aug-13*
Over/Under				3.7		1.6		-3.4		7.0						4.2	
Pantheon Global Secondary Funds	25,442,660	0.5		13.8	--	13.8	--	33.8	--	13.0	--	12.6	--	--	--	12.3	Jan-12
DJ U.S. Total Stock Market Index + 3%				*3.8*	--	*10.6*	--	*22.0*	--	*12.3*	--	*17.9*	--	--	--	*18.4*	*Jan-12*
Over/Under				10.0		3.2		11.8		0.7		-5.3				-6.1	
Drive Capital Fund	675,953	0.0		-12.1	--	-28.5	--	--	--	--	--	--	--	--	--	-49.5	Sep-16
DJ U.S. Total Stock Market Index + 3%				*3.8*	--	*10.6*	--	*22.0*	--	*12.3*	--	*17.9*	--	--	--	*16.5*	*Sep-16*
Over/Under				-15.9		-39.1										-66.0	

Private equity performance shown above is calculated using a time-weighted return methodology. Market values shown are cash-adjusted based on the current period's cash flows.

Adams Street Global Fund Series includes Adams Street 2010 U.S. Fund, 2010 Non-U.S. Developed Markets Fund, 2010 Non-U.S. Emerging Markets Fund, 2010 Direct Fund, 2013 Global Fund, and 2016 Global Fund.

Harbourvest includes Harbourvest Dover Street VIII, Dover Street IX, and Co-Invest IV.

Pantheon Global Secondary Funds includes Pantheon Global Secondary Fund IV and Global Secondary Fund V.

Ventura County Employees' Retirement Association

Private Equity Limited Partnership Performance

Fund Name	Vintage Year	Initial Investment Date	Commitment	Capital Called to Date[1]	Outstanding Commitment[1]	Call Ratio	Add'l Fees[2]	Distributions to Date	Valuation	Total Value	Net Benefit	Since Inception IRR	Since Inception Distributions to Paid In Multiple (DPI)	Since Inception Total Value to Paid In Multiple (TVPI)
Adams Street 2010 U.S. Fund	2010	5/21/2010	$42,500,000	$34,807,500	$7,692,500	82%	$15,213	$16,630,927	$35,175,369	$51,806,296	$16,983,583	13.5%	0.48x	1.49x
Adams Street 2010 Non-U.S. Dev. Mkts Fund	2010	5/21/2010	$25,500,000	$20,591,249	$4,908,751	81%	$1,589	$8,748,084	$17,044,859	$25,792,943	$5,200,105	8.1%	0.42x	1.25x
Adams Street 2010 Non-U.S. Emg Mkts Fund	2010	1/3/2011	$8,500,000	$6,621,500	$1,878,500	78%	$0	$738,789	$8,099,114	$8,837,903	$2,216,403	9.0%	0.11x	1.33x
Adams Street 2010 Direct Fund	2010	5/21/2010	$8,500,000	$7,975,550	$524,450	94%	$6,697	$6,754,155	$5,810,548	$12,564,703	$3,753,851	12.1%	0.85x	1.57x
Total Adams Street 2010	*2010*	*5/21/2010*	*$85,000,000*	*$69,995,799*	*$15,004,201*	*82%*	*$23,499*	*$32,871,955*	*$66,129,890*	*$99,001,845*	*$28,153,942*	*11.5%*	*0.47x*	*1.41x*
Adams Street 2013 Global Fund	2013	6/27/2013	$75,000,000	$46,875,000	$28,125,000	63%	$10,728	$3,505,124	$49,899,437	$53,404,561	$6,518,833	6.7%	0.07x	1.14x
Adams Street 2016 Global Fund	2016	12/22/2016	$60,000,000	$3,540,000	$56,460,000	6%	$0	$0	$4,239,407	$4,239,407	$699,407	43.7%	0x	1.2x
Drive Capital Fund II	2016	9/1/2016	$15,000,000	$959,746	$14,040,254	6%	$3,210	$0	$675,953	$675,953	($287,003)	-47.4%	0x	0.7x
HarbourVest - Dover Street VIII	2013	5/30/2013	$67,500,000	$57,712,500	$9,787,500	86%	$84,954	$36,981,700	$43,834,470	$80,816,170	$23,018,716	21.4%	0.64x	1.4x
HarbourVest - Dover Street IX	2016	12/16/2016	$60,000,000	$7,200,000	$52,800,000	12%	$0	$841,532	$7,684,088	$8,525,620	$1,325,620	39.2%	0.12x	1.18x
HarbourVest - PRTNS CO INVEST IV L.P.	2017	6/2/2017	$30,000,000	$11,071,740	$18,928,260	37%	$0	$0	$11,071,740	$11,071,740	$0	0.0%	--	--
Pantheon Global Secondary Fund IV	2010	8/20/2010	$15,000,000	$9,960,000	$5,040,000	66%	$0	$10,245,001	$4,685,159	$14,930,160	$4,970,160	13.8%	1.03x	1.5x
Pantheon Global Secondary Fund V	2015	2/26/2015	$50,000,000	$17,241,510	$32,758,490	34%	($87,343)	$1,825,034	$20,505,039	$22,330,073	$3,993,374	22.3%	0.11x	1.3x
Total VCERA Private Equity Program	*--*	*5/21/2010*	*$457,500,000*	*$224,556,295*	*$232,943,705*	*49%*	*$35,048*	*$86,270,346*	*$208,725,183*	*$294,995,529*	*$68,393,049*	*13.4%*	*0.38x*	*1.31x*

1. Includes recycled/recallable distributions received to date.

2. Add'l Fees represents notional interest paid/(received).

2. Add'l Fees for Pantheon Global Secondary Fund V includes notional interest paid/(received) and management fee rebates paid to VCERA.

Note: Private equity performance data is reported net of fees.

Performance shown is based on 3/31/2017 NAVs cash-adjusted for cash flows through 06/30/2017.

Ventura County Employees' Retirement Association

Total Fund Performance Detail (Net)

	Market Value ($)	% of Portfolio	Policy %	3 Mo (%)	Rank	YTD (%)	Rank	1 Yr (%)	Rank	3 Yrs (%)	Rank	5 Yrs (%)	Rank	10 Yrs (%)	Rank	Return (%)	Since
Total US Fixed Income	**945,558,360**	**19.2**	**20.0**	**1.6**	**20**	**2.9**	**31**	**2.2**	**34**	**2.7**	**44**	**3.1**	**32**	**5.8**	**14**	**6.0**	**Feb-94**
BBgBarc US Aggregate TR				*1.4*	*38*	*2.3*	*49*	*-0.3*	*78*	*2.5*	*51*	*2.2*	*55*	*4.5*	*50*	*5.4*	*Feb-94*
Over/Under				0.2		0.6		2.5		0.2		0.9		1.3		0.6	
InvestorForce Public DB US Fix Inc Net Median				*1.2*		*2.2*		*0.4*		*2.6*		*2.4*		*4.4*		*6.0*	*Feb-94*
BlackRock U.S. Debt Fund	220,274,638	4.5		1.5	47	2.3	54	-0.3	82	2.5	51	2.3	59	4.6	50	5.3	Nov-95
BBgBarc US Aggregate TR				*1.4*	*50*	*2.3*	*56*	*-0.3*	*84*	*2.5*	*52*	*2.2*	*61*	*4.5*	*52*	*5.2*	*Nov-95*
Over/Under				0.1		0.0		0.0		0.0		0.1		0.1		0.1	
eA All US Fixed Inc Net Median				*1.4*		*2.5*		*0.9*		*2.5*		*2.8*		*4.5*		*5.1*	*Nov-95*
Western	292,497,126	5.9		2.4	17	4.0	26	2.1	36	3.6	28	3.9	35	5.6	28	6.2	Dec-96
BBgBarc US Aggregate TR				*1.4*	*50*	*2.3*	*56*	*-0.3*	*84*	*2.5*	*52*	*2.2*	*61*	*4.5*	*52*	*5.3*	*Dec-96*
Over/Under				1.0		1.7		2.4		1.1		1.7		1.1		0.9	
eA All US Fixed Inc Net Median				*1.4*		*2.5*		*0.9*		*2.5*		*2.8*		*4.5*		*5.2*	*Dec-96*
Reams	306,921,476	6.2		1.0	64	1.8	64	2.5	33	1.9	68	2.2	61	5.9	24	5.5	Sep-01
Reams Custom Index				*0.3*	*90*	*0.6*	*95*	*1.0*	*49*	*0.6*	*94*	*0.6*	*93*	*3.7*	*70*	*4.0*	*Sep-01*
Over/Under				0.7		1.2		1.5		1.3		1.6		2.2		1.5	
BBgBarc US Aggregate TR				*1.4*	*50*	*2.3*	*56*	*-0.3*	*84*	*2.5*	*52*	*2.2*	*61*	*4.5*	*52*	*4.5*	*Sep-01*
3-Month LIBOR + 3%				*1.1*	*62*	*2.1*	*60*	*4.1*	*25*	*3.6*	*27*	*3.5*	*40*	*4.0*	*63*	*4.8*	*Sep-01*
eA All US Fixed Inc Net Median				*1.4*		*2.5*		*0.9*		*2.5*		*2.8*		*4.5*		*4.6*	*Sep-01*
Loomis Strategic Alpha	45,036,733	0.9		0.1	98	1.2	82	4.7	23	2.1	61	--	--	--	--	2.5	Jul-13
BBgBarc US Aggregate TR				*1.4*	*50*	*2.3*	*56*	*-0.3*	*84*	*2.5*	*52*	*2.2*	*61*	*4.5*	*52*	*3.0*	*Jul-13*
Over/Under				-1.3		-1.1		5.0		-0.4						-0.5	
3-Month LIBOR + 3%				*1.1*	*62*	*2.1*	*60*	*4.1*	*25*	*3.6*	*27*	*3.5*	*40*	*4.0*	*63*	*3.5*	*Jul-13*
eA All US Fixed Inc Net Median				*1.4*		*2.5*		*0.9*		*2.5*		*2.8*		*4.5*		*3.2*	*Jul-13*
Loomis Sayles Multi Strategy	80,828,387	1.6		2.6	14	5.5	12	7.1	17	3.5	29	5.7	15	6.7	14	6.6	Jul-05
Loomis Custom Index				*1.6*	*42*	*2.9*	*41*	*3.3*	*28*	*2.9*	*40*	*3.5*	*40*	*5.4*	*31*	*5.2*	*Jul-05*
Over/Under				1.0		2.6		3.8		0.6		2.2		1.3		1.4	
BBgBarc US Govt/Credit TR				*1.7*	*37*	*2.7*	*46*	*-0.4*	*86*	*2.6*	*48*	*2.3*	*59*	*4.6*	*50*	*4.3*	*Jul-05*
eA All US Fixed Inc Net Median				*1.4*		*2.5*		*0.9*		*2.5*		*2.8*		*4.5*		*4.3*	*Jul-05*

Reams Custom Index: Merrill Lynch 3 Month Libor Constant Maturity Index, prior to February 2013 the Barclays Aggregate

Loomis Custom Index: 65% Barclays Aggregate, 30% Citigroup High Yield Market Index and 5% JPM Non-US Hedged Bond Index

As of January 2016, Loomis Strategic Alpha was moved from the Total Global Fixed Income composite to the Total US Fixed Income composite.

Ventura County Employees' Retirement Association

Total Fund Performance Detail (Net)

	Market Value ($)	% of Portfolio	Policy %	3 Mo (%)	Rank	YTD (%)	Rank	1 Yr (%)	Rank	3 Yrs (%)	Rank	5 Yrs (%)	Rank	10 Yrs (%)	Rank	Return (%)	Since
Total Real Estate	**391,122,352**	**7.9**	**7.0**	1.2	82	2.2	89	5.5	73	9.3	69	9.5	76	2.8	82	7.9	**Mar-94**
NCREIF ODCE Net				*1.5*	*62*	*3.0*	*66*	*6.9*	*43*	*10.3*	*54*	*10.8*	*51*	*4.3*	*46*	*8.1*	*Mar-94*
Over/Under				-0.3		-0.8		-1.4		-1.0		-1.3		-1.5		-0.2	
InvestorForce Public DB Real Estate Pub+Priv Net Median				*1.8*		*3.5*		*6.5*		*10.5*		*10.8*		*4.0*		*5.4*	*Mar-94*
Prudential Real Estate	139,056,749	2.8		1.5	--	2.9	--	7.3	--	10.8	--	11.0	--	3.9	--	6.1	Jun-04
NCREIF ODCE Net				*1.5*	--	*3.0*	--	*6.9*	--	*10.3*	--	*10.8*	--	*4.3*	--	*7.1*	*Jun-04*
Over/Under				0.0		-0.1		0.4		0.5		0.2		-0.4		-1.0	
NCREIF ODCE				*1.7*	--	*3.5*	--	*7.9*	--	*11.3*	--	*11.8*	--	*5.2*	--	*8.1*	*Jun-04*
UBS Real Estate	251,891,417	5.1		1.0	--	1.9	--	4.6	--	8.6	--	8.7	--	4.3	--	7.4	Mar-03
NCREIF ODCE Net				*1.5*	--	*3.0*	--	*6.9*	--	*10.3*	--	*10.8*	--	*4.3*	--	*7.3*	*Mar-03*
Over/Under				-0.5		-1.1		-2.3		-1.7		-2.1		0.0		0.1	
NCREIF ODCE				*1.7*	--	*3.5*	--	*7.9*	--	*11.3*	--	*11.8*	--	*5.2*	--	*8.3*	*Mar-03*
RREEF	174,186	0.0		-3.3	--	-4.0	--	-16.4	--	-2.6	--	6.5	--	--	--	-6.4	Sep-07
NCREIF ODCE Net				*1.5*	--	*3.0*	--	*6.9*	--	*10.3*	--	*10.8*	--	*4.3*	--	*4.0*	*Sep-07*
Over/Under				-4.8		-7.0		-23.3		-12.9		-4.3				-10.4	
NCREIF ODCE				*1.7*	--	*3.5*	--	*7.9*	--	*11.3*	--	*11.8*	--	*5.2*	--	*5.0*	*Sep-07*

Total Real Estate Benchmark: NCREIF ODCE; prior to January 2006, the NCREIF Property Index

Ventura County Employees' Retirement Association

Total Fund Performance Detail (Net)

	Market Value ($)	% of Portfolio	Policy %	3 Mo (%)	Rank	YTD (%)	Rank	1 Yr (%)	Rank	3 Yrs (%)	Rank	5 Yrs (%)	Rank	10 Yrs (%)	Rank	Return (%)	Since
Total Liquid Alternatives	**413,675,330**	**8.4**	**10.0**	**-1.2**	**--**	**2.4**	**--**	**5.1**	**--**	**-1.9**	**--**	**--**	**--**	**--**	**--**	**4.6**	**Apr-13**
CPI + 4% (Unadjusted)				*1.5*	--	*3.5*	--	*5.7*	--	*4.9*	--	*10.3*	--	--	--	*6.3*	*Apr-13*
Over/Under				-2.7		-1.1		-0.6		-6.8						-1.7	
Bridgewater All Weather Fund	291,824,605	5.9		0.7	--	3.8	--	5.4	--	1.5	--	--	--	--	--	4.5	Aug-13
CPI + 5% (Unadjusted)				*1.7*	--	*4.0*	--	*6.7*	--	*6.0*	--	--	--	--	--	*6.3*	*Aug-13*
Over/Under				-1.0		-0.2		-1.3		-4.5						-1.8	
Tortoise Energy Infrastructure	121,850,725	2.5		-5.6	--	-0.9	--	4.5	--	-8.5	--	--	--	--	--	2.1	Apr-13
Wells Fargo MLP Index				*-6.5*	--	*-3.1*	--	*3.4*	--	*-11.0*	--	*2.5*	--	--	--	*-2.7*	*Apr-13*
Over/Under				0.9		2.2		1.1		2.5						4.8	
Overlay	**60,971,286**	**1.2**	**0.0**														
Parametric	60,971,286	1.2															

Overlay performance is not applicable on an individual account level.

Color Coding: PERFORMANCE: Green-Over performance, Red-Under performance
Color Coding: RANKS: 1 - 25 Green - Positive Result, 26 - 50 Yellow, 50 - 75 Orange, 76 - 100 Red - Negative Result

Manager Due Diligence

Ventura County Employees' Retirement Association

Due Diligence Monitor

The items below summarize the recent quarter's performance and any changes or announcements from the Plan's managers/products. A "-" indicates there were no material announcements. A "Yes" indicates there was an announcement and a brief summary is provided on the following pages. NEPC's Due Diligence Committee meets every two weeks to review events as they relate to investment managers and determine if any action should be taken (by NEPC and/or by our clients). Events are rated: No Action, Watch, Hold, Client Review or Terminate. NEPC's recommendation in view of the recent quarter's developments (performance, manager events, and any of the longer-term trending data) is refreshed quarterly.

Investment Options	Performance (Recent Quarter)	Changes/ Announcements (Recent Quarter)	NEPC DD Committee Rec.	Plan Rec.	Comments	Last Onsite Conducted
BlackRock Russell 1000 Index	-	-	-	-		10/2013
Western U.S. Index Plus	-	-	-	-		6/2014
BlackRock Russell 2500 Index	-	-	-	-		10/2013
BlackRock MSCI ACWI ex-U.S. Index	Bottom Quartile	-	-	-		10/2013
Sprucegrove	Bottom Quartile	-	Hold	Watch (Board Driven)	3Q 2014 Departure & Performance	N/A
Hexavest	Bottom Quartile	-	-	-		1/2013
Walter Scott	-	-	-	-		10/2012
BlackRock MSCI ACWI Index	-	-	-	-		10/2013
Adams Street	N/A	-	-	-		11/2013
HarbourVest	N/A	-	-	-		3/2014
Pantheon	N/A	-	-	-		1/2015
BlackRock U.S. Debt Fund	-	-	-	-		10/2013
Western	-	-	-	-		6/2014
Reams	-	Yes	No Action	-	Change in ownership	11/2013
Loomis Sayles Multi-Sector Full Discretion	-	-	-	-		11/2013
Loomis Sayles Strategic Alpha	Bottom Quartile	-	-	-		11/2013

Ventura County Employees' Retirement Association

Due Diligence Monitor Continued

	Performance (Recent Quarter)	Changes/ Announcements (Recent Quarter)	NEPC DD Committee Rec.	Plan Rec.	Comments	Last Onsite Conducted
Prudential	N/A	-	-	-		7/2014
RREEF	N/A	-	-	-		7/2013
UBS	N/A	-	-	-		8/2011
Bridgewater	N/A	-	-	-		9/2012
Tortoise	N/A	Yes	Watch	-	Exploring strategic alternatives to Mariner stake	8/2013
Parametric/Clifton	N/A	-	-	-		7/2013

NEPC Due Diligence Committee Recommendation Key	
No Action	Informational items have surfaced; no action is recommended.
Watch	Issues have surfaced to be concerned over; manager can participate in future searches, but current and prospective clients must be made aware of the issues.
Hold	Serious issues have surfaced to be concerned over; manager cannot participate in future searches unless a client specifically requests, but current and prospective clients must be made aware of the issues.
Client Review	Very serious issues have surfaced with an Investment Manager; manager cannot participate in future searches unless a client specifically requests. Current clients must be advised to review the manager.
Terminate	We have lost all confidence in the product; manager would not be recommended for searches and clients would be discouraged from using. The manager cannot participate in future searches unless a client specifically requests. Current clients must be advised to replace the manager.

Ventura County Employees' Retirement Association

Due Diligence Commentary

Below is a summary of manager changes, announcements and due diligence events since the issuance of our last quarterly report.

Manager Changes/Announcements

Reams
Scouts Investments, a division of UMB financial (a Midwestern bank) and owner of Reams, is getting acquired by Carillon Tower Advisers (CTA). There will be no changes to the day-to-day processes at Reams.

***NEPC recommends No Action at this time. We will continue to monitor the situation and provide updates as necessary*.**

Tortoise
Tortoise Capital Advisors, L.L.C. ("Tortoise Capital") informed NEPC Research, along with majority shareholder Mariner Holdings, LLC ("Mariner"), of the intention to explore strategic alternatives for Mariners stake in the firm. Tortoise Capital was founded in 2002 by Kansas City Equity Partners, LC, a private equity firm, and Fountain Capital Management, L.L.C., a high yield asset manager. In September 2009, Tortoise Capital participated in a management buyout with Mariner, the parent company of Montage Investments which provided a growth partner. Tortoise Capital is wholly-owned by Tortoise Investments, LLC ("Tortoise Investments"). The Tortoise Investments family own approximately 30% of Tortoise Investments; and Montage owns approximately 70% of Tortoise Investments. A deal is not expected to have an impact on members of the team, process or investment approach. Tortoise anticipates having a deal in place in 3Q17, with expected closing in 4Q17.

***NEPC recommends* downgrading the firm from No Action to WATCH*. We will continue to monitor the situation and provide updates as necessary*.**

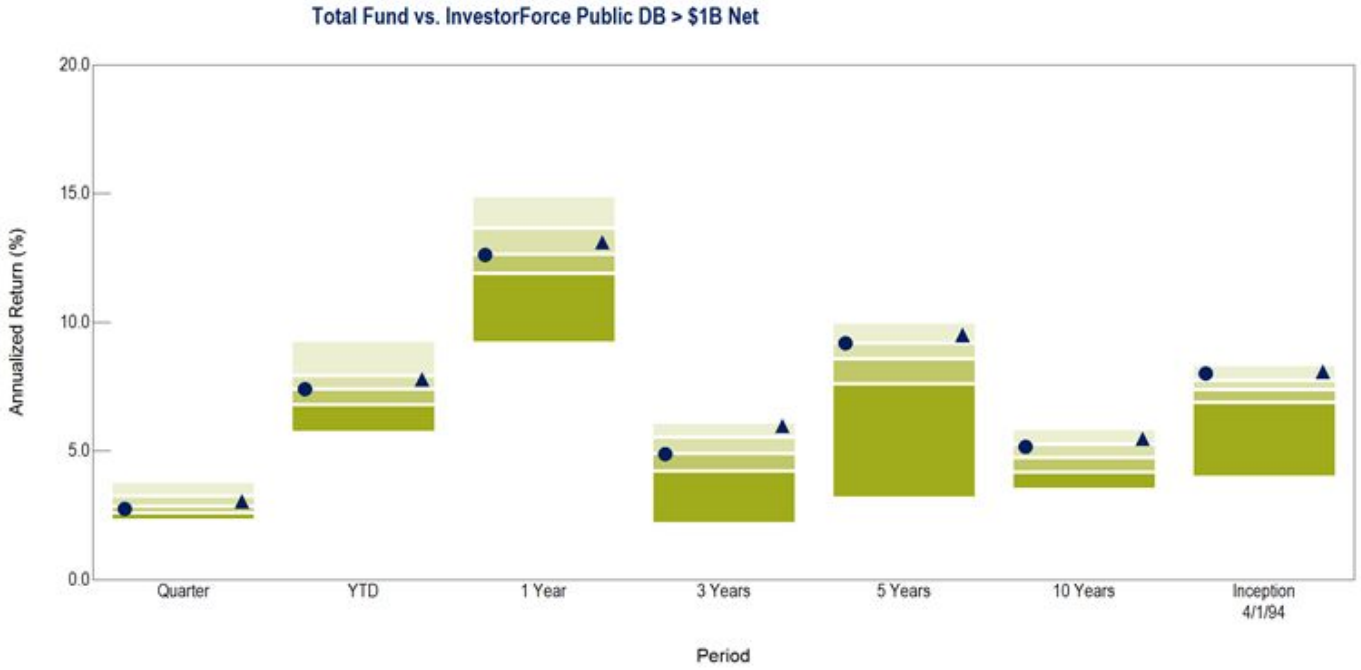
Below is a summary of managers that remain on Hold:

Sprucegrove
Sprucegrove announced that they will open all products at the firm for new investment. They had been closed for a number of years, but following a period of poor performance and asset outflows they now have capacity. While this is a positive event, it triggers an opportunity to reconsider any allocation to the products. Assets have been declining. The most recent 1 year performance has rebounded, but longer term numbers remain challenged.

***NEPC recommends maintaining a Hold rating at this time. We will continue to monitor the situation and provide updates as necessary*.**

Ventura County Employees' Retirement Association

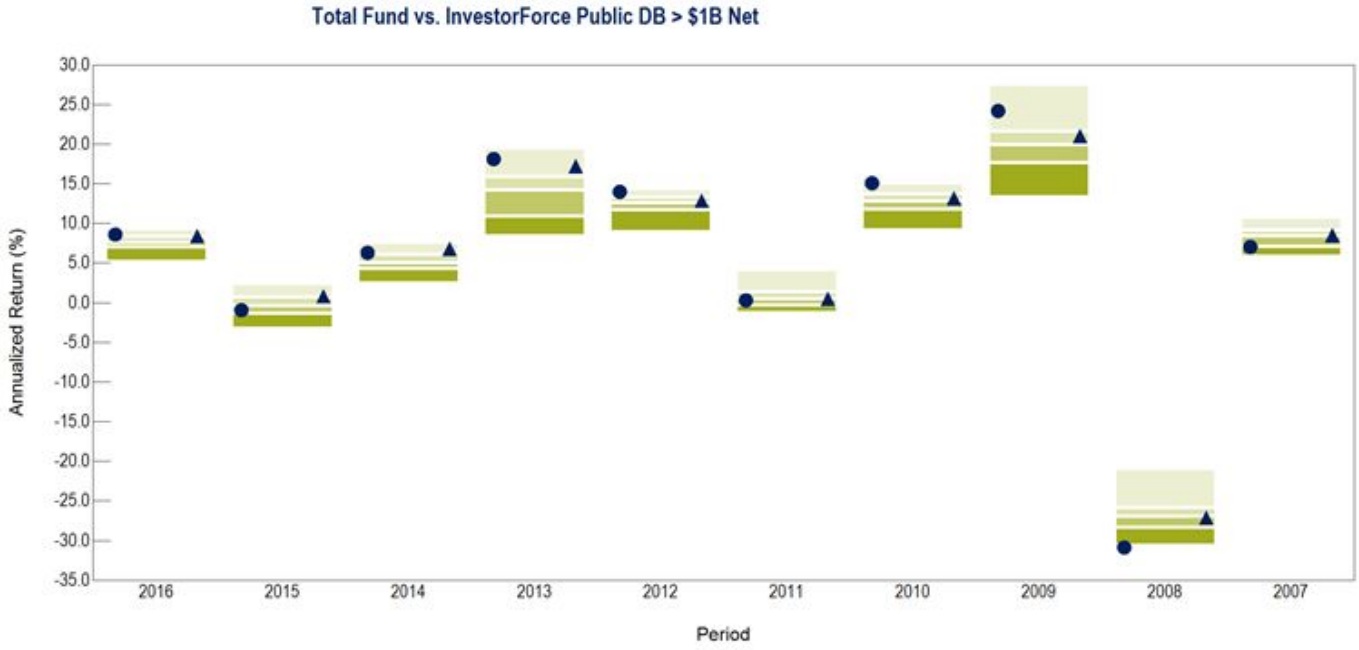
Total Fund Return Summary vs. Peer Universe



	Return (Rank)													
5th Percentile	3.8		9.3		14.9		6.1		10.0		5.9		8.3	
25th Percentile	3.3		7.9		13.7		5.5		9.2		5.3		7.8	
Median	2.9		7.4		12.7		4.9		8.6		4.8		7.4	
75th Percentile	2.6		6.8		11.9		4.2		7.6		4.2		6.9	
95th Percentile	2.3		5.7		9.2		2.2		3.2		3.5		4.0	
# of Portfolios	65		65		65		64		64		58		37	
● Total Fund	2.7	(63)	7.4	(52)	12.6	(54)	4.9	(53)	9.2	(26)	5.2	(36)	8.0	(17)
▲ Policy Index	3.1	(38)	7.8	(33)	13.1	(37)	6.0	(8)	9.5	(17)	5.5	(18)	8.1	(15)

Ventura County Employees' Retirement Association

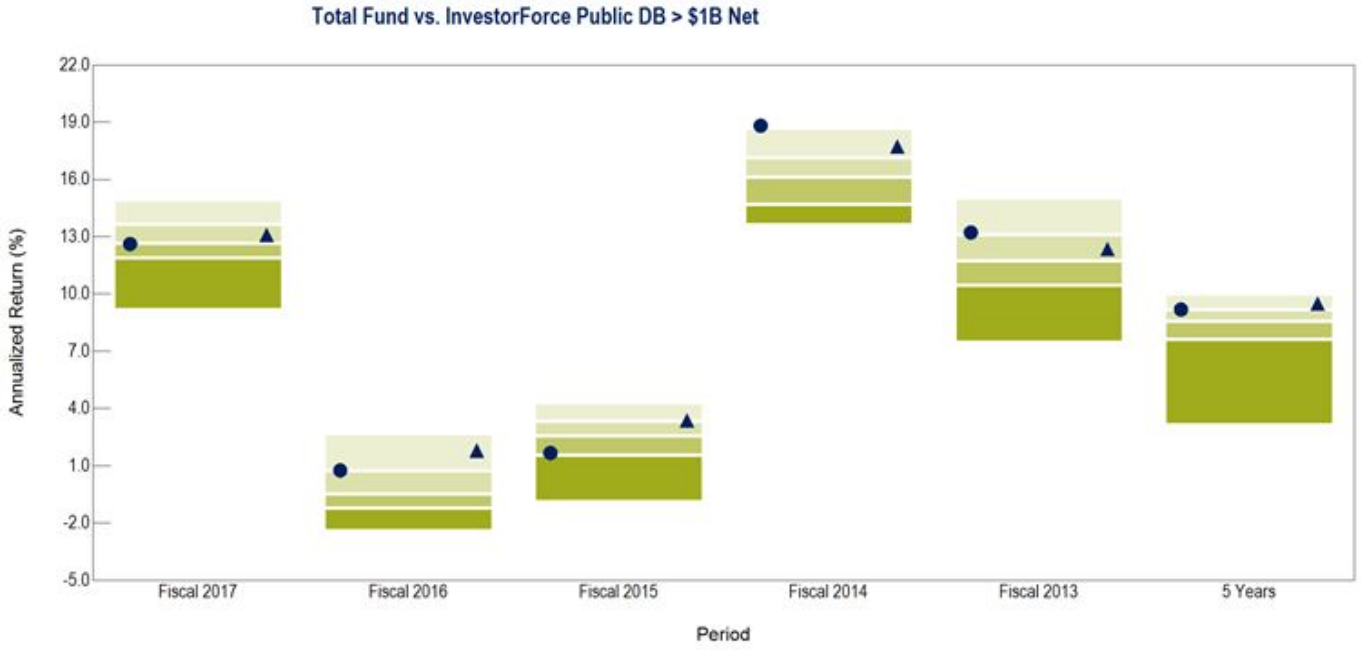
Total Fund Return Summary vs. Peer Universe



	Return (Rank)																	
5th Percentile	9.3		2.4		7.6		19.5		14.3		4.2		15.1		27.5		-20.9		10.7	
25th Percentile	8.4		0.8		6.1		16.0		13.4		1.5		13.8		21.7		-25.7		9.2	
Median	7.7		-0.4		5.1		14.3		12.7		0.6		12.8		20.0		-26.9		8.5	
75th Percentile	7.1		-1.3		4.4		11.0		11.8		-0.3		11.8		17.7		-28.3		7.1	
95th Percentile	5.3		-3.2		2.6		8.5		9.0		-1.2		9.3		13.4		-30.5		5.9	
# of Portfolios	62		57		55		48		44		42		41		40		39		39	
● Total Fund	8.6	(15)	-0.9	(65)	6.3	(20)	18.1	(10)	14.0	(15)	0.3	(61)	15.1	(6)	24.2	(16)	-30.9	(98)	7.0	(77)
▲ Policy Index	8.4	(25)	0.8	(25)	6.8	(12)	17.2	(14)	12.9	(41)	0.5	(55)	13.2	(44)	21.0	(33)	-27.1	(54)	8.5	(50)

Ventura County Employees' Retirement Association

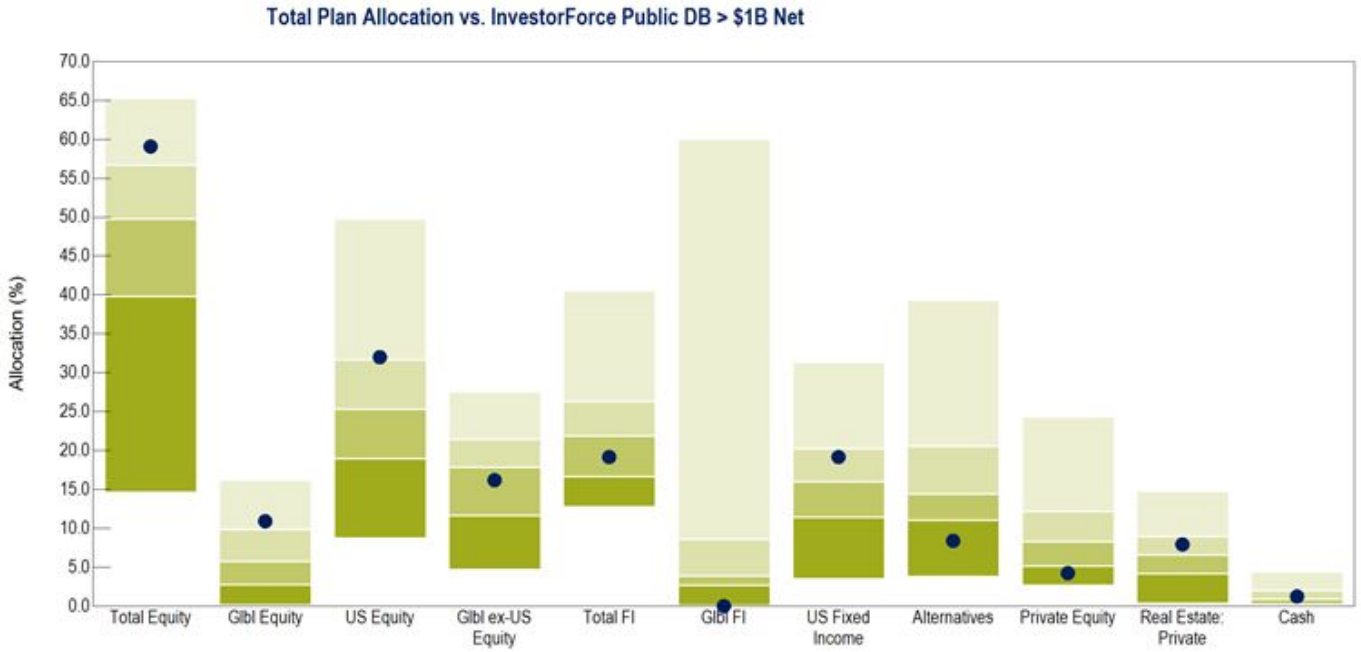
Total Fund Return Summary vs. Peer Universe



	Return (Rank)											
5th Percentile	14.9		2.7		4.3		18.7		15.0		10.0	
25th Percentile	13.7		0.8		3.3		17.2		13.1		9.2	
Median	12.7		-0.5		2.6		16.1		11.8		8.6	
75th Percentile	11.9		-1.2		1.6		14.7		10.5		7.6	
95th Percentile	9.2		-2.4		-0.9		13.6		7.5		3.2	
# of Portfolios	65		55		53		43		56		64	
● Total Fund	12.6	(54)	0.8	(26)	1.7	(71)	18.8	(4)	13.2	(22)	9.2	(26)
▲ Policy Index	13.1	(37)	1.8	(9)	3.4	(25)	17.7	(19)	12.4	(39)	9.5	(17)

Ventura County Employees' Retirement Association

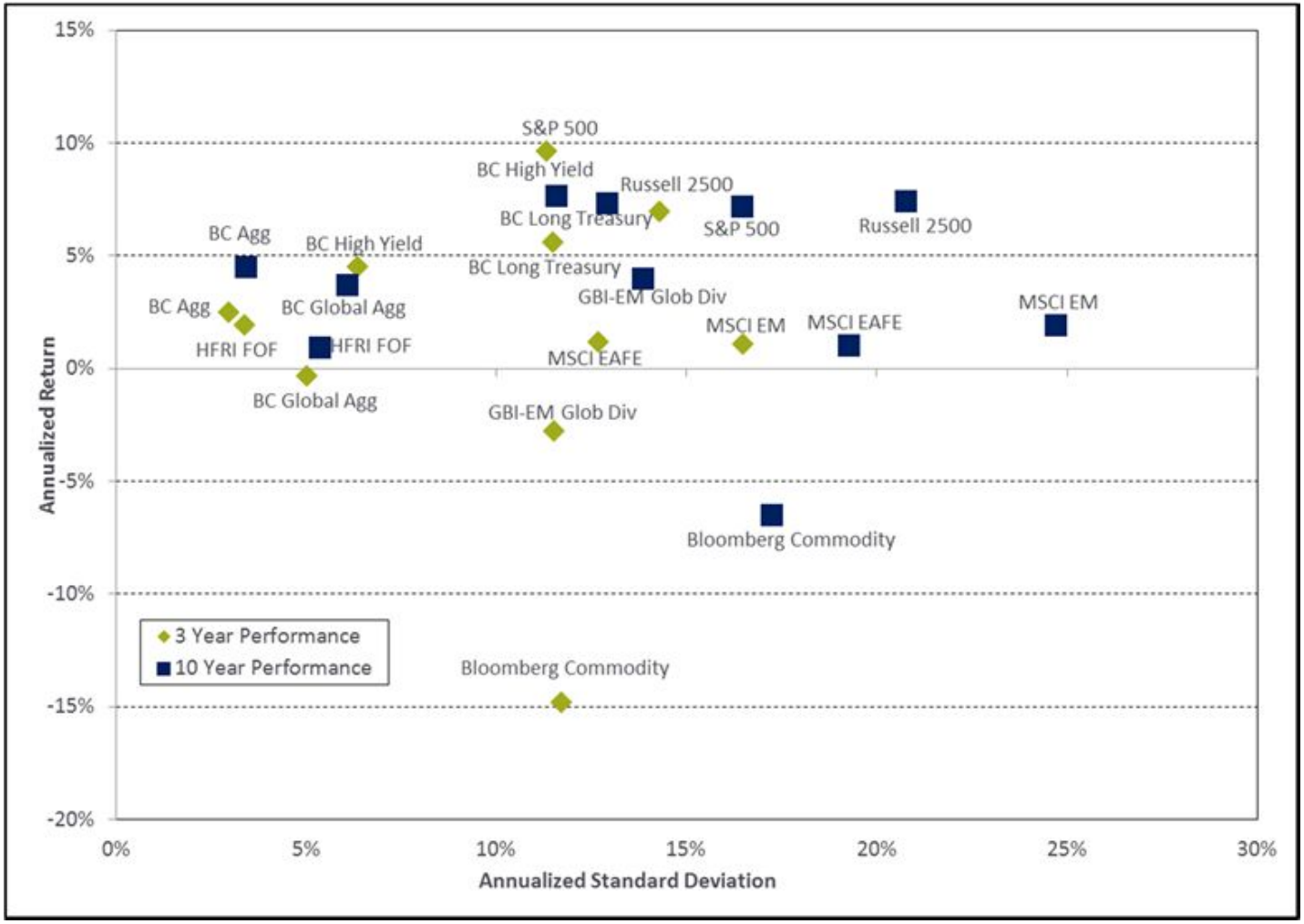
Total Fund Allocations vs. Peer Universe



	Allocation (Rank)																					
5th Percentile	65.3		16.2		49.8		27.6		40.6		60.1		31.4		39.3		24.3		14.8		4.4	
25th Percentile	56.8		9.9		31.8		21.5		26.4		8.7		20.3		20.6		12.3		9.1		2.1	
Median	49.8		5.8		25.4		17.9		22.0		4.0		16.0		14.4		8.4		6.6		0.9	
75th Percentile	39.9		2.8		19.0		11.7		16.7		2.8		11.5		11.1		5.2		4.2		0.3	
95th Percentile	14.7		0.2		8.8		4.7		12.8		0.2		3.6		3.9		2.8		0.4		0.1	
# of Portfolios	58		23		51		53		60		29		55		54		53		48		54	
● Total Fund	59.1	(14)	10.9	(19)	32.0	(22)	16.2	(52)	19.2	(62)	0.0	(97)	19.2	(30)	8.4	(86)	4.2	(83)	7.9	(37)	1.2	(42)

Appendix: Market Environment

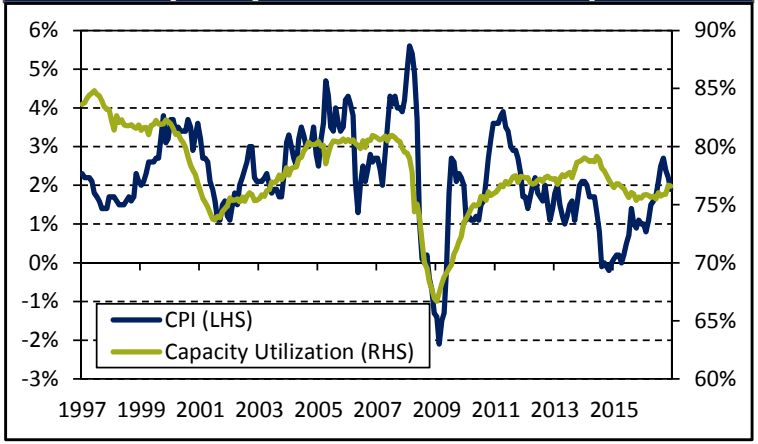
Long Term Broad Market Performance Summary as of 06/30/2017



Source: Bloomberg, Standard and Poors, Russell, MSCI, Barclays, JP Morgan

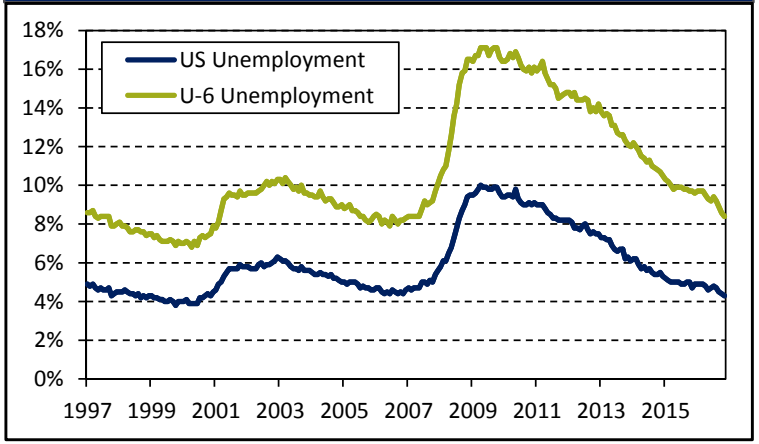
US Economic Indicators

Inflation continues to decline, while capacity utilization trends upward



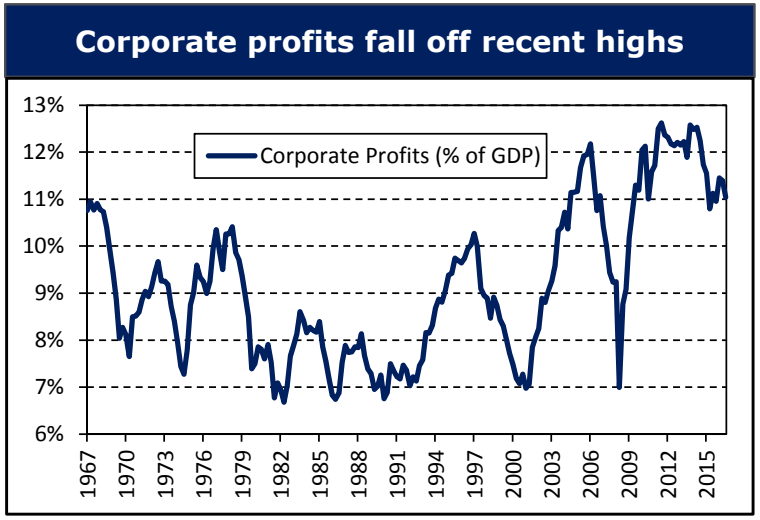
Source: Bloomberg, Federal Reserve, Bureau of Labor Statistics

Unemployment is still declining



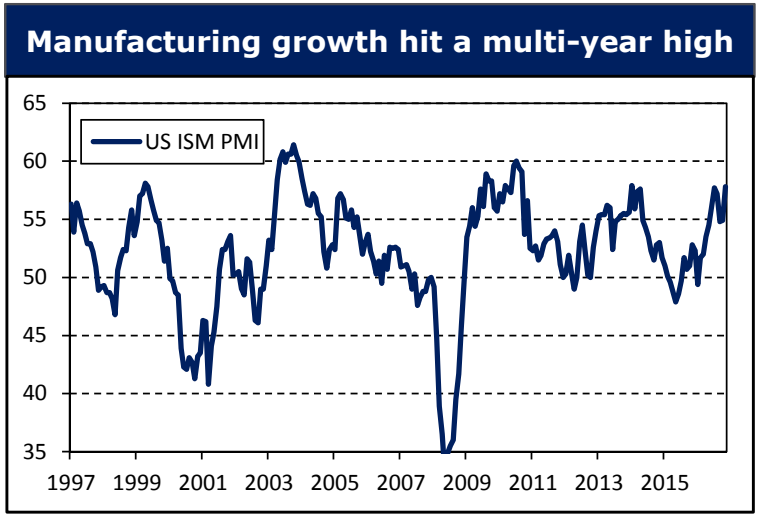
Source: Bloomberg, Bureau of Labor Statistics

Corporate profits fall off recent highs



Source: Bloomberg, Bureau of Economic Analysis

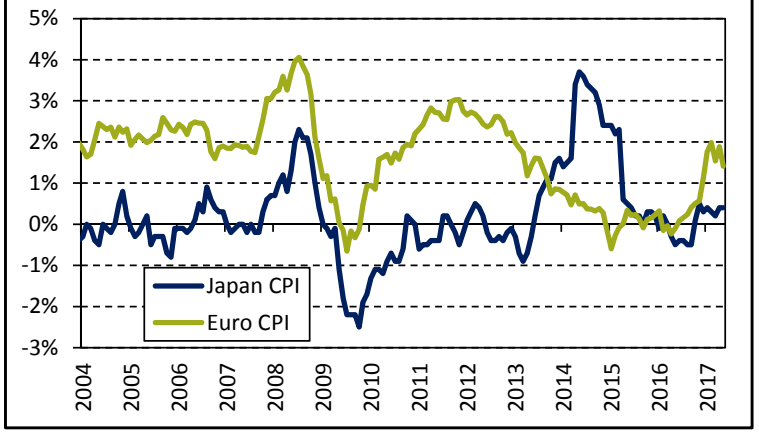
Manufacturing growth hit a multi-year high



Source: Bloomberg, Institute for Supply Management

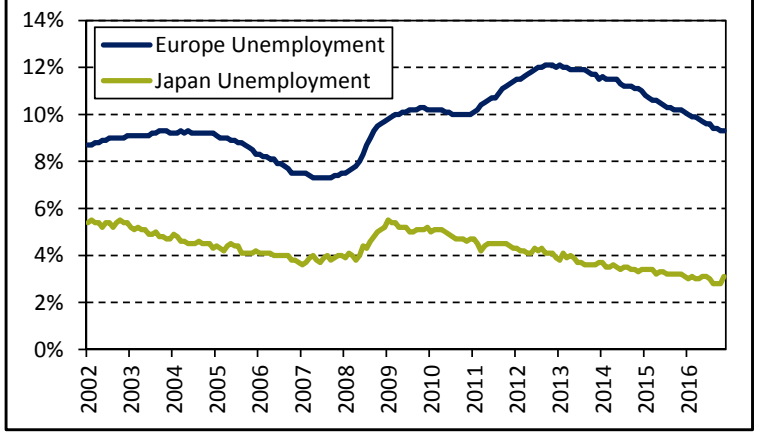
International Economic Indicators

Eurozone inflation fell to 1.4%, remaining below the 2% target



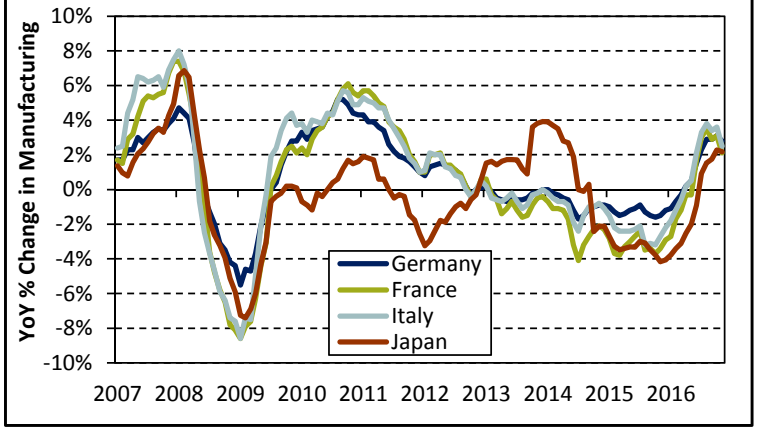
Source: Bloomberg, Japan Ministry of Internal Affairs and Communications, Eurostat

Japan unemployment increased off previous month lows



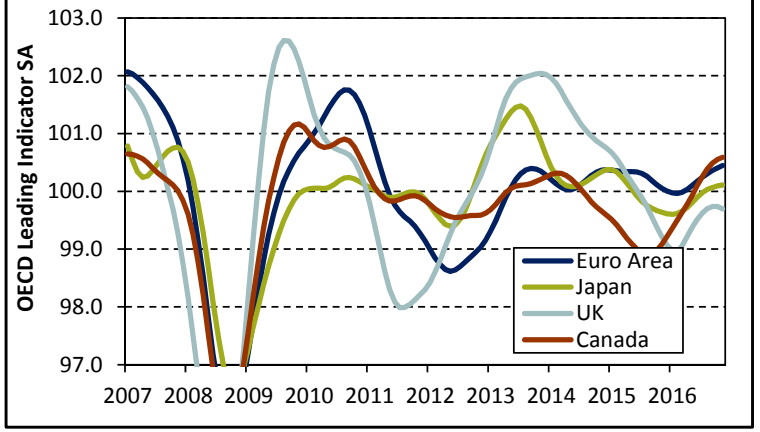
Source: Bloomberg, Japan Ministry of Internal Affairs and Communications, Eurostat

Manufacturing has fallen, though still remains elevated



Source: Bloomberg, OECD, Eurostat

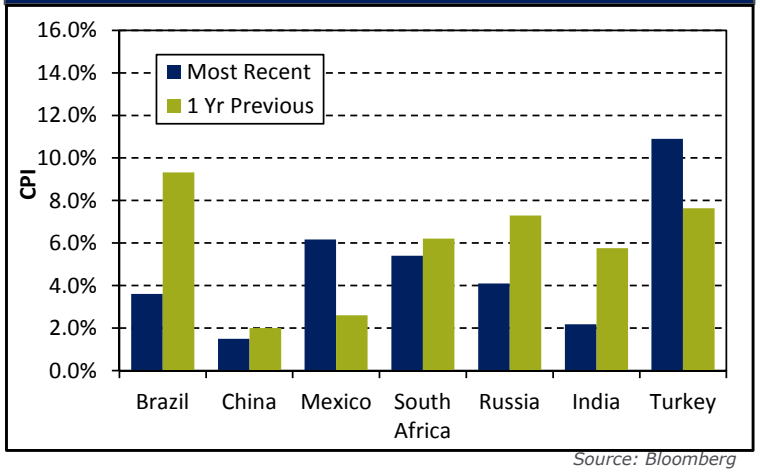
UK leading indicators have begun to decline



Source: Bloomberg, OECD

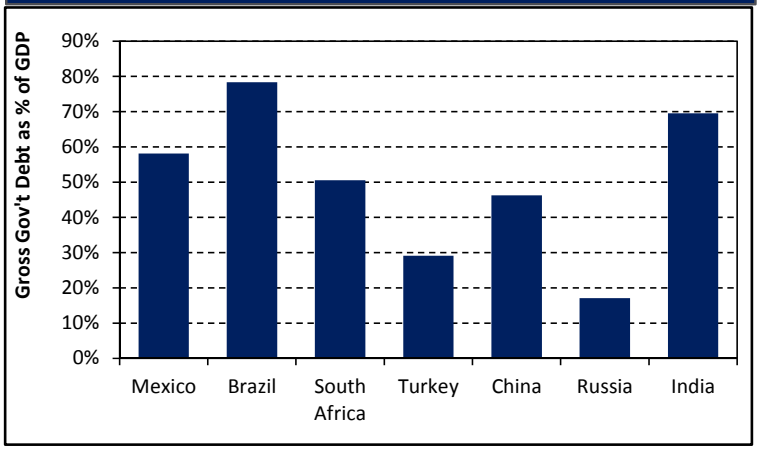
Emerging Market Economic Indicators

EM inflation varies by country



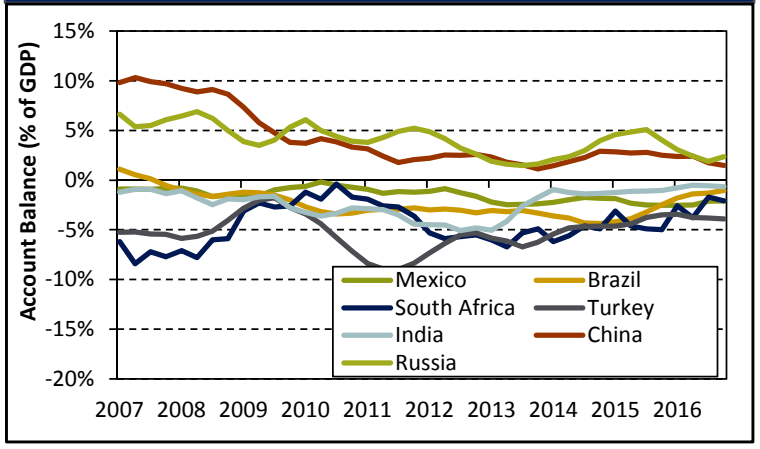
Source: Bloomberg

Relatively healthy debt/GDP ratios



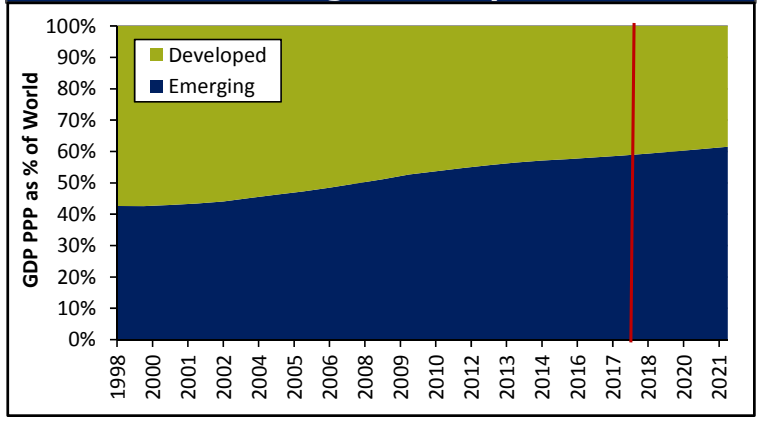
Source: Bloomberg, IMF

Account balances remain steady



Source: Bloomberg

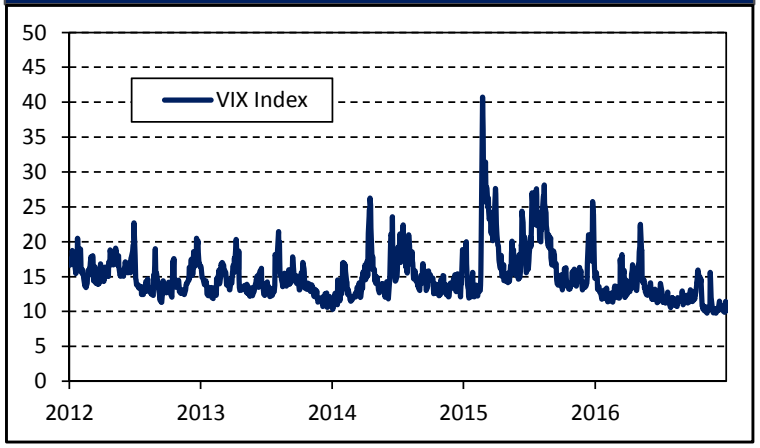
EM continues trending higher as a percent of global output



Source: Bloomberg, IMF

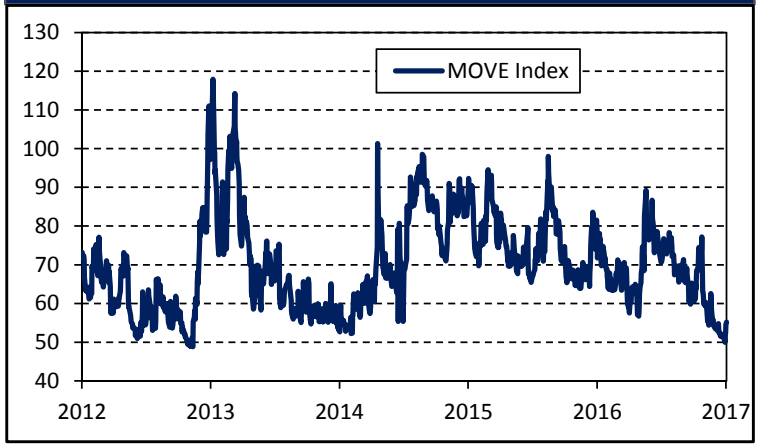
Volatility

Equity volatility remains low



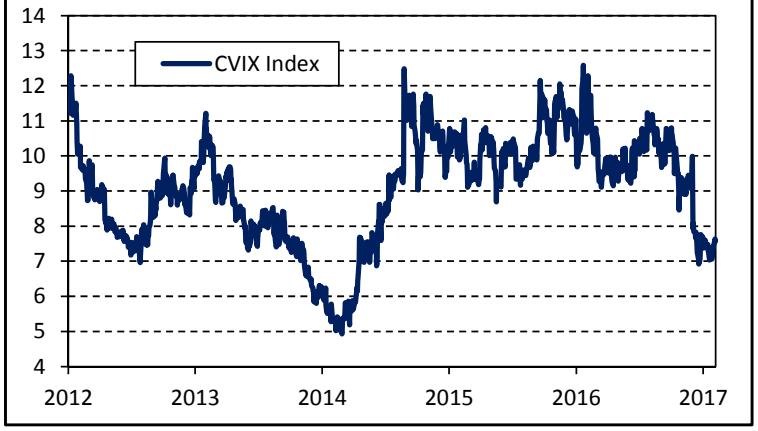
Source: Bloomberg, CBOE

Treasury volatility has recently subsided



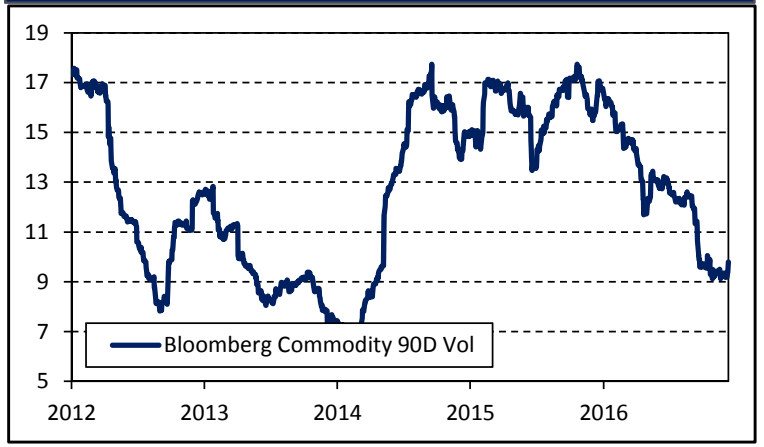
Source: Bloomberg, Merrill Lynch

Currency volatility increased off recent lows



Source: Bloomberg, Deutsche Bank

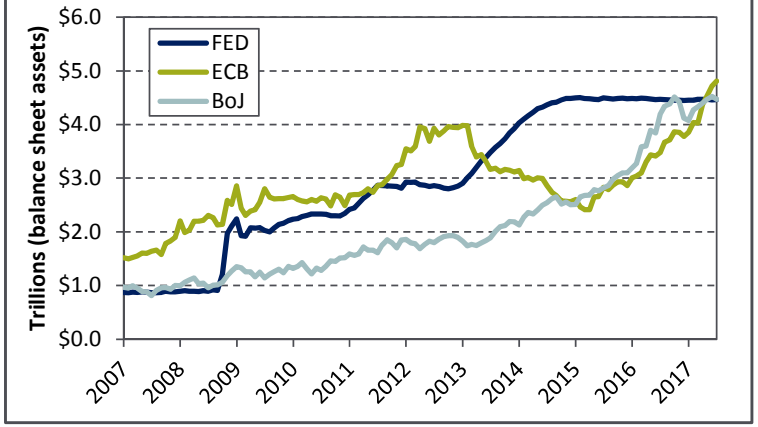
Commodity volatility continues to decline



Source: Bloomberg, Merrill Lynch

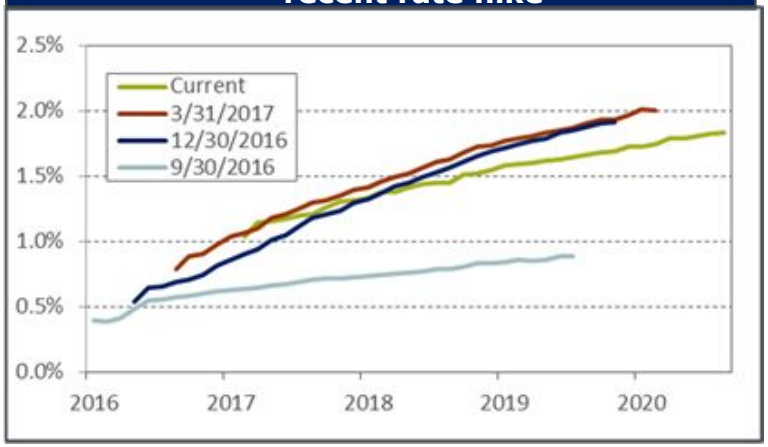
Central Banks

The ECB balance sheet continues growing



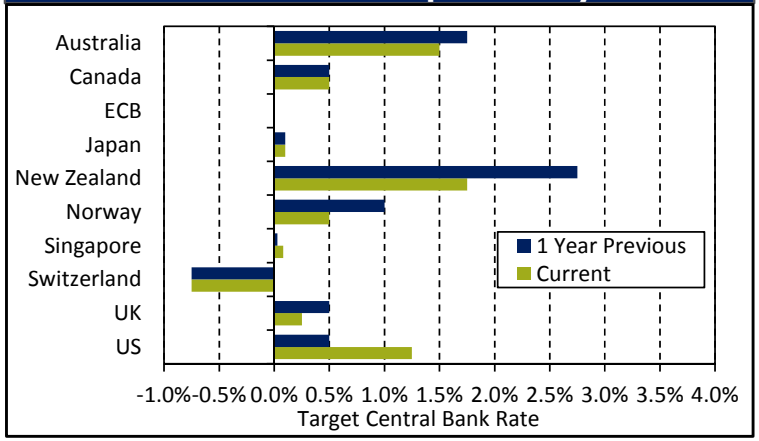
Source: Bloomberg, Federal Reserve, Bank of Japan, ECB, NEPC

Short-term interest rate has increased with recent rate hike



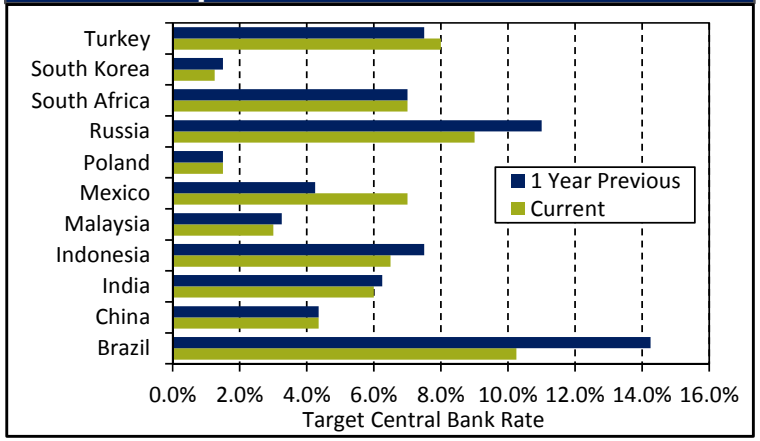
Source: Bloomberg, Federal Reserve

Ex-US developed market rates are broadly lower than the previous year



Source: Bloomberg

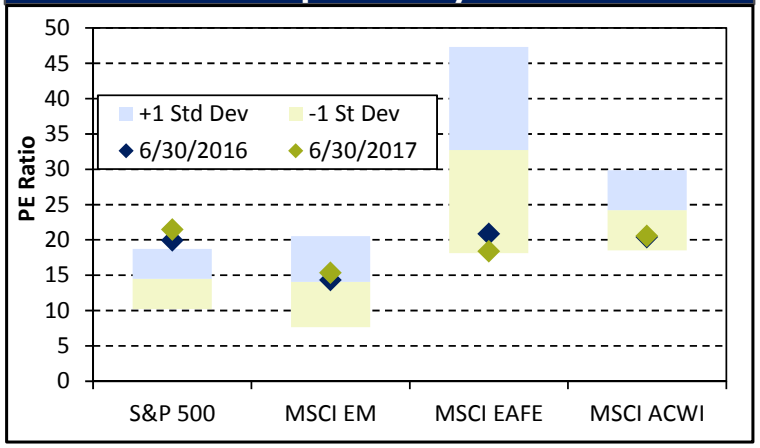
EM central bank policies vary by country-specific economic conditions



Source: Bloomberg

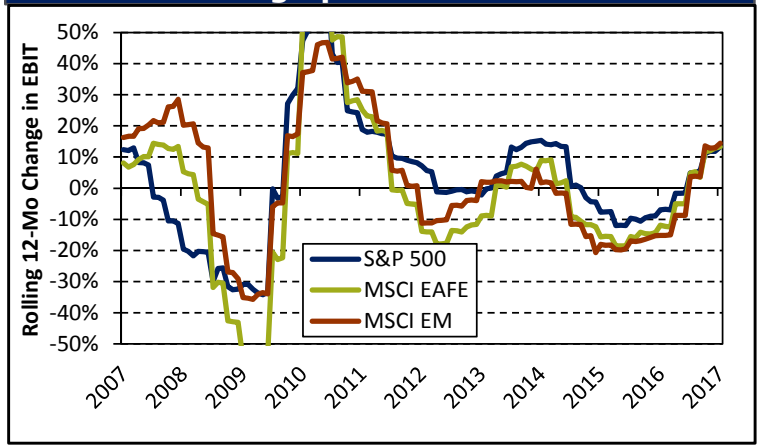
Global Equity

EAFE valuations remain lower than the previous year



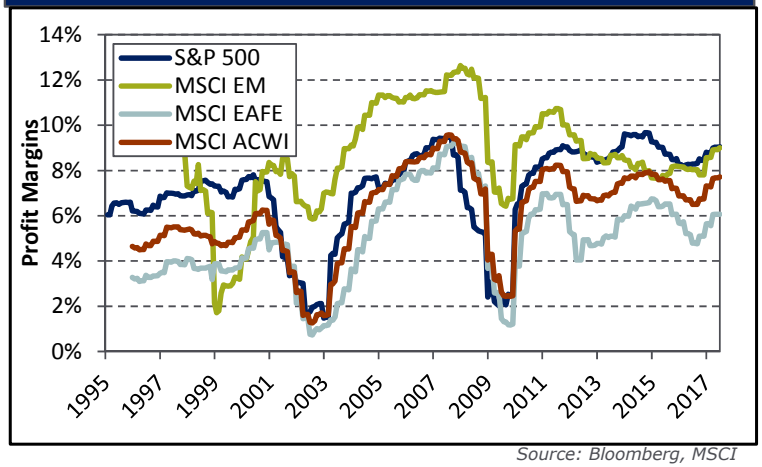
*Source: Bloomberg, Standard and Poors, MSCI *MSCI EAFE is ex UK Telecom*
**Standard deviation calculations on 20 years of data except S&P 500 (30 years)*

Rolling annual earnings growth continues trending upward off contraction



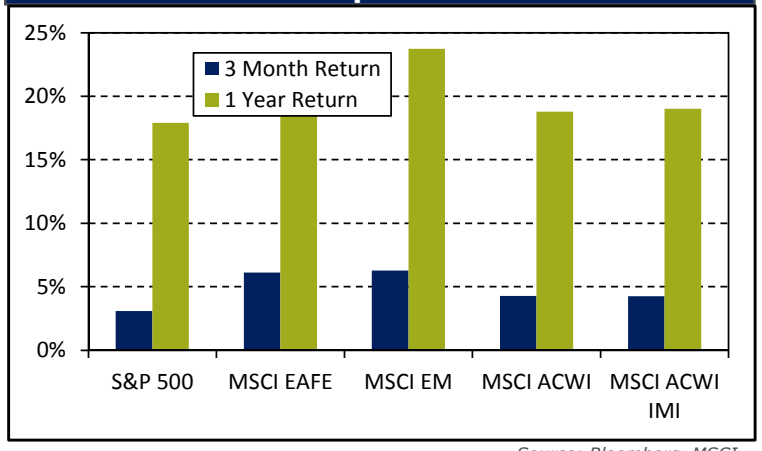
Source: Bloomberg, Standard and Poors, MSCI

Profit margins continue to improve



Source: Bloomberg, MSCI

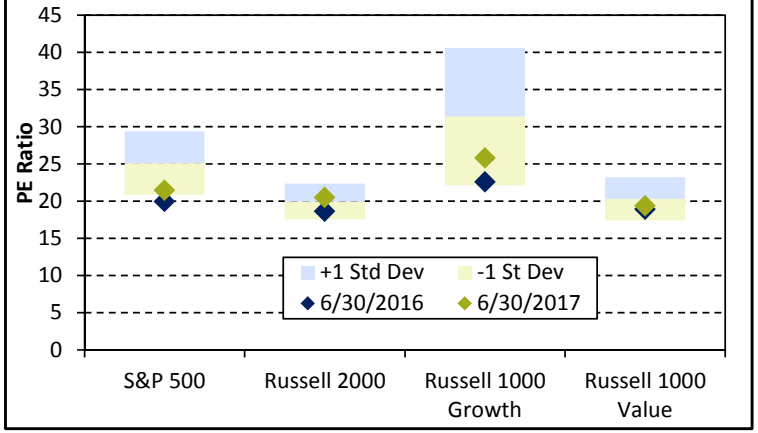
Equities have experienced positive short-term performance



Source: Bloomberg, MSCI

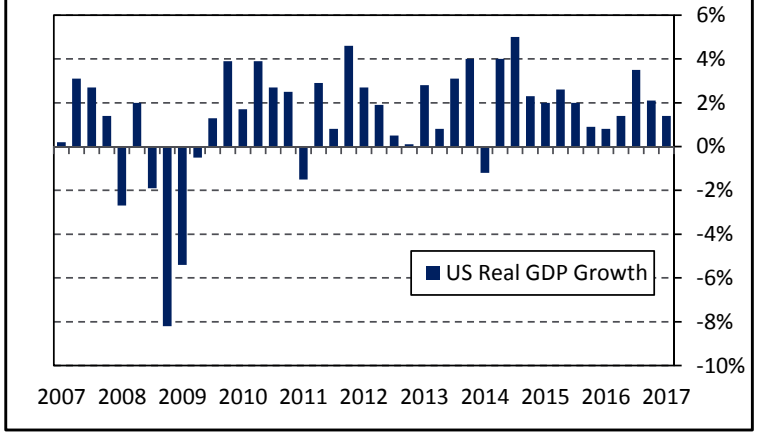
US Equity

US equity valuations remain elevated relative to last year



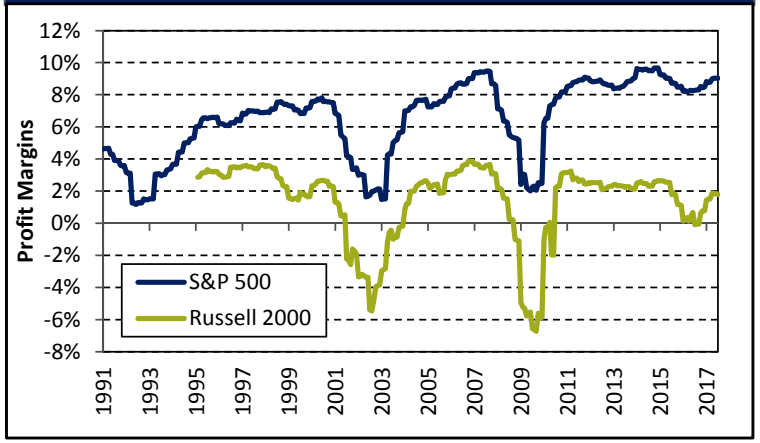
*Source: Bloomberg, Standard and Poors, Russell *Russell 2000 PE is index adjusted positive* Standard deviation calculations based on 20 years of data*

Real GDP growth declined significantly from the previous quarter



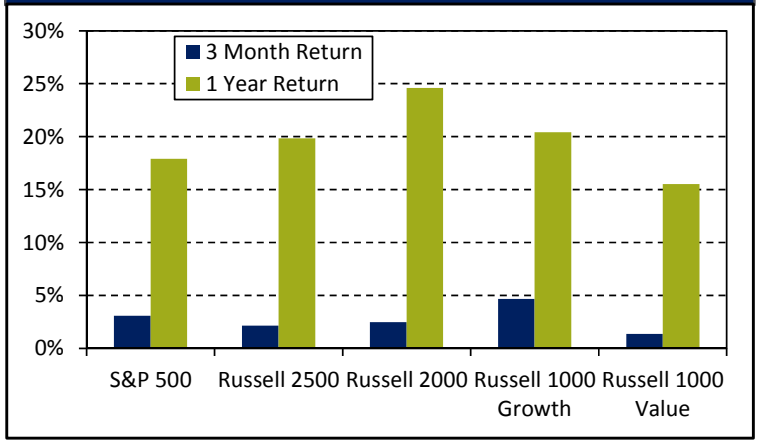
Source: Bloomberg, Bureau of Economic Analysis

Profit margins experience an uptick



Source: Bloomberg, Standard and Poors, Russell

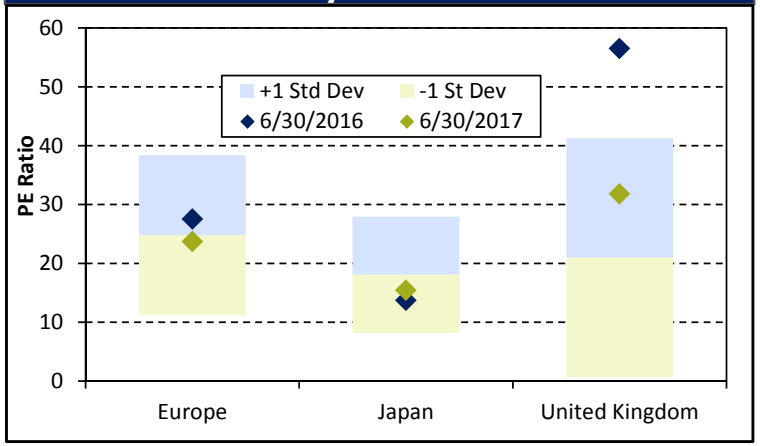
US equity continues to post positive returns



Source: Bloomberg, Standard and Poors, Russell

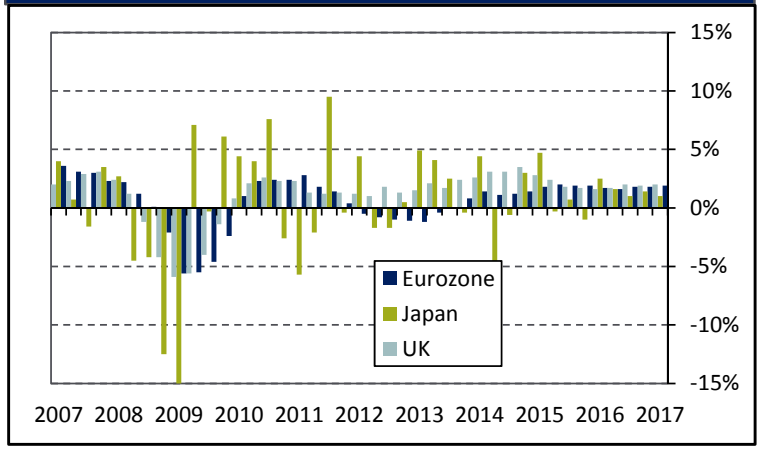
International Equity

UK and Europe PEs remain below previous year levels



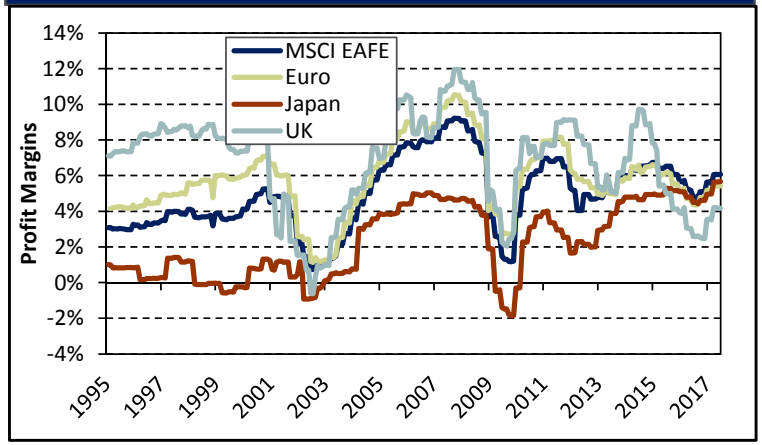
*Source: Bloomberg, MSCI, FTSE *UK represented by FTSE 100 Index*
**Standard deviation calculations based on 20 years of data, with Europe since 12/1998*

International growth has steadied



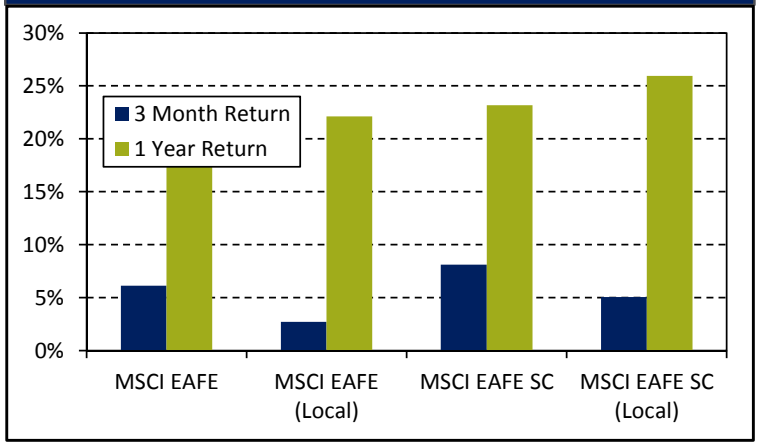
Source: Bloomberg

Profit margins continue trending higher



Source: Bloomberg, MSCI

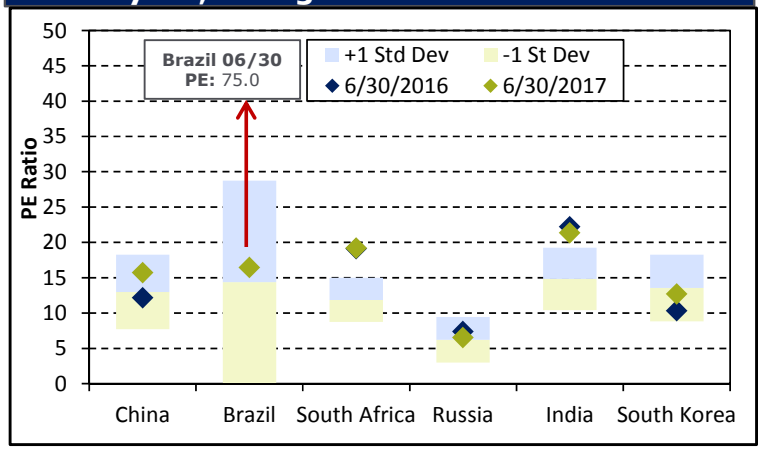
Strong short-term performance for EAFE



Source: Bloomberg, MSCI

Emerging Markets Equity

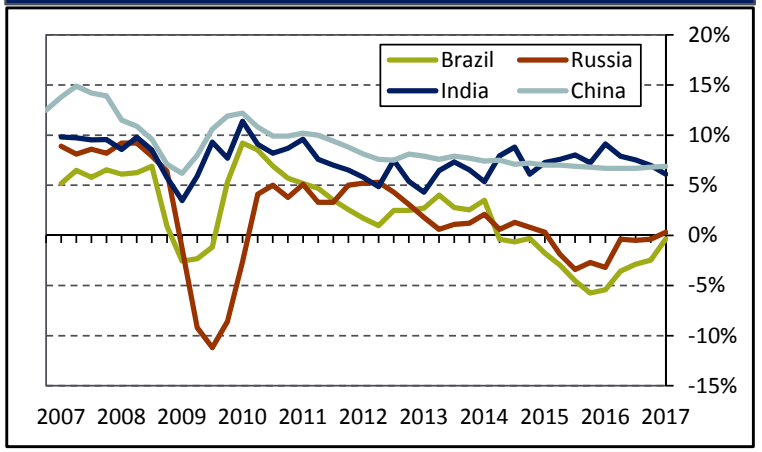
India's valuation fell below the previous year, though still remains elevated



Source: Bloomberg, MSCI

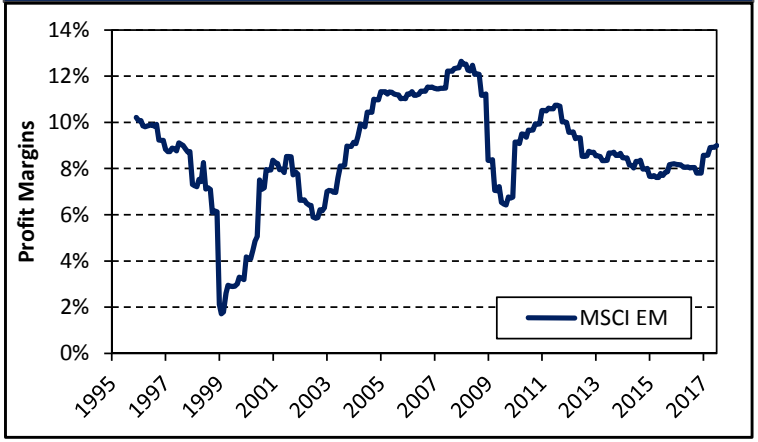
**Standard deviation calculations based on 20 years of data, with Russia since 01/1998*

Brazil continues to rebound off earnings contraction



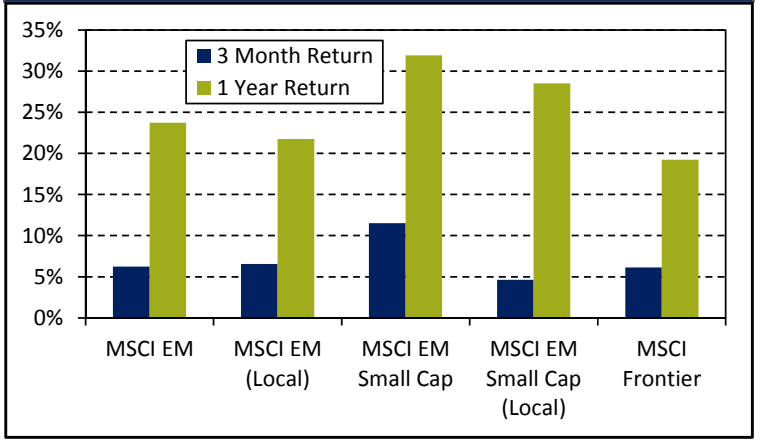
Source: Bloomberg

Profit margins continue trending upward



Source: Bloomberg, MSCI

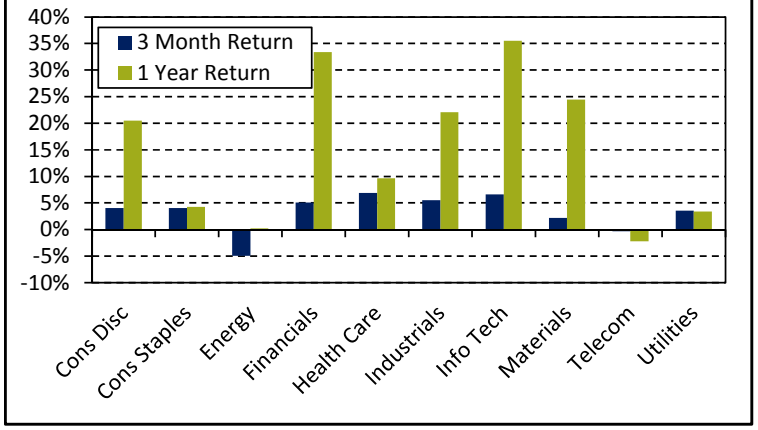
EM posts strong short-term returns



Source: Bloomberg, MSCI

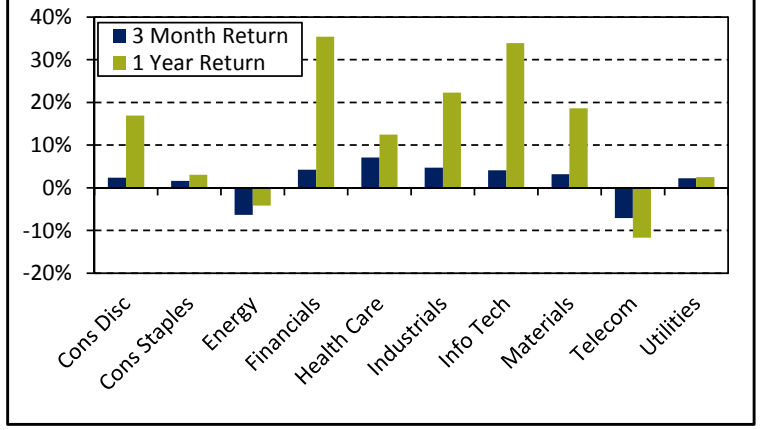
Global Equity by Sector

Ex-energy and telecom, MSCI ACWI has posted broad short-term returns



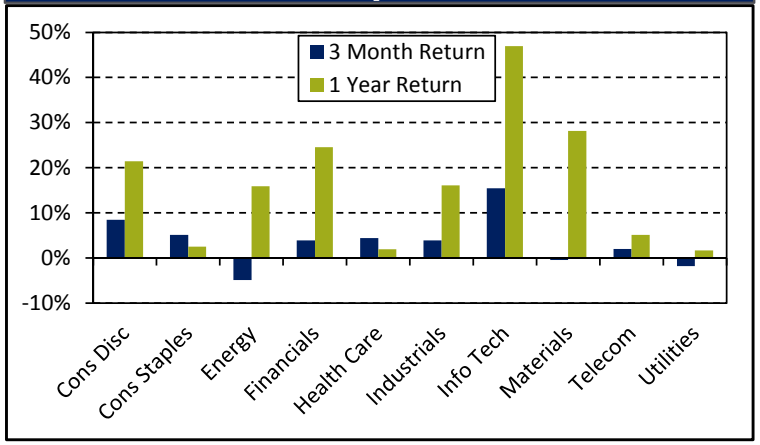
Source: Bloomberg, MSCI

Energy and telecom sectors drag S&P 500 short-term returns



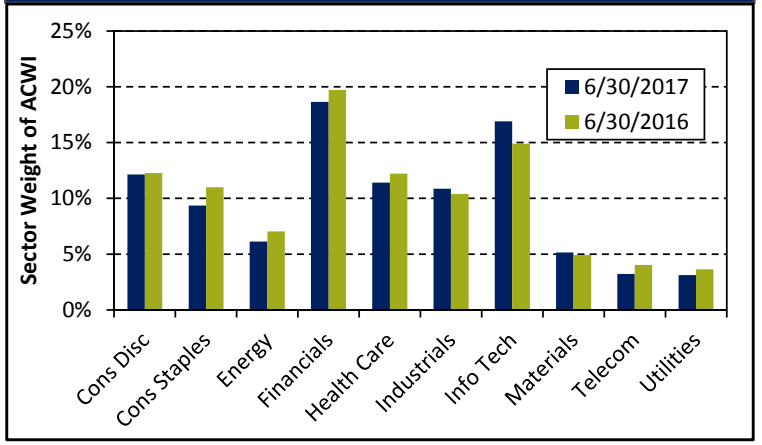
Source: Bloomberg, Standard and Poors

MSCI EM short-term returns have been lead by Info Tech



Source: Bloomberg, MSCI

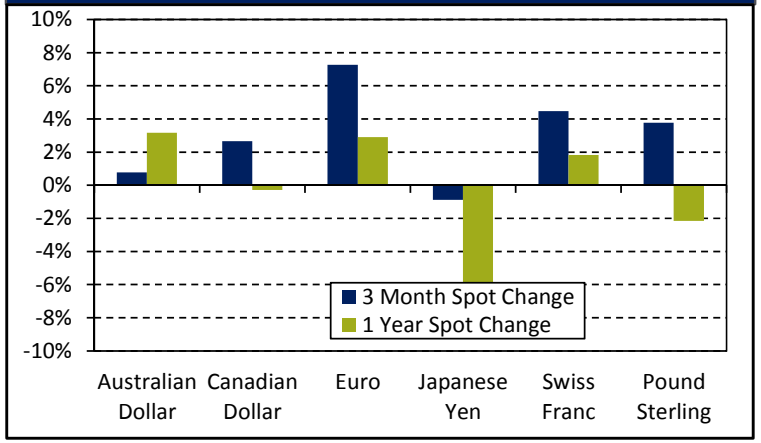
Financials sector weight has decreased in favor of Info Tech and Industrials



Source: Bloomberg, MSCI

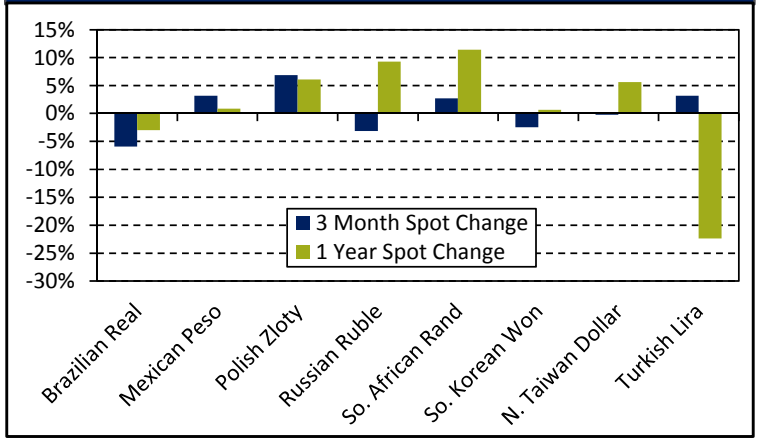
Currencies

Many currencies have appreciated against the dollar due to recent USD weakness



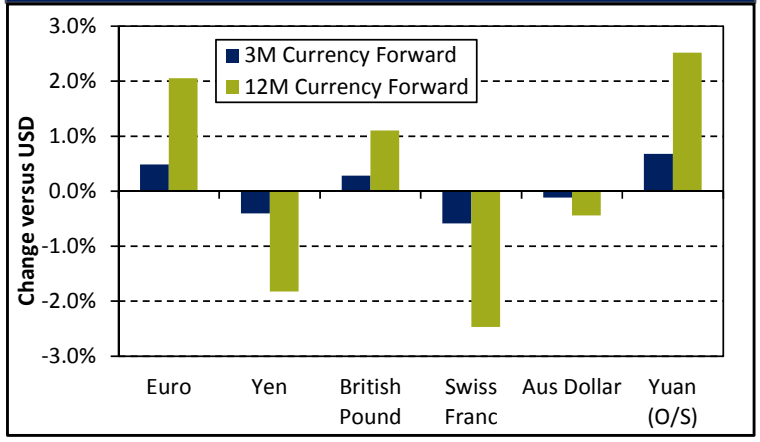
Source: Bloomberg

EM currencies remain mixed relative to the dollar



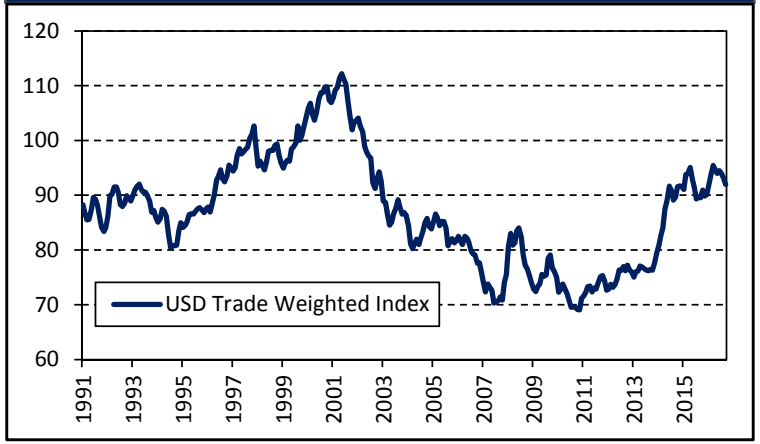
Source: Bloomberg

USD expectations vary across developed markets



Source: Bloomberg

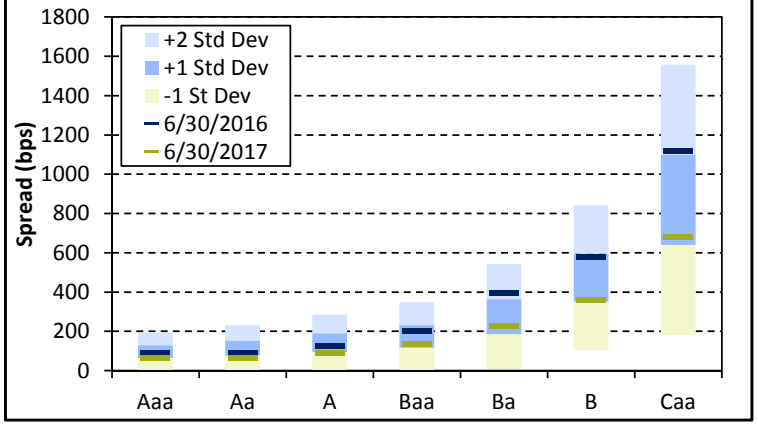
The dollar continues trending downward



Source: Bloomberg, Federal Reserve

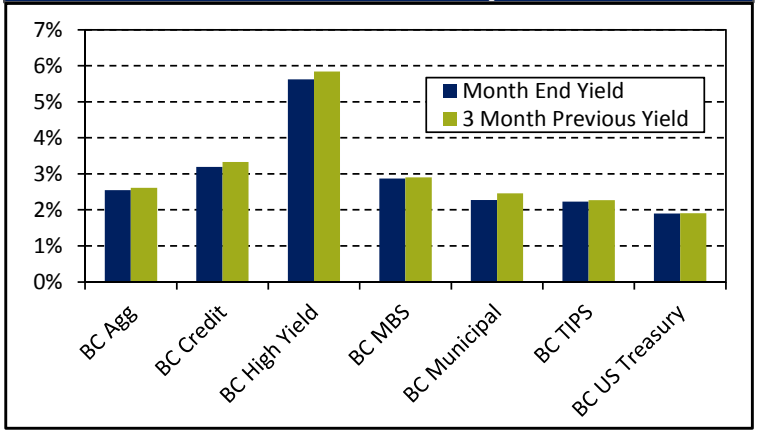
US Fixed Income

Spreads remain lower than the previous year



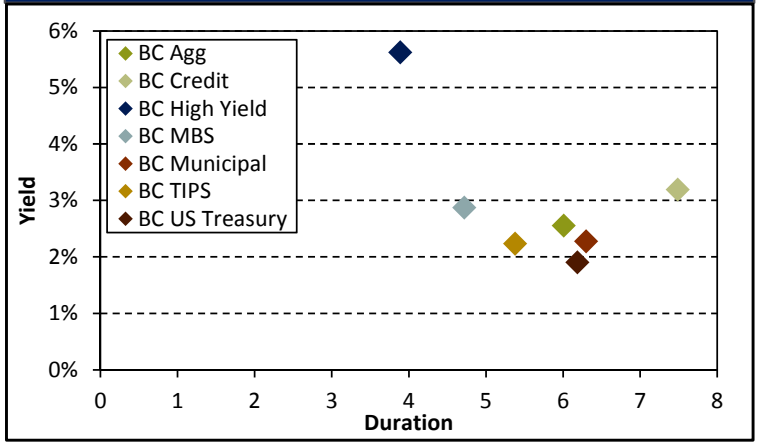
Source: Bloomberg, Barclays
**Standard deviation calculations based on 20 years of data*

Yields have declined slightly relative to three months prior



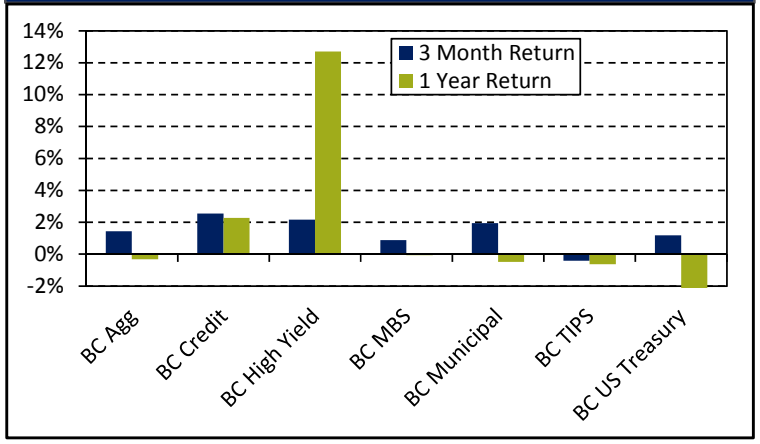
Source: Bloomberg, Barclays

Similar duration/yield profiles among core indices



Source: Bloomberg, Barclays

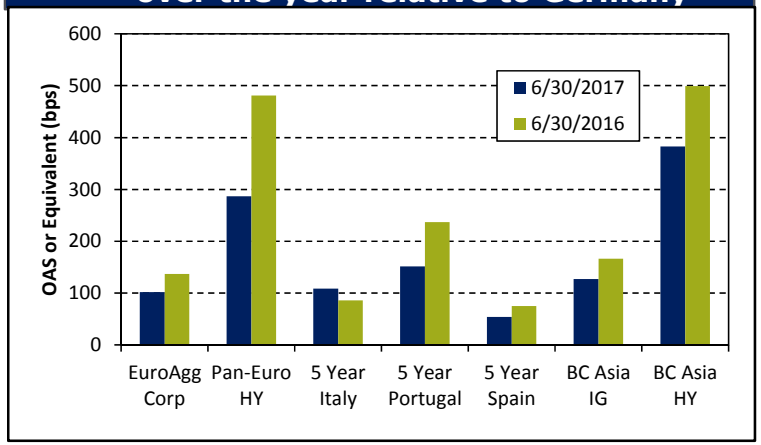
Ex-TIPS, fixed income indices post positive short-term returns



Source: Bloomberg, Barclays

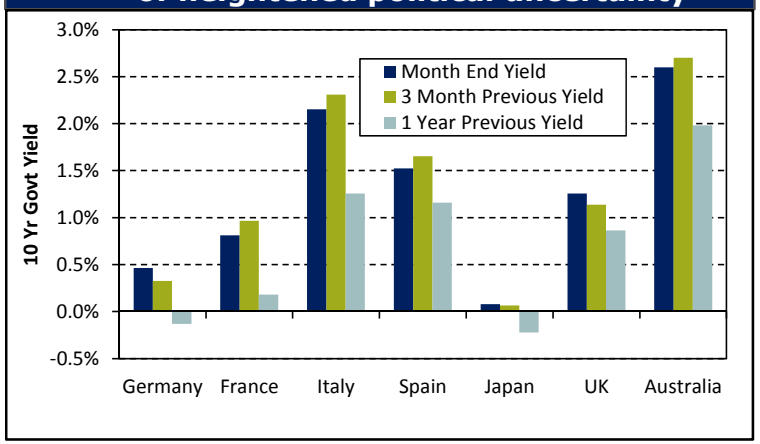
International Developed Fixed Income

Ex-Italy, periphery yields have declined over the year relative to Germany



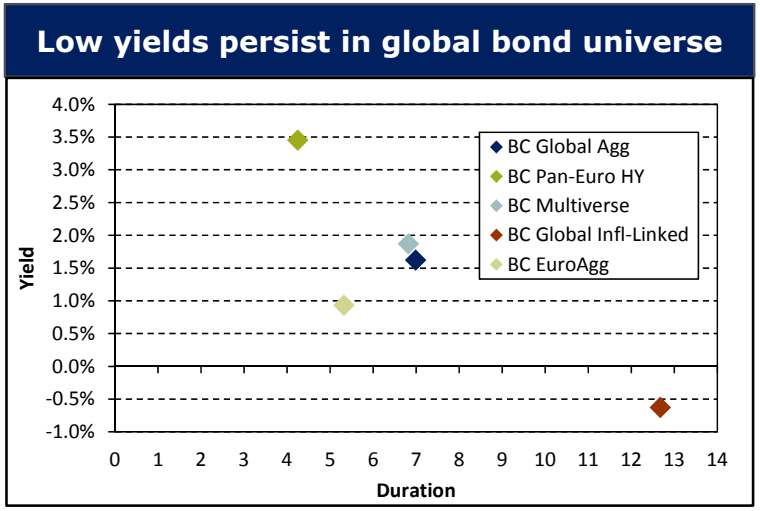
*Source: Barclays, Bloomberg, *European periphery spreads are over equivalent German Bund*

Yields continue to rise in the UK as a result of heightened political uncertainty



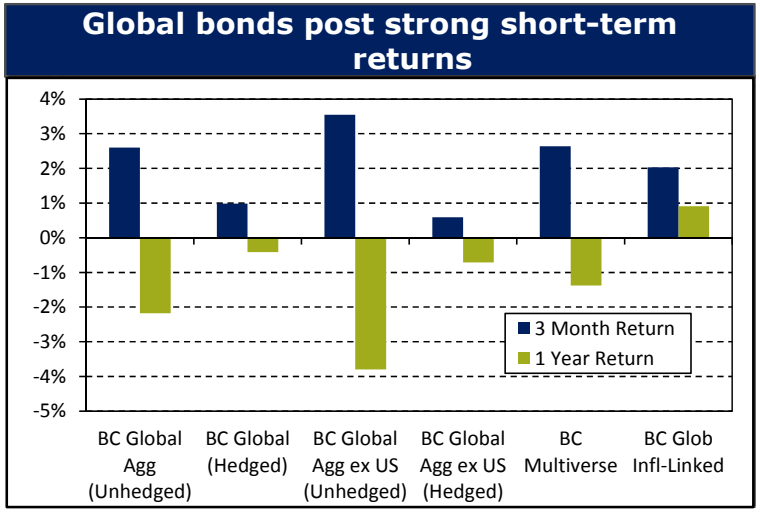
Source: Bloomberg

Low yields persist in global bond universe



Source: Bloomberg, Citigroup, Barclays

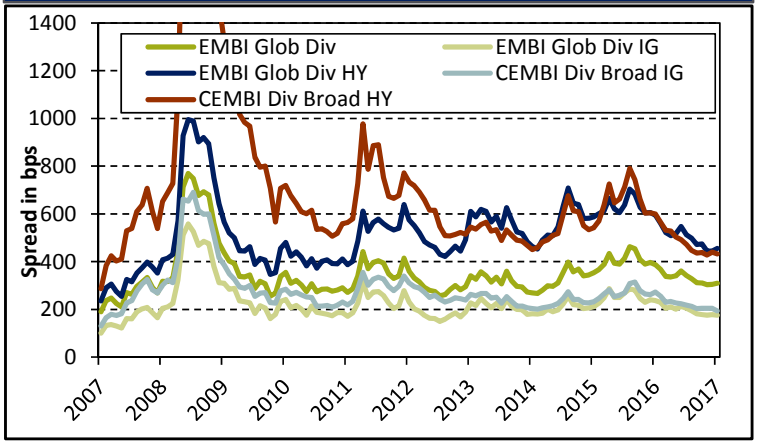
Global bonds post strong short-term returns



Source: Bloomberg, Citigroup, Barclays

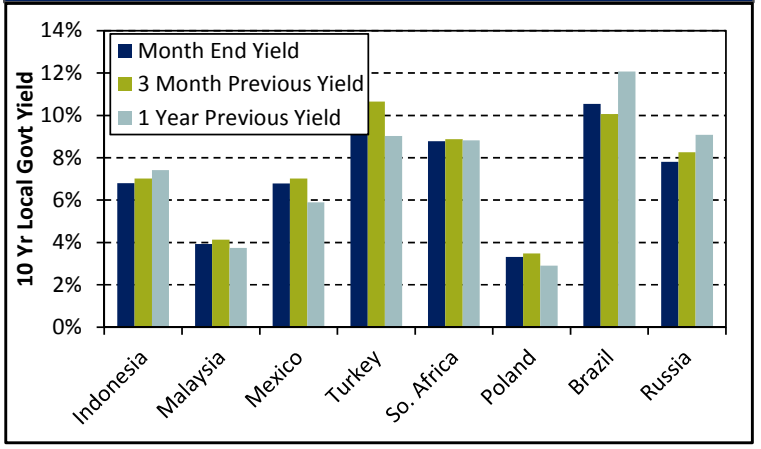
Emerging Markets Fixed Income

EM spreads remain steady



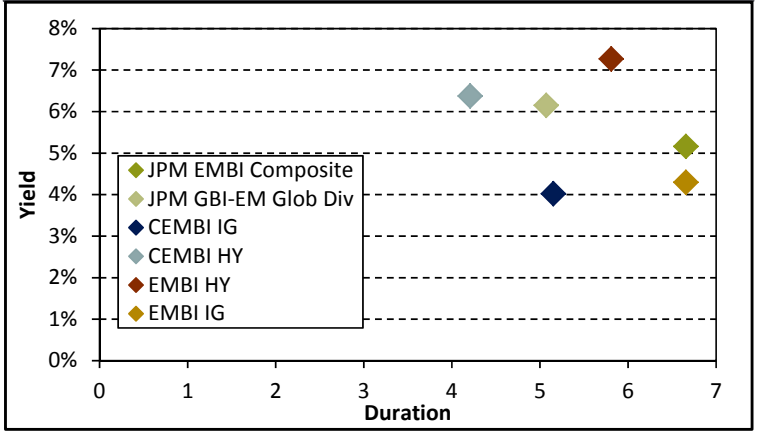
Source: Bloomberg, JP Morgan

Brazil's bond yields have increased with concerns over President Michel Temer



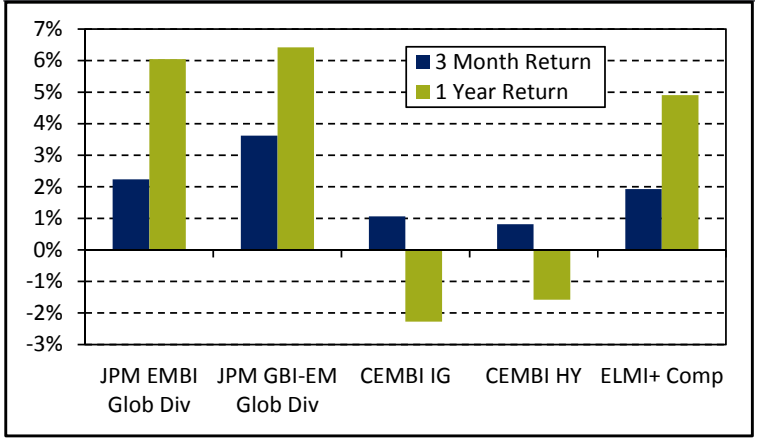
Source: Bloomberg

EM yields remain attractive versus global counterparts



Source: Bloomberg, JP Morgan

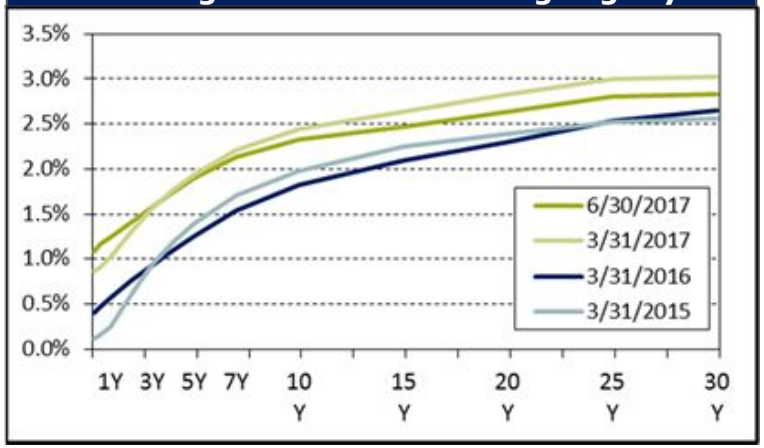
EM debt posts strong positive short-term returns



Source: Bloomberg, JP Morgan

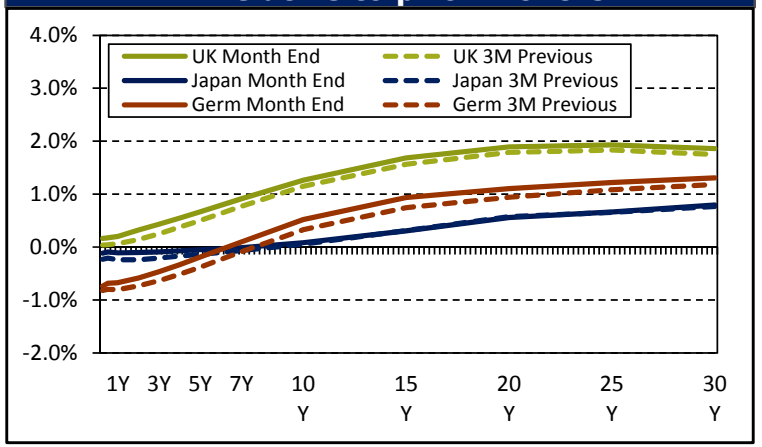
Rates

Short-term rate expectations increased with long-term rates declining slightly



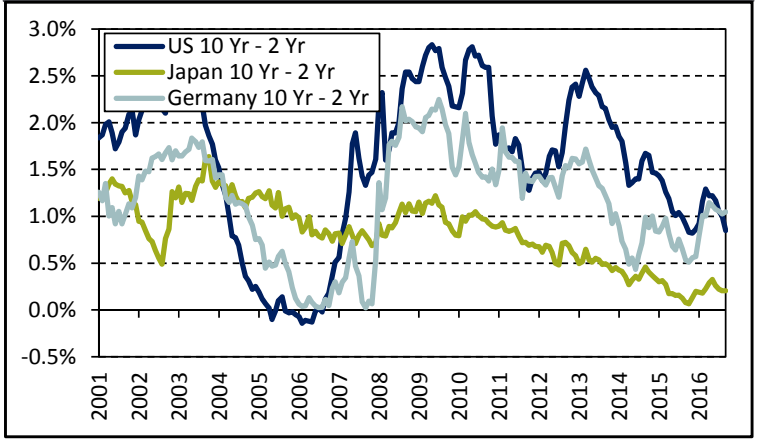
Source: Bloomberg

Interest rate expectations have increased relative to prior months



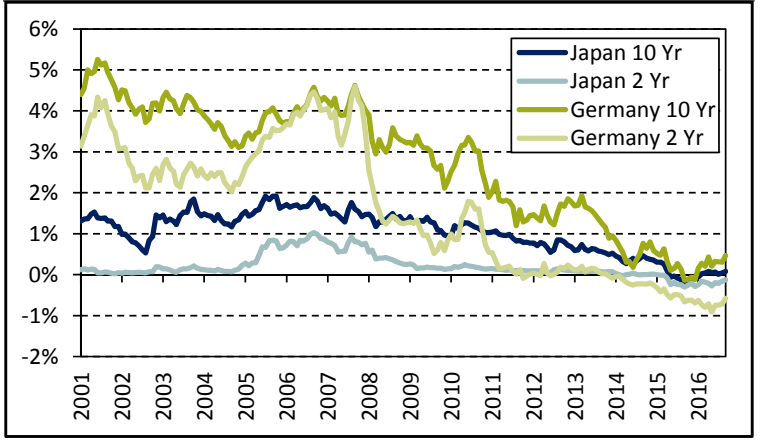
Source: Bloomberg

10-2 spreads continue tightening



Source: Bloomberg

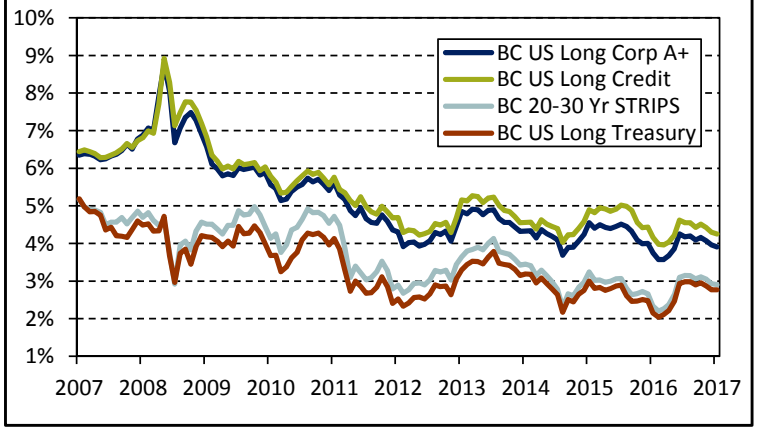
Sovereign bond yields increased, though remain in negative or neutral territory



Source: Bloomberg

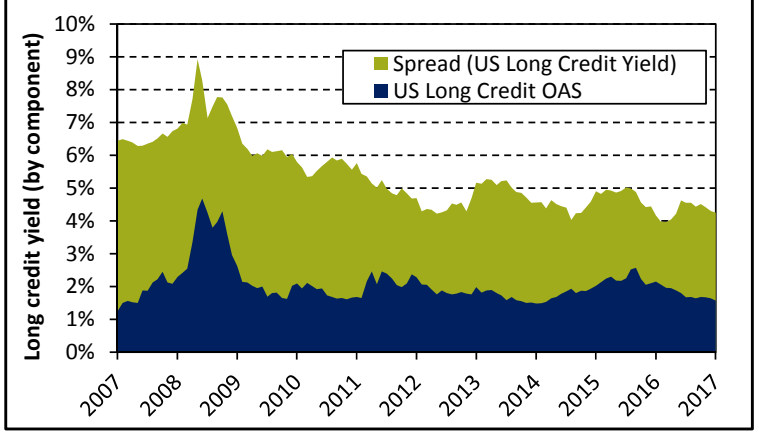
Long Rates and Liability

Long duration yields have steadied



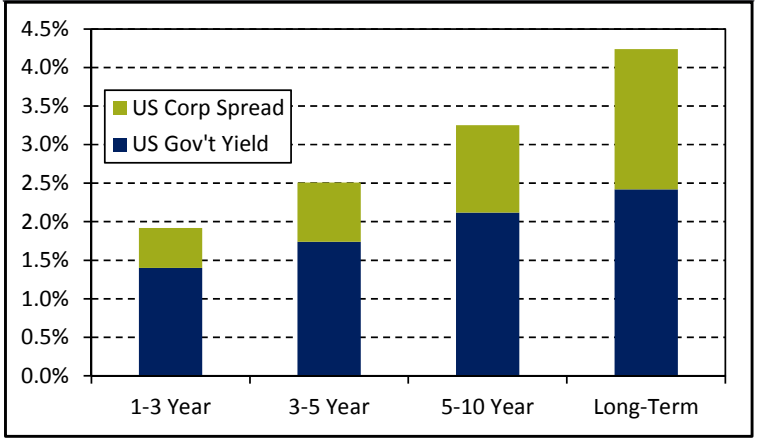
Source: Bloomberg, Citigroup, Barclays

Long credit yield remains in line with previous years



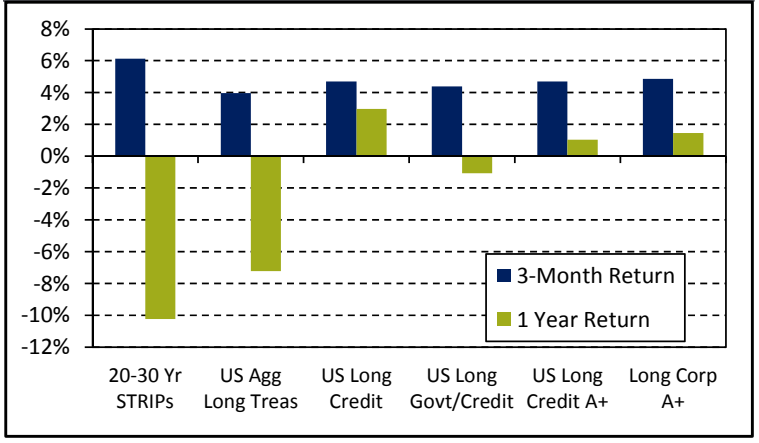
Source: Bloomberg, US Treasury, Barclays, NEPC

Yield and spread components continue to offer modest returns



Source: Bloomberg, Barclays

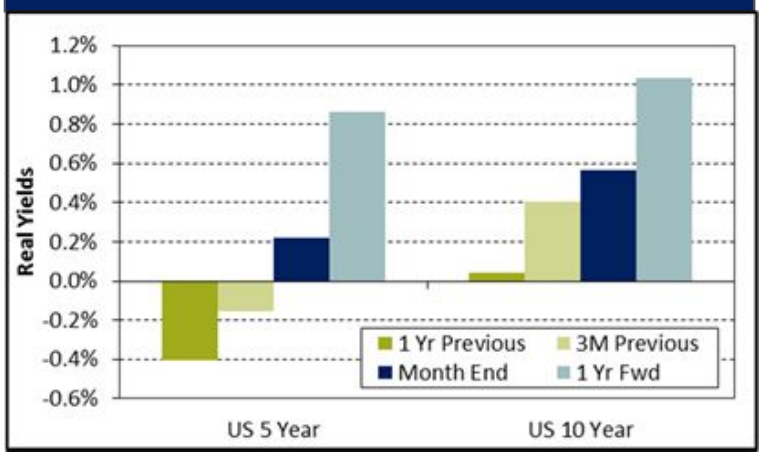
Long duration fixed income posts short-term gains



Source: Bloomberg, Barclays

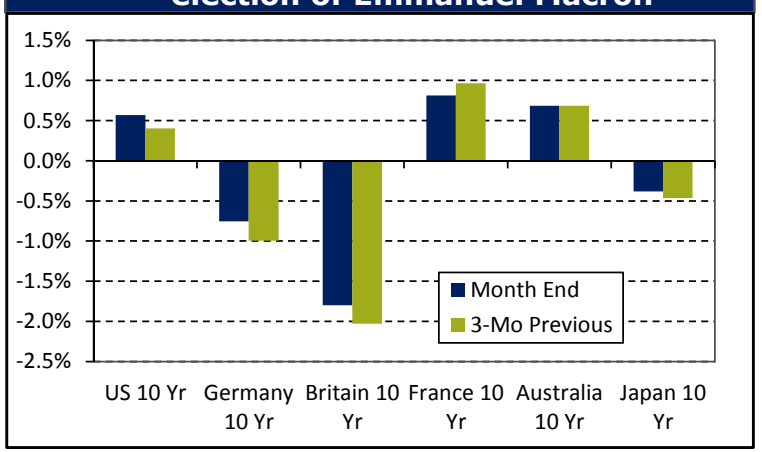
Inflation and Real Rates

US real yields continue to increase



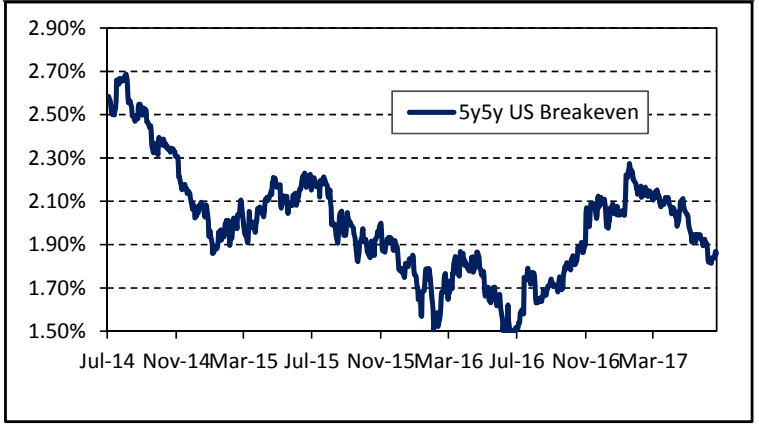
Source: Bloomberg

French yields have declined following the election of Emmanuel Macron



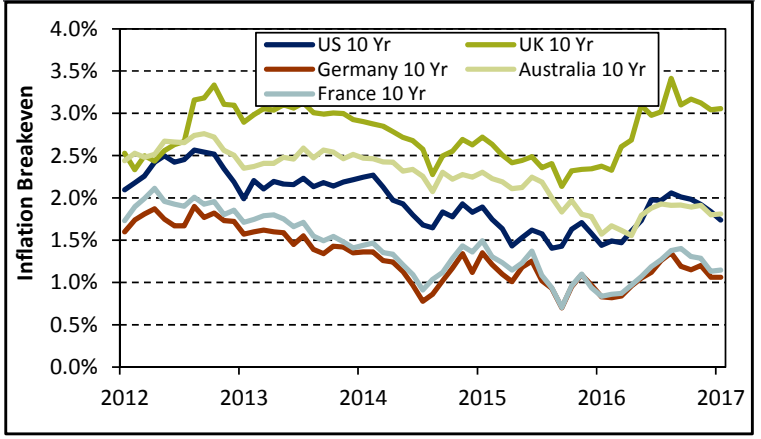
Source: Bloomberg

US inflation expectations have decreased off of post US election highs



Source: Bloomberg

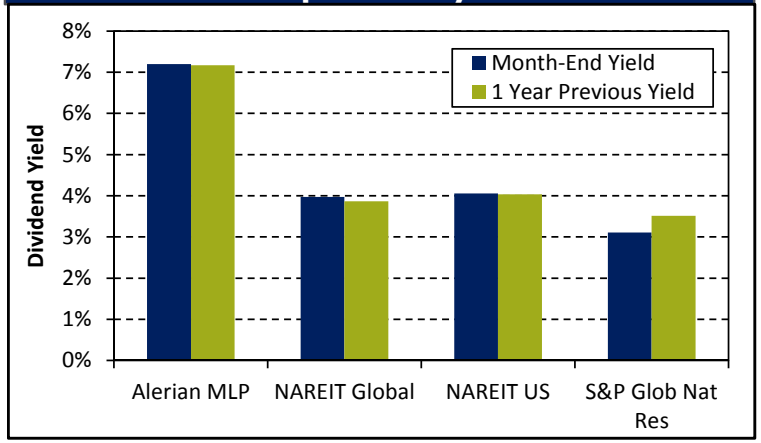
Inflation expectations have started to decline



Source: Bloomberg

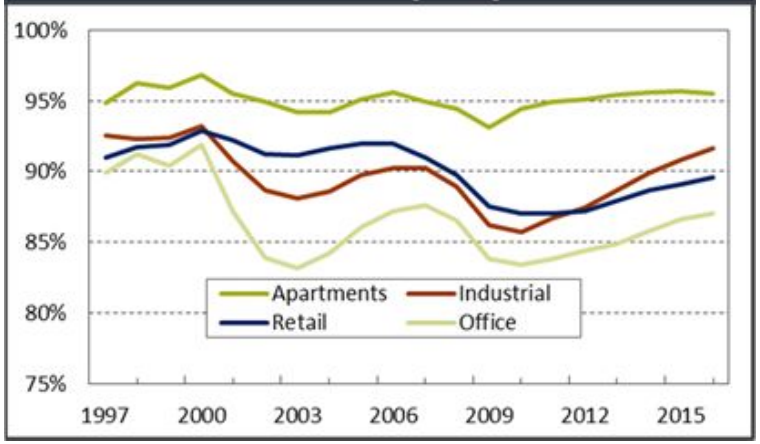
Inflation-Sensitive Growth Assets

Yields remain relatively similar to the previous year



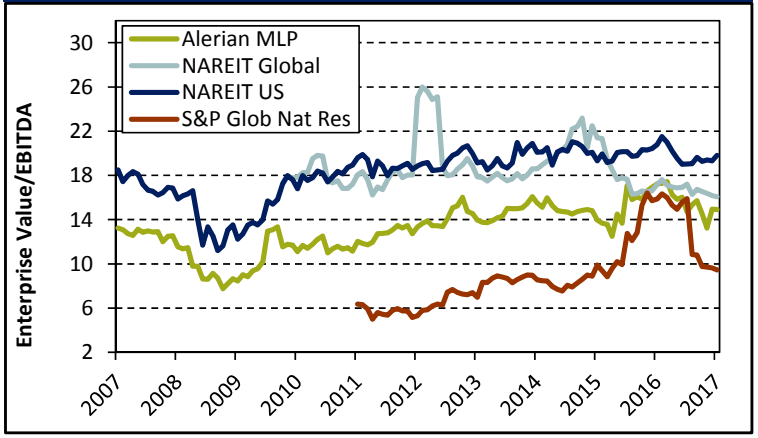
Source: Bloomberg, Alerian, Nareit, Standard and Poors

Sustained recovery in commercial real estate occupancy rates



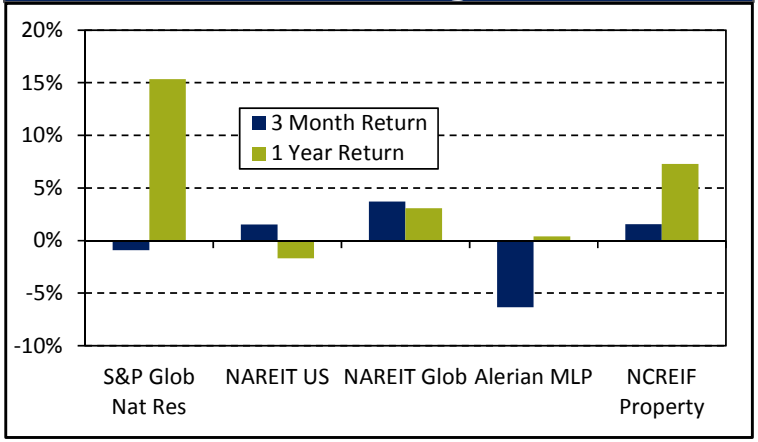
Source: CBRE

US REIT valuations have steadied



Source: Bloomberg, US Census Bureau

Mixed short-term performance for inflation-sensitive growth assets



Source: Bloomberg, Alerian, Nareit, Standard and Poors

Glossary of Investment Terminology—Risk Statistics

Alpha - Measures the relationship between the fund performance and the performance of another fund or benchmark index and equals the excess return while the other fund or benchmark index is zero.

Alpha Jensen - The average return on a portfolio over and above that predicted by the capital asset pricing model (CAPM), given the portfolio's beta and the average market return. Also known as the abnormal return or the risk adjusted excess return.

Annualized Excess Return over Benchmark - Annualized fund return minus the annualized benchmark return for the calculated return.

Annualized Return - A statistical technique whereby returns covering periods greater than one year are converted to cover a 12 month time span.

Beta - Measures the volatility or systematic risk and is equal to the change in the fund's performance in relation to the change in the assigned index's performance.

Information Ratio - A measure of the risk adjusted return of a financial security, asset, or portfolio.

Formula:
(Annualized Return of Portfolio - Annualized Return of Benchmark)/Annualized Standard Deviation(Period Portfolio Return – Period Benchmark Return). To annualize standard deviation, multiply the deviation by the square root of the number of periods per year where monthly returns per year equals 12 and quarterly returns is four periods per year.

R-Squared – Represents the percentage of a fund's movements that can be explained by movements in an index. R-Squared values range from 0 to 100. An R-Squared of 100 denotes that all movements of a fund are completely explained by movements in the index.

Sharpe Ratio - A measure of the excess return or risk premium per unit of risk in an investment asset or trading strategy.

Sortino Ratio - A method to differentiate between good and bad volatility in the Sharpe Ratio. The differentiation of up and down volatility allows the calculation to provide a risk adjusted measure of a security or fund's performance without upward price change penalties.

Formula:
*Calculation Average (X-Y)/Downside Deviation (X-Y) * 2*
Where X=Return Series X Y = Return Series Y which is the risk free return (91 day T-bills)

Standard Deviation - The standard deviation is a statistical term that describes the distribution of results. It is a commonly used measure of volatility of returns of a portfolio, asset class, or security. The higher the standard deviation the more volatile the returns are.

Formula:
(Annualized Return of Portfolio – Annualized Return of Risk Free) / Annualized Standard Deviation (Portfolio Returns)

Tracking Error - Tracking error, also known as residual risk, is a measure of the degree to which a portfolio tracks its benchmark. It is also a measure of consistency of excess returns. Tracking error is computed as the annualized standard deviation of the difference between a portfolio's return and that of its benchmark.

Formula:
*Tracking Error = Standard Deviation (X-Y) * √(# of periods per year)*
Where X = periods portfolio return and Y = the period's benchmark return
For monthly returns, the periods per year = 12
For quarterly returns, the periods per year = 4

Treynor Ratio - A risk-adjusted measure of return based on systematic risk. Similar to the Sharpe ratio with the difference being the Treynor ratio uses beta as the measurement of volatility.

Formula:
(Portfolio Average Return - Average Return of Risk-Free Rate)/Portfolio Beta

Up/Down Capture Ratio - A measure of what percentage of a market's returns is "captured" by a portfolio. For example, if the market declines 10% over some period, and the manager declines only 9%, then his or her capture ratio is 90%. In down markets, it is advantageous for a manager to have as low a capture ratio as possible. For up markets, the higher the capture ratio the better. Looking at capture ratios can provide insight into how a manager achieves excess returns. A value manager might typically have a lower capture ratio in both up and down markets, achieving excess returns by protecting on the downside, whereas a growth manager might fall more than the overall market in down markets, but achieve above-market returns in a rising market.

UpsideCapture = TotalReturn(FundReturns)/TotalReturns(BMReturn) when Period Benchmark Return is > = 0

DownsideCapture = TotalReturn(FundReturns)/TotalReturns(BMReturn) when Benchmark <0

Data Source: InvestorForce

Glossary of Investment Terminology

 # Of Portfolios/Observations[1] – The total number of data points that make up a specified universe

Allocation Index[3] - The allocation index measures the value added (or subtracted) to each portfolio by active management. It is calculated monthly: The portfolio asset allocation to each category from the prior month-end is multiplied by a specified market index.

Asset Allocation Effect[2] **-** Measures an investment manager's ability to effectively allocate their portfolio's assets to various sectors. The allocation effect determines whether the overweighting or underweighting of sectors relative to a benchmark contributes positively or negatively to the overall portfolio return. Positive allocation occurs when the portfolio is over weighted in a sector that outperforms the benchmark and underweighted in a sector that underperforms the benchmark. Negative allocation occurs when the portfolio is over weighted in a sector that underperforms the benchmark and under weighted in a sector that outperforms the benchmark.

Agency Bonds (Agencies)[3] - The full faith and credit of the United States government is normally not pledged to payment of principal and interest on the majority of government agencies issuing these bonds, with maturities of up to ten years. Their yields, therefore, are normally higher than government and their marketability is good, thereby qualifying them as a low risk-high liquidity type of investment. They are eligible as security for advances to the member banks by the Federal Reserve, which attests to their standing.

Asset Backed Securities (ABS)[3] - Bonds which are similar to mortgage-backed securities but are collateralized by assets other than mortgages; commonly backed by credit card receivables, auto loans, or other types of consumer financing.

Attribution[3] - Attribution is an analytical technique that allows us to evaluate the performance of the portfolio relative to the benchmark. A proper attribution tells us where value was added or subtracted as a result of the manager's decisions.

Average Effective Maturity[4] - For a single bond, it is a measure of maturity that takes into account the possibility that a bond might be called back to the issuer.

For a portfolio of bonds, average effective maturity is the weighted average of the maturities of the underlying bonds. The measure is computed by weighing each bond's maturity by its market value with respect to the portfolio and the likelihood of any of the bonds being called. In a pool of mortgages, this would also account for the likelihood of prepayments on the mortgages.

Batting Average[1] - A measurement representing an investment manager's ability to meet or beat an index.

Formula: Divide the number of days (or months, quarters, etc.) in which the manager beats or matches the index by the total number of days (or months, quarters, etc.) in the period of question and multiply that factor by 100.

Brinson Fachler (BF) Attribution[1] - The BF methodology is a highly accepted industry standard for calculating the allocation, selection, and interaction effects within a portfolio that collectively explains a portfolio's underlying performance. The main advantage of the BF methodology is that rather than using the overall return of the benchmark, it goes a level deeper than BHB and measures whether the benchmark sector, country, etc. outperformed/or underperformed the overall benchmark.

Brinson Hood Beebower (BHB) Attribution[1] - The BHB methodology shows that excess return must be equal to the sum of all other factors (i.e., allocation effect, selection effect, interaction effect, etc.). The advantage to using the BHB methodology is that it is a highly accepted industry standard for calculating the allocation, selection, and interaction effects within a portfolio that collectively explains a portfolio's underlying performance.

Corporate Bond (Corp) [4] - A debt security issued by a corporation and sold to investors. The backing for the bond is usually the payment ability of the company, which is typically money to be earned from future operations. In some cases, the company's physical assets may be used as collateral for bonds.

Correlation[1] - A range of statistical relationships between two or more random variables or observed data values. A correlation is a single number that describes the degree of relationship between variables.

Data Source: [1]InvestorForce, [2]Interaction Effect Performance Attribution, [3]NEPC, LLC, [4]Investopedia, [5]Hedgeco.net

Glossary of Investment Terminology

Coupon[4] – The interest rate stated on a bond when it is issued. The coupon is typically paid semiannually. This is also referred to as the "coupon rate" or "coupon percent rate."

Currency Effect[1] - Is the effect that changes in currency exchange rates over time affect excess performance.

Derivative Instrument[3] - A financial obligation that derives its precise value from the value of one or more other instruments (or assets) at the same point of time. For example, the relationship between the value of an S&P 500 futures contract (the derivative instrument in this case) is determined by the value of the S&P 500 Index and the value of a U.S. Treasury bill that matures at the expiration of the futures contract.

Downside Deviation[1] - Equals the standard deviation of negative return or the measure of downside risk focusing on the standard deviation of negative returns.

Formula:
Annualized Standard Deviation (Fund Return - Average Fund Return) where average fund return is greater than individual fund returns, monthly or quarterly.

Duration[3] - Duration is a measure of interest rate risk. The greater the duration of a bond, or a portfolio of bonds, the greater its price volatility will be in response to a change in interest rates. A bond's duration is inversely related to interest rates and directly related to time to maturity.

Equity/Debt/Cash Ratio[1] – The percentage of an investment or portfolio that is in Equity, Debt, and/or Cash (i.e. A 7/89/4 ratio represents an investment that is made up of 7% Equity, 89% Debt, and 4% Cash).

Foreign Bond[3] - A bond that is issued in a domestic market by a foreign entity, in the domestic market's currency. A foreign bond is most often issued by a foreign firm to raise capital in a domestic market that would be most interested in purchasing the firm's debt. For foreign firms doing a large amount of business in the domestic market, issuing foreign bonds is a common practice.

Hard Hurdle[5] – is a hurdle rate that once beaten allows a fund manager to charge a performance fee on only the funds above the specified hurdle rate.

High-Water Mark[4] - The highest peak in value that an investment fund/account has reached. This term is often used in the context of fund manager compensation, which is performance based. Some performance-based fees only get paid when fund performance exceeds the high-water mark. The high-water mark ensures that the manager does not get paid large sums for poor performance.

Hurdle Rate[4] - The minimum rate of return on an investment required, in order for a manager to collect incentive fees from the investor, which is usually tied to a benchmark.

Interaction Effects[2] - The interaction effect measures the combined impact of an investment manager's selection and allocation decisions within a sector. For example, if an investment manager had superior selection and over weighted that particular sector, the interaction effect is positive. If an investment manager had superior selection, but underweighted that sector, the interaction effect is negative. In this case, the investment manager did not take advantage of the superior selection by allocating more assets to that sector. Since many investment managers consider the interaction effect to be part of the selection or the allocation, it is often combined with the either effect.

Median[3] - The value (rate of return, market sensitivity, etc.) that exceeds one-half of the values in the population and that is exceeded by one-half of the values. The median has a percentile rank of 50.

Modified Duration[3] - The percentage change in the price of a fixed income security that results from a change in yield.

Mortgage Backed Securities (MBS)[3] - Bonds which are a general obligation of the issuing institution but are also collateralized by a pool of mortgages.

Municipal Bond (Muni) [4] - A debt security issued by a state, municipality or county to finance its capital expenditures.

Net Investment Change[1] – Is the change in an investment after accounting for all Net Cash Flows.

Performance Fee[4] - A payment made to a fund manager for generating positive returns. The performance fee is generally calculated as a percentage of investment profits, often both realized and unrealized.

Data Source: [1]InvestorForce, [2]Interaction Effect Performance Attribution, [3]NEPC, LLC, [4]Investopedia, [5]Hedgeco.net

Glossary of Investment Terminology

Policy Index[3] - A custom benchmark designed to indicate the returns that a passive investor would earn by consistently following the asset allocation targets set forth in this investment policy statement.

Price to Book (P/B)[4] - A ratio used to compare a stock's market value to its book value. It is calculated by dividing the current closing price of the stock by the latest quarter's book value per share, also known as the "price-equity ratio".

Price to Earnings (P/E)[3] - The weighted equity P/E is based on current price and trailing 12 months earnings per share (EPS).

Price to Sales (P/S)[4] - A ratio for valuing a stock relative to its own past performance, other companies, or the market itself. Price to sales is calculated by dividing a stock's current price by its revenue per share for the trailing 12 months.

Return on Equity (ROE)[4] **-** The amount of net income returned as a percentage of shareholders equity. Return on equity measures a corporation's profitability by revealing how much profit a company generates with the money shareholders have invested.

Selection (or Manager) Effect[2] - Measures the investment manager's ability to select securities within a given sector relative to a benchmark. The over or underperformance of the portfolio is weighted by the benchmark weight, therefore, selection is not affected by the manager's allocation to the sector. The weight of the sector in the portfolio determines the size of the effect—the larger the sector, the larger the effect is, positive or negative.

Soft Hurdle rate[5] **–** is a hurdle rate that once beaten allows a fund manager to charge a performance fee based on the entire annualized return.

Tiered Fee[1] – A fee structure that is paid to fund managers based on the size of the investment (i.e. 1.00% fee on the first $10M invested, 0.90% on the next $10M, and 0.80% on the remaining balance).

Total Effects[2] - The active management (total) effect is the sum of the selection, allocation, and interaction effects. It is also the difference between the total portfolio return and the total benchmark return. You can use the active management effect to determine the amount the investment manager has added to a portfolio's return.

Total Return[1] - The actual rate of return of an investment over a specified time period. Total return includes interest, capital gains, dividends, and distributions realized over a defined time period.

Universe[3] - The list of all assets eligible for inclusion in a portfolio.

Upside Deviation[1] – Standard Deviation of Positive Returns

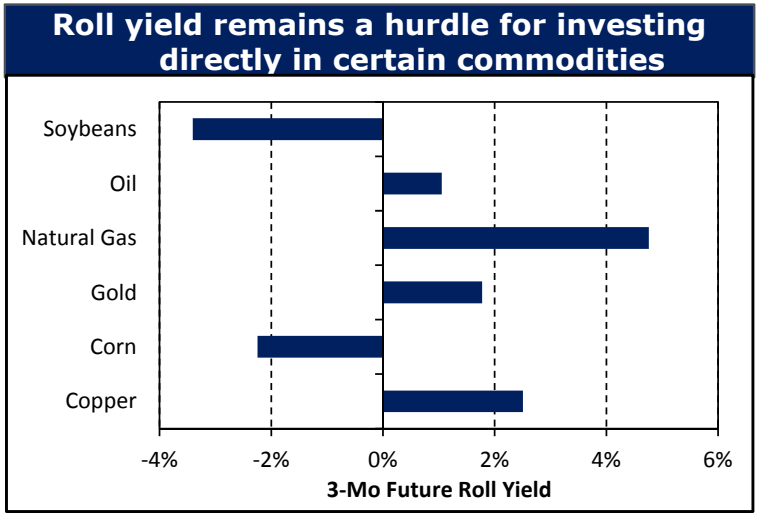
Weighted Avg. Market Cap.[4] - A stock market index weighted by the market capitalization of each stock in the index. In such a weighting scheme, larger companies account for a greater portion of the index. Most indexes are constructed in this manner, with the best example being the S&P 500.

Yield (%)[3] - The current yield of a security is the current indicated annual dividend rate divided by current price.
Yield to Maturity[3] -The discount rate that equates the present value of cash flows, both principal and interest, to market price.

Data Source: [1]InvestorForce, [2]Interaction Effect Performance Attribution, [3]NEPC, LLC, [4]Investopedia, [5]Hedgeco.net

Commodities

Roll yield remains a hurdle for investing directly in certain commodities

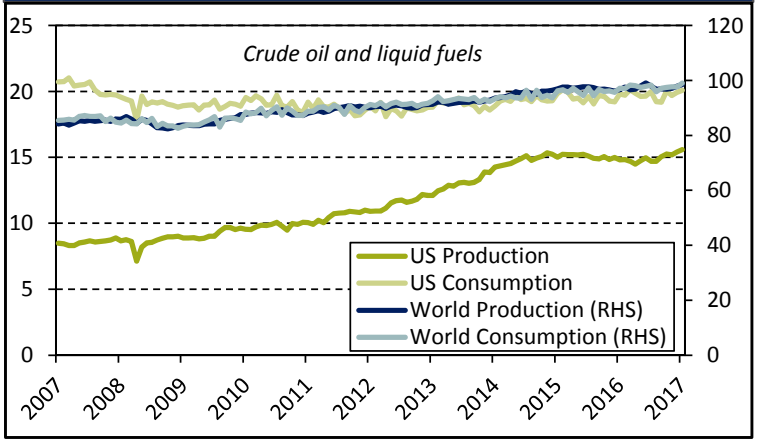


Source: Bloomberg

Oil has recently experienced a steady decline

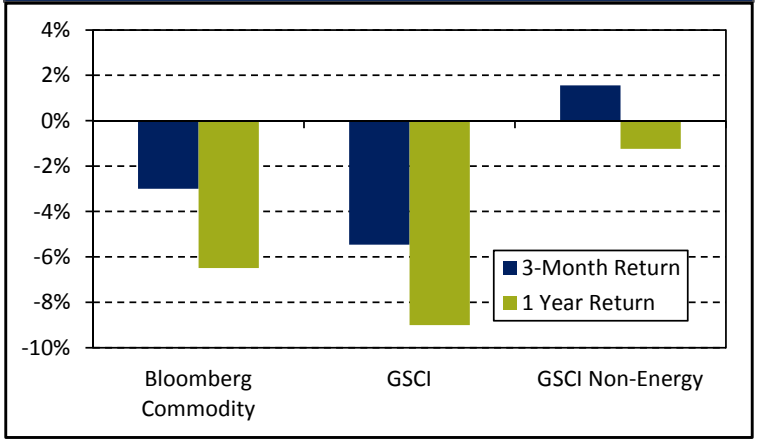
Source: Bloomberg

Oil production and consumption has steadied



*Source: Bloomberg, US Department of Energy *Crude oil and liquid fuels*

Commodities have declined significantly over the short-term



Source: Bloomberg, Standard and Poors

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Information Disclaimer and Reporting Methodology

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- For managers funded in the middle of a month, the "since inception" return will start with the first full month, although actual inception dates and cash flows are taken into account in all Composite calculations.
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NEPC, LLC

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Ventura County Employees' Retirement Association

Preliminary Performance Report
Month Ending July 31, 2017

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Ventura County Employees' Retirement Association

Total Fund Performance Detail Net of Fees

	Market Value ($)	% of Portfolio	Policy %	1 Mo (%)	YTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)	Return (%)	Since
Total Fund	**5,172,368,786**	**100.0**	**100.0**	**1.8**	**9.3**	**11.7**	**6.0**	**9.3**	**5.5**	**8.1**	**Apr-94**
Policy Index				*1.7*	*9.6*	*11.8*	*6.9*	*9.6*	*5.8*	*8.1*	*Apr-94*
Over/Under				0.1	-0.3	-0.1	-0.9	-0.3	-0.3	0.0	
Allocation Index				*1.7*	*9.6*	*12.2*	*6.4*	*9.0*	*5.3*	--	*Apr-94*
60% MSCI ACWI (Net) / 40% CITI WGBI				*2.4*	*11.3*	*8.7*	*3.8*	*6.5*	*4.2*	--	*Apr-94*
Total Fund ex Parametric	**4,961,991,422**	**95.9**	**--**	**1.7**	**9.0**	**11.2**	**5.8**	**9.1**	**5.4**	**8.0**	**Apr-94**
Total Fund ex Private Equity	**4,965,037,582**	**96.0**	**--**	**1.9**	**9.4**	**11.6**	**5.8**	**8.8**	**--**	**9.2**	**Jan-12**
Policy Index				*1.7*	*9.6*	*11.8*	*6.9*	*9.6*	*5.8*	*9.9*	*Jan-12*
Over/Under				0.2	-0.2	-0.2	-1.1	-0.8		-0.7	
Total US Equity	**1,611,759,506**	**31.2**	**28.0**	**2.1**	**11.1**	**16.3**	**10.6**	**15.0**	**7.6**	**9.2**	**Dec-93**
Russell 3000				*1.9*	*11.0*	*16.1*	*10.5*	*14.7*	*7.9*	*9.5*	*Dec-93*
Over/Under				0.2	0.1	0.2	0.1	0.3	-0.3	-0.3	
Western U.S. Index Plus	180,520,899	3.5		3.1	12.1	17.1	11.5	15.7	5.9	5.2	May-07
S&P 500				*2.1*	*11.6*	*16.0*	*10.9*	*14.8*	*7.7*	*7.1*	*May-07*
Over/Under				1.0	0.5	1.1	0.6	0.9	-1.8	-1.9	
Blackrock Russell 1000 Index	1,375,060,411	26.6		2.0	--	--	--	--	--	4.0	May-17
Russell 1000				*2.0*	*11.4*	*15.9*	*10.6*	*14.8*	*7.8*	*4.0*	*May-17*
Over/Under				0.0						0.0	
Blackrock Russell 2500 Index	56,178,196	1.1		1.0	--	--	--	--	--	2.4	May-17
Russell 2500				*1.0*	*7.1*	*15.1*	*9.1*	*14.4*	*8.2*	*2.4*	*May-17*
Over/Under				0.0						0.0	

Policy Index: Currently, 28% Russell 3000, 20% Barclays Aggregate, 15% MSCI ACWI ex U.S., 10%MSCI ACWI, 10% DJ U.S. Total Stock Market Index + 3%, 10% CPI+4% Index, and 7% NCREIF ODCE Real Estate Index.

Prior to January 2016 the Total U.S. Equity Benchmark was a dynamic hybrid using the respective managers' market value weights within the U.S. Equity component toward their benchmark. Prior to May 2013, the Dow Jones U.S. Total Stock Market Index. Prior to May 2007, the Russell 3000 Index.

Ventura County Employees' Retirement Association

Total Fund Performance Detail Net of Fees

	Market Value ($)	% of Portfolio	Policy %	1 Mo (%)	YTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)	Return (%)	Since
Total Non-US Equity	**828,256,548**	**16.0**	**15.0**	**3.7**	**17.6**	**18.9**	**3.5**	**8.2**	**2.0**	**6.6**	**Mar-94**
MSCI ACWI ex USA				*3.7*	*18.3*	*19.0*	*2.4*	*7.7*	*1.5*	*5.3*	*Mar-94*
Over/Under				0.0	-0.7	-0.1	1.1	0.5	0.5	1.3	
MSCI EAFE				*2.9*	*17.1*	*17.8*	*2.8*	*9.1*	*1.5*	*5.0*	*Mar-94*
MSCI ACWI ex USA Local Currency				*1.6*	*10.5*	*17.9*	*6.8*	*11.1*	*2.8*	*--*	*Mar-94*
MSCI EAFE Local Currency				*0.7*	*8.3*	*17.4*	*7.3*	*12.4*	*2.4*	*4.9*	*Mar-94*
BlackRock ACWI ex-U.S. Index	405,455,530	7.8		3.7	18.7	19.1	2.9	8.3	2.0	2.7	Mar-07
MSCI ACWI ex USA				*3.7*	*18.3*	*19.0*	*2.4*	*7.7*	*1.5*	*2.2*	*Mar-07*
Over/Under				0.0	0.4	0.1	0.5	0.6	0.5	0.5	
MSCI ACWI ex USA Local Currency				*1.6*	*10.5*	*17.9*	*6.8*	*11.1*	*2.8*	*3.2*	*Mar-07*
Sprucegrove	216,629,369	4.2		5.2	17.0	24.3	3.4	8.4	2.7	7.8	Mar-02
MSCI ACWI ex USA				*3.7*	*18.3*	*19.0*	*2.4*	*7.7*	*1.5*	*6.8*	*Mar-02*
Over/Under				1.5	-1.3	5.3	1.0	0.7	1.2	1.0	
MSCI EAFE				*2.9*	*17.1*	*17.8*	*2.8*	*9.1*	*1.5*	*6.2*	*Mar-02*
MSCI ACWI ex USA Local Currency				*1.6*	*10.5*	*17.9*	*6.8*	*11.1*	*2.8*	*5.4*	*Mar-02*
MSCI EAFE Local Currency				*0.7*	*8.3*	*17.4*	*7.3*	*12.4*	*2.4*	*4.6*	*Mar-02*
Hexavest	91,348,617	1.8		2.6	14.0	13.3	3.1	7.6	--	5.0	Dec-10
MSCI EAFE				*2.9*	*17.1*	*17.8*	*2.8*	*9.1*	*1.5*	*5.4*	*Dec-10*
Over/Under				-0.3	-3.1	-4.5	0.3	-1.5		-0.4	
MSCI EAFE Local Currency				*0.7*	*8.3*	*17.4*	*7.3*	*12.4*	*2.4*	*8.0*	*Dec-10*
Walter Scott	114,823,032	2.2		2.1	17.6	13.0	5.3	7.7	--	5.8	Dec-10
MSCI ACWI ex USA				*3.7*	*18.3*	*19.0*	*2.4*	*7.7*	*1.5*	*4.1*	*Dec-10*
Over/Under				-1.6	-0.7	-6.0	2.9	0.0		1.7	
MSCI ACWI ex USA Local Currency				*1.6*	*10.5*	*17.9*	*6.8*	*11.1*	*2.8*	*7.1*	*Dec-10*
MSCI EAFE				*2.9*	*17.1*	*17.8*	*2.8*	*9.1*	*1.5*	*5.4*	*Dec-10*
Total Global Equity	**553,075,695**	**10.7**	**10.0**	**2.8**	**14.9**	**18.0**	**5.4**	**10.1**	**3.6**	**5.9**	**May-05**
MSCI ACWI				*2.8*	*14.6*	*17.1*	*6.2*	*10.9*	*4.2*	*6.8*	*May-05*
Over/Under				0.0	0.3	0.9	-0.8	-0.8	-0.6	-0.9	
BlackRock MSCI ACWI Equity Index	553,075,695	10.7		2.8	14.9	17.6	6.7	11.3	--	11.3	Aug-12
MSCI ACWI				*2.8*	*14.6*	*17.1*	*6.2*	*10.9*	*4.2*	*10.9*	*Aug-12*
Over/Under				0.0	0.3	0.5	0.5	0.4		0.4	

Ventura County Employees' Retirement Association

Total Fund Performance Detail Net of Fees

	Market Value ($)	% of Portfolio	Policy %	1 Mo (%)	YTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)	Return (%)	Since
Total US Fixed Income	**950,333,231**	**18.4**	**20.0**	**0.5**	**3.4**	**1.9**	**2.9**	**2.8**	**5.8**	**6.0**	**Feb-94**
BBgBarc US Aggregate TR				*0.4*	*2.7*	*-0.5*	*2.7*	*2.0*	*4.4*	*5.4*	*Feb-94*
Over/Under				0.1	0.7	2.4	0.2	0.8	1.4	0.6	
BlackRock U.S. Debt Fund	221,251,611	4.3		0.4	2.8	-0.5	2.8	2.1	4.5	5.3	Nov-95
BBgBarc US Aggregate TR				*0.4*	*2.7*	*-0.5*	*2.7*	*2.0*	*4.4*	*5.2*	*Nov-95*
Over/Under				0.0	0.1	0.0	0.1	0.1	0.1	0.1	
Western	294,423,275	5.7		0.6	4.6	1.6	3.8	3.6	5.6	6.3	Dec-96
BBgBarc US Aggregate TR				*0.4*	*2.7*	*-0.5*	*2.7*	*2.0*	*4.4*	*5.3*	*Dec-96*
Over/Under				0.2	1.9	2.1	1.1	1.6	1.2	1.0	
Reams	307,692,156	5.9		0.2	2.1	2.4	2.0	1.9	5.9	5.5	Sep-01
Reams Custom Index				*0.1*	*0.7*	*1.1*	*0.6*	*0.4*	*3.6*	*4.0*	*Sep-01*
Over/Under				0.1	1.4	1.3	1.4	1.5	2.3	1.5	
BBgBarc US Aggregate TR				*0.4*	*2.7*	*-0.5*	*2.7*	*2.0*	*4.4*	*4.5*	*Sep-01*
3-Month LIBOR + 3%				*0.4*	*2.4*	*4.1*	*3.6*	*3.5*	*4.0*	*4.8*	*Sep-01*
Loomis Strategic Alpha	45,301,210	0.9		0.6	1.7	4.3	2.3	--	--	2.6	Jul-13
BBgBarc US Aggregate TR				*0.4*	*2.7*	*-0.5*	*2.7*	*2.0*	*4.4*	*3.0*	*Jul-13*
Over/Under				0.2	-1.0	4.8	-0.4			-0.4	
3-Month LIBOR + 3%				*0.4*	*2.4*	*4.1*	*3.6*	*3.5*	*4.0*	*3.5*	*Jul-13*
Loomis Sayles Multi Strategy	81,664,978	1.6		1.0	6.6	6.3	4.0	5.5	6.9	6.7	Jul-05
Loomis Custom Index				*0.6*	*3.6*	*2.8*	*3.4*	*3.3*	*5.5*	*5.3*	*Jul-05*
Over/Under				0.4	3.0	3.5	0.6	2.2	1.4	1.4	
BBgBarc US Govt/Credit TR				*0.4*	*3.1*	*-0.8*	*2.8*	*2.0*	*4.5*	*4.3*	*Jul-05*

Reams Custom Index: Merrill Lynch 3 Month Libor Constant Maturity Index, prior to February 2013 the Barclays Aggregate.

Loomis Custom Index: 65% Barclays Aggregate, 30% Citigroup High Yield Market Index and 5% JPM Non-US Hedged Bond Index.

Ventura County Employees' Retirement Association

Total Fund Performance Detail Net of Fees

	Market Value ($)	% of Portfolio	Policy %	1 Mo (%)	YTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)	Return (%)	Since
Total Real Estate	**391,122,352**	**7.6**	**7.0**	**0.0**	**2.2**	**5.5**	**9.3**	**9.5**	**2.8**	**7.8**	**Mar-94**
NCREIF ODCE Net				*0.0*	*3.0*	*6.9*	*10.3*	*10.8*	*4.3*	*8.1*	*Mar-94*
Over/Under				0.0	-0.8	-1.4	-1.0	-1.3	-1.5	-0.3	
Prudential Real Estate	139,056,749	2.7		0.0	2.9	7.3	10.8	11.0	3.9	6.1	Jun-04
NCREIF ODCE Net				*0.0*	*3.0*	*6.9*	*10.3*	*10.8*	*4.3*	*7.1*	*Jun-04*
Over/Under				0.0	-0.1	0.4	0.5	0.2	-0.4	-1.0	
NCREIF ODCE				*0.0*	*3.5*	*7.9*	*11.3*	*11.8*	*5.2*	*8.0*	*Jun-04*
UBS Real Estate	251,891,417	4.9		0.0	1.9	4.6	8.6	8.7	4.3	7.4	Mar-03
NCREIF ODCE Net				*0.0*	*3.0*	*6.9*	*10.3*	*10.8*	*4.3*	*7.3*	*Mar-03*
Over/Under				0.0	-1.1	-2.3	-1.7	-2.1	0.0	0.1	
NCREIF ODCE				*0.0*	*3.5*	*7.9*	*11.3*	*11.8*	*5.2*	*8.3*	*Mar-03*
RREEF	174,186	0.0		0.0	-4.0	-16.4	-2.6	6.5	--	-6.3	Sep-07
NCREIF ODCE Net				*0.0*	*3.0*	*6.9*	*10.3*	*10.8*	*4.3*	*4.0*	*Sep-07*
Over/Under				0.0	-7.0	-23.3	-12.9	-4.3		-10.3	
NCREIF ODCE				*0.0*	*3.5*	*7.9*	*11.3*	*11.8*	*5.2*	*4.9*	*Sep-07*
Total Liquid Alternatives	**420,112,887**	**8.1**	**10.0**	**1.5**	**4.0**	**4.8**	**-0.7**	**--**	**--**	**4.9**	**Apr-13**
CPI + 4% (Unadjusted)				*0.3*	*3.7*	*5.8*	*4.9*	*9.3*	--	*6.2*	*Apr-13*
Over/Under				1.2	0.3	-1.0	-5.6			-1.3	
Bridgewater All Weather Fund	296,276,714	5.7		1.5	5.4	4.4	2.2	--	--	4.8	Aug-13
CPI + 5% (Unadjusted)				*0.3*	*4.3*	*6.8*	*5.9*	--	--	*6.2*	*Aug-13*
Over/Under				1.2	1.1	-2.4	-3.7			-1.4	
Tortoise Energy Infrastructure	123,836,173	2.4		1.6	0.7	5.5	-6.4	--	--	2.4	Apr-13
Wells Fargo MLP Index				*1.3*	*-1.8*	*3.2*	*-9.6*	*1.8*	--	*-2.3*	*Apr-13*
Over/Under				0.3	2.5	2.3	3.2			4.7	
Overlay	**210,377,364**	**4.1**	**0.0**								
Parametric	210,377,364	4.1									

Total Real Estate Benchmark: NCREIF ODCE; prior to January 2006, the NCREIF Property Index.

Real Estate managers and NCREIF ODCE are valued on a quarterly basis. Performance is not applicable in mid-quarter months, therefore 0% return is shown.

Real Estate Valuation is as of 06/30/2017.

Ventura County Employees' Retirement Association

Total Fund Performance Detail Net of Fees

	Market Value ($)	% of Portfolio	Policy %	1 Mo (%)	YTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)	Return (%)	Since
Total Private Equity	**207,331,204**	**4.0**	**10.0**	**0.1**	**8.2**	**15.3**	**12.8**	**14.0**	**--**	**13.9**	**Jan-12**
DJ U.S. Total Stock Market Index + 3%				*2.1*	*12.9*	*19.6*	*13.7*	*18.1*	--	*18.5*	*Jan-12*
Over/Under				-2.0	-4.7	-4.3	-0.9	-4.1		-4.6	
Adams Street Global Fund Series	119,791,112	2.3		0.0	5.4	12.2	10.0	12.1	--	12.3	Jan-12
DJ U.S. Total Stock Market Index + 3%				*2.1*	*12.9*	*19.6*	*13.7*	*18.1*	--	*18.5*	*Jan-12*
Over/Under				-2.1	-7.5	-7.4	-3.7	-6.0		-6.2	
Harbourvest	60,094,365	1.2		0.6	12.9	17.4	19.6	--	--	18.9	Aug-13
DJ U.S. Total Stock Market Index + 3%				*2.1*	*12.9*	*19.6*	*13.7*	*18.1*	--	*15.2*	*Aug-13*
Over/Under				-1.5	0.0	-2.2	5.9			3.7	
Pantheon Global Secondary Funds	25,232,660	0.5		0.0	13.8	33.8	13.0	14.4	--	12.1	Jan-12
DJ U.S. Total Stock Market Index + 3%				*2.1*	*12.9*	*19.6*	*13.7*	*18.1*	--	*18.5*	*Jan-12*
Over/Under				-2.1	0.9	14.2	-0.7	-3.7		-6.4	
Drive Capital Fund	2,213,068	0.0		-4.4	-31.7	--	--	--	--	-51.7	Sep-16
DJ U.S. Total Stock Market Index + 3%				*2.1*	*12.9*	*19.6*	*13.7*	*18.1*	--	*19.0*	*Sep-16*
Over/Under				-6.5	-44.6					-70.7	

Please Note:
Private Equity performance is shown on a time-weighted return basis. Values are cash adjusted with current month cash flows.

Ventura County Employees' Retirement Association

Private Equity Limited Partnership Performance

Fund Name	Vintage Year	Initial Investment Date	Commitment	Capital Called to Date[1]	Outstanding Commitment[1]	Call Ratio	Add'l Fees[2]	Distributions to Date	Valuation	Total Value	Net Benefit	Since Inception IRR	Since Inception Distributions to Paid In Multiple (DPI)	Since Inception Total Value to Paid In Multiple (TVPI)
Adams Street 2010 U.S. Fund	2010	5/21/2010	$42,500,000	$34,807,500	$7,692,500	82%	$15,213	$16,630,927	$34,181,255	$50,812,182	$15,989,469	6.0%	0.48x	1.46x
Adams Street 2010 Non-U.S. Dev. Mkts Fund	2010	5/21/2010	$25,500,000	$20,591,249	$4,908,751	81%	$1,589	$8,748,084	$16,398,305	$25,146,389	$4,553,551	8.1%	0.42x	1.22x
Adams Street 2010 Non-U.S. Emg Mkts Fund	2010	1/3/2011	$8,500,000	$6,868,000	$1,632,000	81%	$0	$1,193,443	$7,674,616	$8,868,059	$2,000,059	8.1%	0.17x	1.29x
Adams Street 2010 Direct Fund	2010	5/21/2010	$8,500,000	$7,975,550	$524,450	94%	$6,697	$6,195,038	$5,141,737	$11,336,775	$3,375,734	9.3%	0.78x	1.42x
Total Adams Street 2010	*2010*	*5/21/2010*	*$85,000,000*	*$70,242,299*	*$14,757,701*	*83%*	*$23,499*	*$32,767,492*	*$63,395,913*	*$96,163,405*	*$25,918,813*	*10.3%*	*0.47x*	*1.37x*
Adams Street 2013 Global Fund	2013	6/27/2013	$75,000,000	$46,875,000	$28,125,000	63%	$10,728	$3,505,124	$48,098,882	$51,604,006	$4,718,278	5.2%	0.07x	1.1x
Adams Street 2016 Global Fund	2016	12/22/2016	$60,000,000	$3,540,000	$56,460,000	6%	$0	$0	$4,094,581	$4,094,581	$554,581	0.0%	0x	1.16x
Drive Capital Fund II	2016	9/1/2016	$15,000,000	$2,576,834	$12,423,166	17%	$3,210	$0	$2,372,182	$2,372,182	($207,862)	0.0%	--	0.92x
HarbourVest - Dover Street VIII	2013	5/30/2013	$67,500,000	$57,712,500	$9,787,500	86%	$84,954	$39,606,700	$39,387,689	$78,994,389	$21,196,935	18.1%	0.69x	1.37x
HarbourVest - Dover Street IX	2016	12/16/2016	$60,000,000	$7,200,000	$52,800,000	12%	$0	$841,532	$6,714,770	$7,556,302	$356,302	12.0%	0.12x	1.05x
HarbourVest - PRTNS CO INVEST IV L.P.	2017	6/2/2017	$30,000,000	$11,071,740	$18,928,260	37%	$0	$0	$11,071,740	$11,071,740	$0	0.0%	--	--
Pantheon Global Secondary Fund IV	2010	8/20/2010	$15,000,000	$9,960,000	$5,040,000	66%	$0	$10,455,001	$4,272,596	$14,727,597	$4,767,597	13.3%	1.05x	1.48x
Pantheon Global Secondary Fund V	2015	2/26/2015	$50,000,000	$17,241,510	$32,758,490	34%	($87,343)	$1,825,034	$19,322,507	$21,147,541	$3,993,374	17.6%	0.11x	1.23x
Total VCERA Private Equity Program	**--**	***5/21/2010***	***$457,500,000***	***$226,419,883***	***$231,080,117***	***49%***	***$35,048***	***$89,000,883***	***$198,730,860***	***$287,731,743***	***$61,298,018***	***11.6%***	***0.19x***	***0.63x***

1. Includes recycled/recallable distributions received to date.
2. Add'l Fees represents notional interest paid/(received).
2. Add'l Fees for Pantheon Global Secondary Fund V includes notional interest paid/(received) and management fee rebates paid to VCERA.
Note: Private equity performance data is reported net of fees.
Performance shown is based on 12/31/2016 NAVs cash-adjusted for cash flows through 07/31/2017.

Ventura County Employees' Retirement Association

Total Fund

Cash Flow Summary

Month Ending July 31, 2017

	Beginning Market Value	Contributions	Withdrawals	Net Cash Flow	Fees	Net Investment Change	Ending Market Value
Adams Street Global Fund Series	$120,268,756	$0	-$477,642	-$477,642	$0	-$2	$119,791,112
BlackRock ACWI ex-U.S. Index	$391,107,141	$0	$0	$0	-$35,455	$14,348,389	$405,455,530
BlackRock MSCI ACWI Equity Index	$537,900,281	$0	$0	$0	-$20,103	$15,175,414	$553,075,695
Blackrock Russell 1000 Index	$1,348,309,874	$0	$0	$0	-$11,876	$26,750,537	$1,375,060,411
Blackrock Russell 2500 Index	$55,596,159	$0	$0	$0	-$936	$582,037	$56,178,196
BlackRock U.S. Debt Fund	$220,274,638	$0	$0	$0	-$10,708	$976,974	$221,251,611
Bridgewater All Weather Fund	$291,824,605	$0	$0	$0	-$95,058	$4,452,110	$296,276,714
Drive Capital Fund	$675,953	$1,617,088	$0	$1,617,088	$0	-$79,973	$2,213,068
Harbourvest- Dover Street VIII	$62,329,635	$0	-$2,625,000	-$2,625,000	$0	$389,730	$60,094,365
Hexavest	$89,006,040	$0	$0	$0	-$34,616	$2,342,576	$91,348,617
Loomis Sayles Multi Strategy	$80,828,387	$0	$0	$0	-$26,250	$836,592	$81,664,978
Loomis Strategic Alpha	$45,036,733	$0	$0	$0	-$15,100	$264,477	$45,301,210
Pantheon Global Secondary Funds	$25,442,660	$0	-$210,000	-$210,000	$0	$0	$25,232,660
Parametric	$60,971,286	$148,312,642	-$1,617,088	$146,695,554	-$46,167	$2,710,524	$210,377,364
Prudential Real Estate	$139,056,749	$0	$0	$0	$0	$0	$139,056,749
Reams	$306,921,476	$0	$0	$0	-$44,712	$770,680	$307,692,156
RREEF	$174,186	$0	$0	$0	$0	$0	$174,186
Sprucegrove	$205,846,500	$0	$0	$0	-$64,714	$10,782,869	$216,629,369
Tortoise Energy Infrastructure	$121,850,725	$0	$0	$0	-$64,498	$1,985,447	$123,836,173
UBS Real Estate	$251,891,417	$0	$0	$0	$0	$0	$251,891,417
Walter Scott	$112,425,129	$0	$0	$0	-$79,287	$2,397,903	$114,823,032
Western	$292,497,126	$0	$0	$0	-$49,303	$1,926,149	$294,423,275
Western U.S. Index Plus	$175,117,296	$0	$0	$0	-$35,065	$5,403,603	$180,520,899
Z TERMINATED - Ventura County US Equity	$29,039	$0	-$29,039	-$29,039	$0	$0	--
Total	**$4,935,381,791**	**$149,929,730**	**-$4,958,769**	**$144,970,961**	**-$633,847**	**$92,016,035**	**$5,172,368,786**

Information Disclaimer and Reporting Methodology

Information Disclaimer

- Past performance is no guarantee of future results.
- All investments carry some level of risk. Diversification and other asset allocation techniques are not guaranteed to ensure profit or protect against losses.
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Reporting Methodology

- The client's custodian bank is NEPC's preferred data source unless otherwise directed. NEPC generally reconciles custodian data to manager data. If the custodian cannot provide accurate data, manager data may be used.
- Trailing time period returns are determined by geometrically linking the holding period returns, from the first full month after inception to the report date. Rates of return are annualized when the time period is longer than a year. Performance is presented gross and/or net of manager fees as indicated on each page.
- For managers funded in the middle of a month, the "since inception" return will start with the first full month, although actual inception dates and cash flows are taken into account in all Composite calculations.
- This report may contain forward-looking statements that are based on NEPC's estimates, opinions and beliefs, but NEPC cannot guarantee that any plan will achieve its targeted return or meet other goals.

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Ventura County Employees' Retirement Association

Preliminary Performance Report
Month Ending August 31, 2017

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Ventura County Employees' Retirement Association

Total Fund Performance Detail Net of Fees

	Market Value ($)	% of Portfolio	Policy %	1 Mo (%)	Fiscal YTD (%)	YTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)	Return (%)	Since
Total Fund	**5,192,646,977**	**100.0**	**100.0**	**0.4**	**2.2**	**9.8**	**11.8**	**5.4**	**9.0**	**5.5**	**8.1**	**Apr-94**
Policy Index				*0.5*	*2.1*	*10.1*	*12.0*	*6.4*	*9.4*	*5.8*	*8.1*	*Apr-94*
Over/Under				-0.1	0.1	-0.3	-0.2	-1.0	-0.4	-0.3	0.0	
Allocation Index				*0.3*	*2.0*	*9.9*	*12.3*	*5.7*	*8.8*	*5.3*	--	*Apr-94*
60% MSCI ACWI (Net) / 40% CITI WGBI				*0.7*	*3.1*	*12.0*	*9.6*	*3.5*	*6.3*	*4.2*	--	*Apr-94*
Total Fund ex Parametric	**4,980,206,611**	**95.9**	**--**	**0.3**	**2.1**	**9.6**	**11.7**	**5.4**	**8.9**	**5.4**	**8.0**	**Apr-94**
Total Fund ex Private Equity	**4,985,092,176**	**96.0**	**--**	**0.4**	**2.3**	**9.8**	**11.7**	**5.2**	**8.5**	**--**	**9.2**	**Jan-12**
Policy Index				*0.5*	*2.1*	*10.1*	*12.0*	*6.4*	*9.4*	*5.8*	*9.8*	*Jan-12*
Over/Under				-0.1	0.2	-0.3	-0.3	-1.2	-0.9		-0.6	
Total US Equity	**1,615,993,926**	**31.1**	**28.0**	**0.3**	**2.3**	**11.4**	**16.4**	**9.2**	**14.5**	**7.5**	**9.2**	**Dec-93**
Russell 3000				*0.2*	*2.1*	*11.2*	*16.1*	*9.0*	*14.2*	*7.8*	*9.5*	*Dec-93*
Over/Under				0.1	0.2	0.2	0.3	0.2	0.3	-0.3	-0.3	
Western U.S. Index Plus	180,979,042	3.5		0.2	3.3	12.4	17.1	10.1	15.2	6.0	5.2	May-07
S&P 500				*0.3*	*2.4*	*11.9*	*16.2*	*9.5*	*14.3*	*7.6*	*7.1*	*May-07*
Over/Under				-0.1	0.9	0.5	0.9	0.6	0.9	-1.6	-1.9	
Blackrock Russell 1000 Index	1,379,301,012	26.6		0.3	2.3	--	--	--	--	--	--	Apr-17
Russell 1000				*0.3*	*2.3*	*11.8*	*16.2*	*9.2*	*14.4*	*7.7*	*5.4*	*Apr-17*
Over/Under				0.0	0.0							
Blackrock Russell 2500 Index	55,713,872	1.1		-0.8	0.2	--	--	--	--	--	--	Apr-17
Russell 2500				*-0.8*	*0.2*	*6.2*	*13.2*	*7.1*	*13.4*	*8.0*	*2.3*	*Apr-17*
Over/Under				0.0	0.0							

Policy Index: Currently, 28% Russell 3000, 20% Barclays Aggregate, 15% MSCI ACWI ex U.S., 10%MSCI ACWI, 10% DJ U.S. Total Stock Market Index + 3%, 10% CPI+4% Index, and 7% NCREIF ODCE Real Estate Index.

Prior to January 2016 the Total U.S. Equity Benchmark was a dynamic hybrid using the respective managers' market value weights within the U.S. Equity component toward their benchmark. Prior to May 2013, the Dow Jones U.S. Total Stock Market Index. Prior to May 2007, the Russell 3000 Index.

Ventura County Employees' Retirement Association

Total Fund Performance Detail Net of Fees

	Market Value ($)	% of Portfolio	Policy %	1 Mo (%)	Fiscal YTD (%)	YTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)	Return (%)	Since
Total Non-US Equity	**832,323,063**	**16.0**	**15.0**	**0.5**	**4.2**	**18.1**	**18.5**	**3.5**	**7.9**	**2.2**	**6.6**	**Mar-94**
MSCI ACWI ex USA				*0.5*	*4.2*	*18.9*	*18.9*	*2.4*	*7.4*	*1.7*	*5.4*	*Mar-94*
Over/Under				0.0	0.0	-0.8	-0.4	1.1	0.5	0.5	1.2	
MSCI EAFE				*0.0*	*2.8*	*17.0*	*17.6*	*2.8*	*8.5*	*1.6*	*5.0*	*Mar-94*
MSCI ACWI ex USA Local Currency				*0.5*	*2.2*	*11.0*	*16.9*	*6.6*	*10.9*	*3.0*	--	*Mar-94*
MSCI EAFE Local Currency				*0.0*	*0.6*	*8.2*	*16.2*	*7.0*	*12.0*	*2.6*	*4.9*	*Mar-94*
BlackRock ACWI ex-U.S. Index	407,960,240	7.9		0.6	4.3	19.4	19.3	3.0	7.9	2.2	2.7	Mar-07
MSCI ACWI ex USA				*0.5*	*4.2*	*18.9*	*18.9*	*2.4*	*7.4*	*1.7*	*2.3*	*Mar-07*
Over/Under				0.1	0.1	0.5	0.4	0.6	0.5	0.5	0.4	
MSCI ACWI ex USA Local Currency				*0.5*	*2.2*	*11.0*	*16.9*	*6.6*	*10.9*	*3.0*	*3.2*	*Mar-07*
Sprucegrove	216,803,781	4.2		0.1	5.3	17.0	21.9	3.4	8.1	2.8	7.8	Mar-02
MSCI ACWI ex USA				*0.5*	*4.2*	*18.9*	*18.9*	*2.4*	*7.4*	*1.7*	*6.8*	*Mar-02*
Over/Under				-0.4	1.1	-1.9	3.0	1.0	0.7	1.1	1.0	
MSCI EAFE				*0.0*	*2.8*	*17.0*	*17.6*	*2.8*	*8.5*	*1.6*	*6.2*	*Mar-02*
MSCI ACWI ex USA Local Currency				*0.5*	*2.2*	*11.0*	*16.9*	*6.6*	*10.9*	*3.0*	*5.4*	*Mar-02*
MSCI EAFE Local Currency				*0.0*	*0.6*	*8.2*	*16.2*	*7.0*	*12.0*	*2.6*	*4.5*	*Mar-02*
Hexavest	91,219,854	1.8		-0.2	2.4	13.8	13.3	3.0	7.0	--	4.9	Dec-10
MSCI EAFE				*0.0*	*2.8*	*17.0*	*17.6*	*2.8*	*8.5*	*1.6*	*5.3*	*Dec-10*
Over/Under				-0.2	-0.4	-3.2	-4.3	0.2	-1.5		-0.4	
MSCI EAFE Local Currency				*0.0*	*0.6*	*8.2*	*16.2*	*7.0*	*12.0*	*2.6*	*7.9*	*Dec-10*
Walter Scott	116,339,189	2.2		1.3	3.3	19.1	14.4	5.6	7.6	--	5.9	Dec-10
MSCI ACWI ex USA				*0.5*	*4.2*	*18.9*	*18.9*	*2.4*	*7.4*	*1.7*	*4.1*	*Dec-10*
Over/Under				0.8	-0.9	0.2	-4.5	3.2	0.2		1.8	
MSCI ACWI ex USA Local Currency				*0.5*	*2.2*	*11.0*	*16.9*	*6.6*	*10.9*	*3.0*	*7.0*	*Dec-10*
MSCI EAFE				*0.0*	*2.8*	*17.0*	*17.6*	*2.8*	*8.5*	*1.6*	*5.3*	*Dec-10*

Ventura County Employees' Retirement Association

Total Fund Performance Detail Net of Fees

	Market Value ($)	% of Portfolio	Policy %	1 Mo (%)	Fiscal YTD (%)	YTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)	Return (%)	Since
Total Global Equity	**555,434,505**	**10.7**	**10.0**	**0.4**	**3.3**	**15.4**	**17.9**	**5.0**	**9.7**	**3.6**	**5.9**	**May-05**
MSCI ACWI				*0.4*	*3.2*	*15.0*	*17.1*	*5.6*	*10.5*	*4.2*	*6.8*	*May-05*
Over/Under				0.0	0.1	0.4	0.8	-0.6	-0.8	-0.6	-0.9	
BlackRock MSCI ACWI Equity Index	555,434,505	10.7		0.4	3.3	15.4	17.6	6.0	10.9	--	11.2	Aug-12
MSCI ACWI				*0.4*	*3.2*	*15.0*	*17.1*	*5.6*	*10.5*	*4.2*	*10.7*	*Aug-12*
Over/Under				0.0	0.1	0.4	0.5	0.4	0.4		0.5	
Total US Fixed Income	**956,807,233**	**18.4**	**20.0**	**0.7**	**1.2**	**4.1**	**2.3**	**3.0**	**2.8**	**5.7**	**6.0**	**Feb-94**
BBgBarc US Aggregate TR				*0.9*	*1.3*	*3.6*	*0.5*	*2.6*	*2.2*	*4.4*	*5.4*	*Feb-94*
Over/Under				-0.2	-0.1	0.5	1.8	0.4	0.6	1.3	0.6	
BlackRock U.S. Debt Fund	223,253,560	4.3		0.9	1.3	3.7	0.5	2.7	2.3	4.5	5.3	Nov-95
BBgBarc US Aggregate TR				*0.9*	*1.3*	*3.6*	*0.5*	*2.6*	*2.2*	*4.4*	*5.3*	*Nov-95*
Over/Under				0.0	0.0	0.1	0.0	0.1	0.1	0.1	0.0	
Western	297,335,315	5.7		1.0	1.6	5.7	2.5	3.7	3.7	5.6	6.3	Dec-96
BBgBarc US Aggregate TR				*0.9*	*1.3*	*3.6*	*0.5*	*2.6*	*2.2*	*4.4*	*5.3*	*Dec-96*
Over/Under				0.1	0.3	2.1	2.0	1.1	1.5	1.2	1.0	
Reams	308,713,317	5.9		0.3	0.6	2.4	2.4	2.4	1.8	5.7	5.5	Sep-01
Reams Custom Index				*0.1*	*0.2*	*0.8*	*1.1*	*0.7*	*0.4*	*3.5*	*4.0*	*Sep-01*
Over/Under				0.2	0.4	1.6	1.3	1.7	1.4	2.2	1.5	
BBgBarc US Aggregate TR				*0.9*	*1.3*	*3.6*	*0.5*	*2.6*	*2.2*	*4.4*	*4.5*	*Sep-01*
3-Month LIBOR + 3%				*0.4*	*0.7*	*2.8*	*4.2*	*3.7*	*3.5*	*3.9*	*4.8*	*Sep-01*
Loomis Strategic Alpha	45,225,645	0.9		-0.2	0.4	1.5	3.2	2.1	--	--	2.5	Jul-13
BBgBarc US Aggregate TR				*0.9*	*1.3*	*3.6*	*0.5*	*2.6*	*2.2*	*4.4*	*3.2*	*Jul-13*
Over/Under				-1.1	-0.9	-2.1	2.7	-0.5			-0.7	
3-Month LIBOR + 3%				*0.4*	*0.7*	*2.8*	*4.2*	*3.7*	*3.5*	*3.9*	*3.6*	*Jul-13*
Loomis Sayles Multi Strategy	82,279,396	1.6		0.7	1.7	7.3	5.7	3.8	5.4	6.9	6.7	Jul-05
Loomis Custom Index				*0.6*	*1.2*	*4.2*	*2.8*	*3.2*	*3.4*	*5.4*	*5.3*	*Jul-05*
Over/Under				0.1	0.5	3.1	2.9	0.6	2.0	1.5	1.4	
BBgBarc US Govt/Credit TR				*1.0*	*1.4*	*4.1*	*0.4*	*2.7*	*2.2*	*4.5*	*4.4*	*Jul-05*

Reams Custom Index: Merrill Lynch 3 Month Libor Constant Maturity Index, prior to February 2013 the Barclays Aggregate.

Loomis Custom Index: 65% Barclays Aggregate, 30% Citigroup High Yield Market Index and 5% JPM Non-US Hedged Bond Index.

Ventura County Employees' Retirement Association

Total Fund Performance Detail Net of Fees

	Market Value ($)	% of Portfolio	Policy %	1 Mo (%)	Fiscal YTD (%)	YTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)	Return (%)	Since
Total Real Estate	**391,122,352**	**7.5**	**7.0**	**0.0**	**0.0**	**2.2**	**5.5**	**9.3**	**9.5**	**2.8**	**7.8**	**Mar-94**
Prudential Real Estate	139,056,749	2.7		0.0	0.0	2.9	7.3	10.8	11.0	3.9	6.0	Jun-04
NCREIF ODCE				*0.0*	*0.0*	*3.5*	*7.9*	*11.3*	*11.8*	*5.2*	*8.0*	*Jun-04*
UBS Real Estate	251,891,417	4.9		0.0	0.0	1.9	4.6	8.6	8.7	4.3	7.3	Mar-03
NCREIF ODCE				*0.0*	*0.0*	*3.5*	*7.9*	*11.3*	*11.8*	*5.2*	*8.2*	*Mar-03*
RREEF	174,186	0.0		0.0	0.0	-4.0	-16.4	-2.6	6.5	--	-6.3	Sep-07
NCREIF ODCE				*0.0*	*0.0*	*3.5*	*7.9*	*11.3*	*11.8*	*5.2*	*4.9*	*Sep-07*
Total Liquid Alternatives	**420,970,731**	**8.1**	**10.0**	**0.2**	**1.7**	**4.2**	**5.0**	**-1.9**	**--**	**--**	**4.8**	**Apr-13**
Bridgewater All Weather Fund	302,500,847	5.8		2.1	3.7	7.6	6.6	2.1	--	--	5.2	Aug-13
Tortoise Energy Infrastructure	118,469,884	2.3		-4.4	-2.9	-3.7	1.0	-9.9	--	--	1.3	Apr-13
Wells Fargo MLP Index				*-4.5*	*-3.3*	*-6.2*	*-1.2*	*-13.3*	*0.5*	--	*-3.3*	*Apr-13*
Over/Under				0.1	0.4	2.5	2.2	3.4			4.6	
Overlay	**212,440,366**	**4.1**	**0.0**									
Parametric	212,440,366	4.1										

Total Real Estate Benchmark: NCREIF ODCE; prior to January 2006, the NCREIF Property Index.

Real Estate managers and NCREIF ODCE are valued on a quarterly basis. Performance is not applicable in mid-quarter months, therefore 0% return is shown.

Real Estate Valuation is as of 06/30/2017.

Ventura County Employees' Retirement Association

Total Fund Performance Detail Net of Fees

	Market Value ($)	% of Portfolio	Policy %	1 Mo (%)	Fiscal YTD (%)	YTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)	Return (%)	Since
Total Private Equity	**207,554,801**	**4.0**	**10.0**	**0.0**	**0.1**	**8.2**	**15.4**	**12.8**	**14.0**	**--**	**13.6**	**Jan-12**
DJ U.S. Total Stock Market Index + 3%				*0.4*	*2.6*	*13.4*	*19.5*	*12.3*	*17.6*	--	*18.3*	*Jan-12*
Over/Under				-0.4	-2.5	-5.2	-4.1	0.5	-3.6		-4.7	
Adams Street Global Fund Series	121,518,264	2.3		0.0	0.0	5.4	12.2	10.0	12.1	--	12.1	Jan-12
DJ U.S. Total Stock Market Index + 3%				*0.4*	*2.6*	*13.4*	*19.5*	*12.3*	*17.6*	--	*18.3*	*Jan-12*
Over/Under				-0.4	-2.6	-8.0	-7.3	-2.3	-5.5		-6.2	
Harbourvest	58,590,810	1.1		0.0	0.6	12.9	17.6	19.7	--	--	18.5	Aug-13
DJ U.S. Total Stock Market Index + 3%				*0.4*	*2.6*	*13.4*	*19.5*	*12.3*	*17.6*	--	*15.0*	*Aug-13*
Over/Under				-0.4	-2.0	-0.5	-1.9	7.4			3.5	
Pantheon Global Secondary Funds	25,232,660	0.5		0.0	0.0	13.8	33.8	13.0	14.4	--	11.9	Jan-12
DJ U.S. Total Stock Market Index + 3%				*0.4*	*2.6*	*13.4*	*19.5*	*12.3*	*17.6*	--	*18.3*	*Jan-12*
Over/Under				-0.4	-2.6	0.4	14.3	0.7	-3.2		-6.4	
Drive Capital Fund	2,213,068	0.0		0.0	-4.4	-31.7	-51.7	--	--	--	-51.7	Sep-16
DJ U.S. Total Stock Market Index + 3%				*0.4*	*2.6*	*13.4*	*19.5*	*12.3*	*17.6*	--	*19.5*	*Sep-16*
Over/Under				-0.4	-7.0	-45.1	-71.2				-71.2	

Please Note:
Private Equity performance is shown on a time-weighted return basis. Values are cash adjusted with current month cash flows.

Ventura County Employees' Retirement Association

Private Equity Limited Partnership Performance

Fund Name	Vintage Year	Initial Investment Date	Commitment	Capital Called to Date[1]	Outstanding Commitment [1]	Call Ratio	Add'l Fees[2]	Distributions to Date	Valuation	Total Value	Net Benefit	Since Inception IRR	Since Inception Distributions to Paid In Multiple (DPI)	Since Inception Total Value to Paid In Multiple (TVPI)
Adams Street 2010 U.S. Fund	2010	5/21/2010	$42,500,000	$34,807,500	$7,692,500	82%	$15,213	$16,630,927	$35,175,369	$51,806,296	$16,983,583	13.0%	0.48x	1.49x
Adams Street 2010 Non-U.S. Dev. Mkts Fund	2010	5/21/2010	$25,500,000	$20,591,249	$4,908,751	81%	$1,589	$8,748,084	$17,044,859	$25,792,943	$5,200,105	7.8%	0.42x	1.25x
Adams Street 2010 Non-U.S. Emg Mkts Fund	2010	1/3/2011	$8,500,000	$6,868,000	$1,632,000	81%	$0	$1,193,443	$7,890,960	$9,084,403	$2,216,403	8.8%	0.17x	1.32x
Adams Street 2010 Direct Fund	2010	5/21/2010	$8,500,000	$7,975,550	$524,450	94%	$6,697	$7,196,986	$5,367,717	$12,564,703	$4,603,662	11.9%	0.9x	1.57x
Total Adams Street 2010	*2010*	*5/21/2010*	*$85,000,000*	*$70,242,299*	*$14,757,701*	*83%*	*$23,499*	*$33,769,440*	*$65,478,905*	*$99,248,345*	*$29,003,753*	*11.1%*	*0.48x*	*1.41x*
Adams Street 2013 Global Fund	2013	6/27/2013	$75,000,000	$49,950,000	$25,050,000	67%	$10,728	$4,679,630	$51,799,931	$56,479,561	$6,518,833	6.2%	0.09x	1.13x
Adams Street 2016 Global Fund	2016	12/22/2016	$60,000,000	$3,540,000	$56,460,000	6%	$0	$0	$4,239,407	$4,239,407	$699,407	33.0%	0x	1.2x
Drive Capital Fund II	2016	9/1/2016	$15,000,000	$2,576,834	$12,423,166	17%	$3,210	$0	$2,293,041	$2,293,041	($287,003)	-26.3%	0x	0.89x
HarbourVest - Dover Street VIII	2013	5/30/2013	$67,500,000	$57,712,500	$9,787,500	86%	$84,954	$38,485,266	$42,330,904	$80,816,170	$23,018,716	20.4%	0.67x	1.4x
HarbourVest - Dover Street IX	2016	12/16/2016	$60,000,000	$7,200,000	$52,800,000	12%	$0	$841,532	$7,684,088	$8,525,620	$1,325,620	30.7%	0.12x	1.18x
HarbourVest - PRTNS CO INVEST IV L.P.	2017	6/2/2017	$30,000,000	$11,071,740	$18,928,260	37%	$0	$2,625,000	$8,446,740	$11,071,740	$0	0.0%	--	--
Pantheon Global Secondary Fund IV	2010	8/20/2010	$15,000,000	$9,960,000	$5,040,000	66%	$0	$10,455,001	$4,475,159	$14,930,160	$4,970,160	13.6%	1.05x	1.5x
Pantheon Global Secondary Fund V	2015	2/26/2015	$50,000,000	$17,241,510	$32,758,490	34%	($162,514)	$1,800,000	$20,517,505	$22,317,505	$5,238,509	20.2%	0.11x	1.31x
Total VCERA Private Equity Program	**--**	***5/21/2010***	***$457,500,000***	***$229,494,883***	***$228,005,117***	***50%***	***-$40,123***	***$92,655,869***	***$207,265,680***	***$299,921,549***	***$70,487,995***	***12.8%***	***0.4x***	***1.31x***

1. Includes recycled/recallable distributions received to date.
2. Add'l Fees represents notional interest paid/(received).
2. Add'l Fees for Pantheon Global Secondary Fund V includes notional interest paid/(received) and management fee rebates paid to VCERA.
Note: Private equity performance data is reported net of fees.
Performance shown is based on 3/31/2017 NAVs cash-adjusted for cash flows through 08/31/2017.

Ventura County Employees' Retirement Association

Total Fund

Cash Flow Summary

Month Ending August 31, 2017

	Beginning Market Value	Contributions	Withdrawals	Net Cash Flow	Fees	Net Investment Change	Ending Market Value
Adams Street Global Fund Series	$119,791,112	$3,075,000	-$1,347,849	$1,727,151	$0	$1	$121,518,264
BlackRock ACWI ex-U.S. Index	$405,455,530	$0	$0	$0	-$35,663	$2,504,710	$407,960,240
BlackRock MSCI ACWI Equity Index	$553,075,695	$0	$0	$0	-$20,181	$2,358,810	$555,434,505
Blackrock Russell 1000 Index	$1,375,060,411	$0	$0	$0	-$11,911	$4,240,600	$1,379,301,012
Blackrock Russell 2500 Index	$56,178,196	$0	$0	$0	-$929	-$464,324	$55,713,872
BlackRock U.S. Debt Fund	$221,251,611	$0	$0	$0	-$10,775	$2,001,949	$223,253,560
Bridgewater All Weather Fund	$296,276,714	$0	$0	$0	-$96,354	$6,224,133	$302,500,847
Drive Capital Fund	$2,213,068	$0	$0	$0	$0	$0	$2,213,068
Harbourvest	$60,094,365	$0	-$1,503,566	-$1,503,566	$0	$11	$58,590,810
Hexavest	$91,348,617	$0	$0	$0	-$34,573	-$128,763	$91,219,854
Loomis Sayles Multi Strategy	$81,664,978	$0	$0	$0	-$26,403	$614,418	$82,279,396
Loomis Strategic Alpha	$45,301,210	$0	$0	$0	-$15,075	-$75,565	$45,225,645
Pantheon Global Secondary Funds	$25,232,660	$0	$0	$0	$0	$0	$25,232,660
Parametric	$210,377,364	$1,676,909	-$1,900,494	-$223,585	-$46,855	$2,286,587	$212,440,366
Prudential Real Estate	$139,056,749	$0	$0	$0	$0	$0	$139,056,749
Reams	$307,692,156	$0	$0	$0	-$44,839	$1,021,160	$308,713,317
RREEF	$174,186	$0	$0	$0	$0	$0	$174,186
Sprucegrove	$216,629,369	$0	$0	$0	-$64,751	$174,412	$216,803,781
Tortoise Energy Infrastructure	$123,836,173	$0	$0	$0	-$61,703	-$5,366,289	$118,469,884
UBS Real Estate	$251,891,417	$0	$0	$0	$0	$0	$251,891,417
Walter Scott	$114,823,032	$0	$0	$0	-$80,045	$1,516,157	$116,339,189
Western	$294,423,275	$0	$0	$0	-$49,667	$2,912,040	$297,335,315
Western U.S. Index Plus	$180,520,899	$0	$0	$0	-$35,122	$458,144	$180,979,042
Total	**$5,172,368,786**	**$4,751,909**	**-$4,751,909**	**$0**	**-$634,847**	**$20,278,191**	**$5,192,646,977**