

VENTURA COUNTY EMPLOYEES' RETIREMENT ASSOCIATION

BOARD OF RETIREMENT

SPECIAL MEETING

March 30, 2015

AGENDA

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

TIME: 1:00 p.m.

ITEM:

- | | | |
|--------------|---|-----------------|
| I. | <u>CALL TO ORDER</u> | Master Page No. |
| II. | <u>APPROVAL OF AGENDA</u> | 1 |
| III. | <u>NEW BUSINESS</u> | |
| | A. Review and Approval of Proposed Amendments to AB 1291; Consider Authorization for Chair to Approve Further Amendments; Consider Authorization for Retirement Administrator to Approve Travel Expenses for Testimony and Meetings Re: AB 1291 | |
| | 1. Staff Letter | 2 |
| | 2. AB 1291 with Proposed Amendments | 3 - 5 |
| IV. | <u>CLOSED SESSION</u> | |
| | It is the intention of the Board of Retirement to Meet in Closed Session, Pursuant to Government Code Section 54957(b)(1), to Discuss the Following Item: | |
| | A. Public Employee Appointment.
Title: Chief Investment Officer | |
| V. | <u>PUBLIC COMMENT</u> | |
| VI. | <u>STAFF COMMENT</u> | |
| VII. | <u>BOARD MEMBER COMMENT</u> | |
| VIII. | <u>ADJOURNMENT</u> | |

VENTURA COUNTY EMPLOYEES' RETIREMENT ASSOCIATION

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March 30, 2015

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

SUBJECT: APPROVAL OF AMENDMENT TO AB 1291

Dear Board Members:

On January 26, 2015, the Board of Retirement approved pursuing legislation for designation of VCERA as a district under CERL. As Chair Towner has previously reported, Assembly Member Das Williams is authoring this bill, AB 1291.

Ventura County has proposed alternate language to AB 1291 which would specify the Board's authority as a district be limited to the 5 current executive level positions within VCERA. These are:

- Retirement Administrator
- General Counsel (pending in 2015-2016 proposed budget)
- Chief Investment Officer (vacant)
- Chief Financial Officer (CFO)
- Chief Operating Officer (COO)

Staff has no objections to the requested changes and Chair Towner has recommended approval. In addition, he has been asked to testify in Sacramento on the bill. The bill with these proposed changes is provided.

Staff has the following two recommendations:

RECOMMENDED ACTION: APPROVE PROPOSED CHANGES FROM VENTURA COUNTY FOR AB 1291 AND AUTHORIZE CHAIR TO APPROVE OR SUPPORT FURTHER CHANGES TO THE BILL HE DEEMS CONSISTENT WITH BOARD'S GOALS.

RECOMMENDED ACTION: APPROVE EXPENSES RELATED TO CHAIR TOWNER TRAVELING TO SACRAMENTO TO ATTEND HEARINGS OR MEETINGS AS NECESSARY TO CARRY OUT THE BOARD'S INTEREST IN PASSAGE OF THE BILL.

VCERA staff will be pleased to respond to any questions you may have on this matter at the March 30, 2015 special meeting.

Sincerely,



Linda Webb
Retirement Administrator

THE PEOPLE OF THE STATE OF CALIFORNIA DO ENACT AS FOLLOWS:

SECTION 1.

Section 31468 of the Government Code is amended to read:

31468.

- (a) "District" means a district, formed under the laws of the state, located wholly or partially within the county other than a school district.
- (b) "District" also includes any institution operated by two or more counties, in one of which there has been adopted an ordinance placing this chapter in operation.
- (c) "District" also includes any organization or association authorized by Chapter 26 of the Statutes of 1935, as amended by Chapter 30 of the Statutes of 1941, or by Section 50024, which organization or association is maintained and supported entirely from funds derived from counties, and the board of any retirement system is authorized to receive the officers and employees of that organization or association into the retirement system managed by the board.
- (d) "District" also includes, but is not limited to, any sanitary district formed under Part 1 (commencing with Section 6400) of Division 6 of the Health and Safety Code.
- (e) "District" also includes any city, public authority, public agency, and any other political subdivision or public corporation formed or created under the constitution or laws of this state and located or having jurisdiction wholly or partially within the county.
- (f) "District" also includes any nonprofit corporation or association conducting an agricultural fair for the county pursuant to a contract between the corporation or association and the board of supervisors under the authority of Section 25905.
- (g) "District" also includes the Regents of the University of California, but with respect only to employees who were employees of a county in a county hospital, who became university employees pursuant to an agreement for transfer to the regents of a county hospital or of the obligation to provide professional medical services at a county hospital, and who under that agreement had the right and did elect to continue membership in the county's retirement system established under this chapter.
- (h) "District" also includes the South Coast Air Quality Management District, a new public agency created on February 1, 1977, pursuant to Chapter 5.5 (commencing with Section 40400) of Part 3 of Division 26 of the Health and Safety Code.
- (1) Employees of the South Coast Air Quality Management District shall be deemed to be employees of a new public agency occupying new positions on February 1, 1977. On that date, those new positions are deemed not to have been covered by any retirement system.
- (2) No retirement system coverage may be effected for an employee of the South Coast Air Quality Management District who commenced employment with the district during the period commencing on February 1, 1977, and ending on December 31, 1978, unless and until the employee shall have elected whether to become a member of the retirement association established in accordance with this chapter for employees of Los Angeles County or the retirement association established in accordance with this chapter for employees of San Bernardino County. The election shall occur before January 1, 1980. Any employee who fails to make the election provided for herein shall be deemed to have elected to become a member of the retirement association established in accordance with this chapter for the County of Los Angeles.
- (3) The South Coast Air Quality Management District shall make application to the retirement associations established in accordance with this chapter for employees of Los Angeles County and San Bernardino County for coverage of employees of the South Coast Air Quality Management District.
- (4) An employee of the South Coast Air Quality Management District who commenced employment with the district during the period commencing on February 1, 1977, and ending on December 31, 1978, and who has not terminated employment before January 1, 1980, shall be covered by the retirement association elected by the employee pursuant to paragraph (2). That coverage shall be effected no later than the first day of the first month following the date of the election provided for in paragraph (2).
- (5) Each electing employee shall receive credit for all service with the South Coast Air Quality Management District. However, the elected retirement association may require, as a prerequisite to granting that credit, the payment of an appropriate sum of money or the transfer of funds from another retirement association in an amount determined by an enrolled actuary and approved by the elected retirement association's board. The amount to be paid shall include all administrative and actuarial costs of making that determination. The amount to be paid shall be shared by the South Coast Air Quality Management District and the employee. The share to be paid by the employee shall be determined by good faith bargaining between the district and the recognized employee organization, but in no event shall the employee be required to contribute more than 25 percent of the total amount required to be paid. The elected retirement association's board may not grant that credit for that prior service unless the request

for that credit is made to, and the required payment deposited with, the elected retirement association's board no earlier than January 1, 1980, and no later than June 30, 1980. The foregoing shall have no effect on any employee's rights to reciprocal benefits under Article 15 (commencing with Section 31830).

(6) An employee of the South Coast Air Quality Management District who commenced employment with the district after December 31, 1978, shall be covered by the retirement association established in accordance with this chapter for employees of San Bernardino County. That coverage shall be effected as of the first day of the first month following the employee's commencement date.

(7) Notwithstanding paragraphs (2) and (4) above, employees of the South Coast Air Quality Management District who were employed between February 1, 1977, and December 31, 1978, and who terminate their employment between February 1, 1977, and January 1, 1980, shall be deemed to be members of the retirement association established in accordance with this chapter for the employees of Los Angeles County commencing on the date of their employment with the South Coast Air Quality Management District.

(i) "District" also includes any nonprofit corporation that operates one or more museums within a county of the 15th class, as described by Sections 28020 and 28036 of the Government Code, as amended by Chapter 1204 of the Statutes of 1971, pursuant to a contract between the corporation and the board of supervisors of the county, and that has entered into an agreement with the board and the county setting forth the terms and conditions of the corporation's inclusion in the county's retirement system.

(j) "District" also includes any economic development association funded in whole or in part by a county of the 15th class, as described by Sections 28020 and 28036 of the Government Code, as amended by Chapter 1204 of the Statutes of 1971, and that has entered into an agreement with the board of supervisors and the county setting forth the terms and conditions of the association's inclusion in the county's retirement system.

(k) "District" also includes any special commission established in the Counties of Tulare and San Joaquin as described by Section 14087.31 of the Welfare and Institutions Code, pursuant to a contract between the special commission and the county setting forth the terms and conditions of the special commission's inclusion in the county's retirement system with the approval of the board of supervisors and the board of retirement.

(l) (1) "District" also includes the retirement system established under this chapter in Orange County.

(2) "District" also includes the retirement system established under this chapter in San Bernardino County at such time as the board of retirement, by resolution, makes this section applicable in that county.

(3) "District" also includes the retirement system established under this chapter in Contra Costa County.

(4) "District" also includes the retirement system established under this chapter in Ventura County.

(m) "District" also includes the Kern County Hospital Authority, a public agency that is a local unit of government established pursuant to Chapter 5.5 (commencing with Section 101852) of Part 4 of Division 101 of the Health and Safety Code.

SEC. 2.

Section 31522.5 of the Government Code is amended to read:

31522.5.

~~(a) In a county in which the board of retirement has appointed personnel pursuant to Section 31522.1, the board of retirement may appoint an administrator, an assistant administrator, a chief investment officer, senior management employees next in line of authority to the chief investment officer, subordinate administrators, senior management employees next in line of authority to subordinate administrators, and legal counsel.~~

~~(b) Notwithstanding any other provision of law, the personnel appointed pursuant to this section may not be county employees but shall be employees of the retirement system, subject to terms and conditions of employment established by the board of retirement. Except as specifically provided in this subdivision, all other personnel shall be county employees for purposes of the county's employee relations resolution, or equivalent local rules, and the terms and conditions of employment established by the board of supervisors for county employees, including those set forth in a memorandum of understanding.~~

~~(c) Except as otherwise provided by Sections 31529.9 and 31596.1, the compensation of personnel appointed pursuant to this section shall be an expense of administration of the retirement system, pursuant to Section 31580.2.~~

~~(d) The board of retirement and board of supervisors may enter into any agreements as may be necessary and appropriate to carry out the provisions of this section.~~

~~(e) Section 31522.2 is not applicable to any retirement system that elects to appoint personnel pursuant to this section.~~

~~(f) This section shall apply only in Orange County.~~

~~(g) This section shall apply to the retirement system established under this chapter in San Bernardino County at such time as if the board of retirement, by resolution, makes this section applicable in that county.~~

~~(h) This section shall apply to the retirement system established under this chapter in Ventura County if the board of retirement, by resolution, makes this section applicable in that county.~~

Section 31522.10 is added to the Government Code, to read:

31522.10.

(a) In a county in which the board of retirement has appointed personnel pursuant to Section 31522.1, the board of retirement may appoint a retirement administrator, chief financial officer-retirement, retirement chief operations officer, retirement chief investment officer and general counsel-retirement.

(b) Notwithstanding any other provision of law, the personnel appointed pursuant to this section may not be county employees but shall be employees of the retirement system, subject to terms and conditions of employment established by the board of retirement. Except as specifically provided in this subdivision, all other personnel shall be county employees for purposes of the county's employee relations resolution, or equivalent local rules, and the terms and conditions of employment established by the board of supervisors for county employees, including those set forth in a memorandum of understanding.

(c) Except as otherwise provided by Sections 31529.9 and 31596.1, the compensation of personnel appointed pursuant to this section shall be an expense of administration of the retirement system, pursuant to Section 31580.2.

(d) The board of retirement and board of supervisors may enter into any agreements as may be necessary and appropriate to carry out the provisions of this section.

(e) Section 31522.2 is not applicable to any retirement system that elects to appoint personnel pursuant to this section.

(f) This section shall apply only to the retirement system established under this chapter in Ventura County if the board of retirement, by resolution, makes this section applicable in that county.

SEC. 3.

Section 31580.2 of the Government Code is amended to read:

(a) In counties in which the board of retirement, or the board of retirement and the board of investment, have appointed personnel pursuant to Section 31522.1, 31522.5, 31522.7, ~~or~~ 31522.9, or 31522.10, the respective board or boards shall annually adopt a budget covering the entire expense of administration of the retirement system which expense shall be charged against the earnings of the retirement fund. The expense incurred in any year may not exceed the greater of either of the following:

(1) Twenty-one hundredths of 1 percent of the accrued actuarial liability of the retirement system.

(2) Two million dollars (\$2,000,000), as adjusted annually by the amount of the annual cost-of-living adjustment computed in accordance with Article 16.5 (commencing with Section 31870).

(b) Expenditures for computer software, computer hardware, and computer technology consulting services in support of these computer products shall not be considered a cost of administration of the retirement system for purposes of this section.