VENTURA COUNTY EMPLOYEES' RETIREMENT ASSOCIATION

BOARD OF RETIREMENT

BUSINESS MEETING

October 19, 2015

AGENDA

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

TIME: 9:00 a.m.

Members of the public may comment on any item under the Board's jurisdiction by filling out a speaker form and presenting it to the Clerk. Unless otherwise directed by the Chair, comments related to items on the agenda will be heard when the Board considers that item. Comments related to items not on the agenda will generally be heard at the time designated for Public Comment.

ITEM:

		Master Page No.
I.	**CALL TO ORDER**	
II.	**APPROVAL OF AGENDA**	1 – 5
III.	**APPROVAL OF MINUTES**	
	A. Disability Meeting of October 5, 2015.	6 – 13
IV.	**CONSENT AGENDA**	
	A. Approve Regular and Deferred Retirements and Survivors Continuances for the Month of September 2015	14
	B. Receive and File Report of Checks Disbursed in September 2015	15 – 22
	C. Receive and File Statement of Reserves at June 30, 2015	23
	D. Receive and File Statement of Fiduciary Net Position, Statement of Changes in Fiduciary Net Position, and Schedule of Investments and Cash Equivalents for the Period Ending July 31, 2015.	24 – 27

IV. CONSENT AGENDA (continued)

E. Receive and File Statement of Fiduciary Net Position, Statement of Changes in Fiduciary Net Position, and Schedule of Investments and Cash Equivalents for the Period Ending August 31, 2015. 28 – 31

F. Receive and File Budget Summary for FY 2015-16 Month Ending September 30, 2015 32

V. INVESTMENT MANAGER PRESENTATIONS

A. Receive Annual Investment Presentation, Reams Asset Management, Clark W. Holland, Portfolio Manager (30 Minutes) 33 – 60

VI. INVESTMENT INFORMATION

A. NEPC – Allan Martin, Partner.

1. Preliminary Performance Report Month Ending September 30, 2015 61 – 69
RECOMMENDED ACTION: Receive and file.

VII. NEW BUSINESS

A. Report and Recommendation on PEPRA Pensionable Compensation Analysis

1. Resolution of the Board of Retirement of Ventura County Employees' Retirement Association (VCERA) Regarding Pensionable Compensation Determination, dated November 17, 2014. 70 – 75

2. Letter from Staff 76 – 81

a. Exhibit 1: Recommend Continued Inclusion (COV & VRSD) 82 – 84

b. Exhibit 2: Recommended Exclusion, with Correction of Past Inclusion 85 – 86

(1) Table A: Market-Based Premium Pay Items (COV)

VII. NEW BUSINESS (continued)

A. 2. b. (2) Table B: Y-Rate (COV)

c. Exhibit 3: Recommend Inclusion 87

(1) Table A: Base Part of Holiday Pay & FLSA (COV) Effective January 1, 2013

(2) Table B: Longevity Pay Items (COV) Effective January 3, 2016

d. Exhibit 4: Recommend Prospective Inclusion 88 – 91

e. Exhibit 5: Recommend Continued Exclusion in Absence of Pay Code Distinctions (Situational) 92 – 95

f. Exhibit 6: Recommend Exclusion with Correction of Past Inclusion Effective January 1, 2013 96 – 97

(1) Table A: COV

(2) Table B: VRSD

g. Exhibit 7: Recommend Continued Exclusion 98 – 117

h. Exhibit 8: Inactive Codes 118

(1) Table A: COV

(2) Table B: VRSD

3. Potential Board Actions Regarding Recommended Inclusions and Exclusions Under the VCERA Pensionable Compensation Resolution of November 2014, Ashley Dunning, Nossaman LLP 119 – 132

4. Written Feedback from Stakeholders:

a. VCDSA, VCPFA and VCPPOA

(1) Stephen Silver, Counsel: September 10, 2015 133 – 135

(2) Follow-up List of Pay Codes: September 17, 2015 136 – 137

VII. NEW BUSINESS (continued)

A. 4. b. SEIU

(1) Kerianne R. Steele: Counsel for SEIU, Local 721: October 2, 2015 — 138 – 134

(2) Declaration of Angela Portillo, SEIU Worksite Organizer: October 2, 2015 — 135 – 160

c. CNA

(1) Letter from Tina Grieger, Labor Representative for CNA: October 2, 2015 — 161 – 162

(2) Follow-up to Letter: October 2, 2015 — 163

d. County of Ventura Letter: October 13, 2015 — 164 – 168

B. IRS Qualification Filing

1. Staff Letter — 169 – 170

2. 2010 Hanson Bridgett Engagement Letter — 171 – 178

3. Hanson Bridgett Engagement Letter — 179 – 186
RECOMMENDED ACTION: Continued Engagement of Hanson Bridgett for Tax Compliance Counsel and Filing of Cycle E Tax Determination Letter

4. Hanson Bridgett Estimated Timeline and Budget — 187

C. Ventura County Employees' Retirement Information System (VCERIS) Pension Administration Project

1. VCERIS Project Monthly Status Update- August 2015 — 188
RECOMMENDED ACTION: Receive and file.

2. VCERIS Project Monthly Status Update- September 2015 — 189 – 190
RECOMMENDED ACTION: Receive and file.

D. Recommendation to Approve Trustee McCormick's Attendance at 2015 CORPaTH Summit and Crystal Globe Awards, December 15-16, 2015, Las Vegas, NV — 191 – 193

VIII. OLD BUSINESS

A. Discussion of Reporting Relationships of VCERA Executive Management Staff to the Board and Retirement Administrator

1. Proposal of Services from Cortex Consulting 194 – 196

B. Oral Update on Human Resources Contracted Services Related to AB1291

C. LANQUIST, ET AL. v. VENTURA COUNTY EMPLOYEES' RETIREMENT ASSOCIATION; VENTURA COUNTY SUPERIOR COURT CASE NO. 56-2011-00404515. Consider and Take Possible Action to Authorize Payment of Outstanding Costs in an amount not to exceed $1,870.92. 197 – 203

IX. INFORMATIONAL

A. Nossaman Fiduciary Forum Report Submitted by Attendees *(materials will be on file with the Clerk and will be available at the meeting)*

X. PUBLIC COMMENT

XI. STAFF COMMENT

XII. BOARD MEMBER COMMENT

XIII. ADJOURNMENT

VENTURA COUNTY EMPLOYEES' RETIREMENT ASSOCIATION

BOARD OF RETIREMENT

DISABILITY MEETING

October 5, 2015

MINUTES

DIRECTORS PRESENT: Tracy Towner, Chair, Alternate Safety Employee Member
William W. Wilson, Vice Chair, Public Member
Steven Hintz, Treasurer-Tax Collector
Mike Sedell, Public Member
Deanna McCormick, General Employee Member
Craig Winter, General Employee Member
Chris Johnston, Safety Employee Member
Arthur E. Goulet, Retiree Member
Will Hoag, Alternate Retiree Member

DIRECTORS ABSENT: Joseph Henderson, Public Member
Peter C. Foy, Public Member

STAFF PRESENT: Linda Webb, Retirement Administrator
Henry Solis, Chief Financial Officer
Lori Nemiroff, Assistant County Counsel
Dan Gallagher, Chief Investment Officer
Shalini Nunna, Retirement Benefits Manager
Donna Edwards, Retirement Benefits Specialist
Chantell Garcia, Retirement Benefits Specialist
Stephanie Caiazza, 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 October 5, 2015, to order at 9:01 a.m.

II. APPROVAL OF AGENDA

MOTION: Approve the agenda.

Moved by McCormick, seconded by Johnston.

Vote: Motion carried
Yes: Hintz, Goulet, Sedell, Johnston, Winter, McCormick, Wilson
No: -
Absent: Henderson, Foy

III. APPROVAL OF MINUTES

A. Special Meeting of September 16, 2015.

MOTION: Approve.

Moved by McCormick, seconded by Goulet.

Vote: Motion carried
Yes: Hintz, Goulet, Sedell, Johnston, Winter, McCormick, Wilson
No: -
Absent: Henderson, Foy

B. Business Meeting of September 21, 2015.

Trustee Goulet recommended amending the minutes to insert the missing word “he” in the first sentence under the item “XII. Staff Comment”.

MOTION: Approve as amended.

Moved by Goulet, seconded by McCormick.

Vote: Motion carried
Yes: Hintz, Goulet, Sedell, Johnston, Winter, McCormick, Wilson
No: -
Absent: Henderson, Foy

IV. RECEIVE AND FILE PENDING DISABILITY APPLICATION STATUS REPORT

MOTION: Approve.

Moved by Wilson, seconded by Winter.

Vote: Motion carried
Yes: Hintz, Goulet, Sedell, Johnston, Winter, McCormick, Wilson
No: -
Absent: Henderson, Foy

V. APPLICATIONS FOR DISABILITY RETIREMENT

A. Application for Non-Service Connected Disability Retirement, Randall C. Dalton; Case No. 13-035

1. Recommendation from Staff to Consider Non-Service Connected Disability Retirement Application Dismissed, Without Prejudice

2. Excerpt from Disability Application Status Report

3. Hearing Notice served on September 24, 2015.

Paul Hilbun was present on behalf of County of Ventura Risk Management.

Mr. Hilbun stated that the applicant had failed to appear for his Noticed Deposition and that Risk Management was unable to reach the applicant to verify whether he still intended to pursue his application for Non-Service Connected Disability Retirement.

VCERA staff confirmed that they were also unable to make contact with the Applicant to verify his intentions to pursue the application, and recommended that the Board dismiss the application without prejudice. This would allow the Applicant to refile the application at a later date, provided he meets the criteria under Government Code section 31722.

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

MOTION: Dismiss the application for Non-Service Connected Disability Retirement, without prejudice.

Moved by Goulet, seconded by Wilson.

Vote: Motion carried
Yes: Hintz, Goulet, Sedell, Johnston, Winter, McCormick, Wilson
No: -

Absent: Henderson, Foy

B. Application for Service Connected Disability Retirement, Karen Anderson; Case No. 11-021.
(Continued from the disability meeting of September 14, 2015)

1. Proposed Findings of Fact, Conclusions of Law, and Recommendation, submitted by Hearing Officer Kenneth A. Perea, dated March 18, 2015.

2. Hearing Decision Notice dated September 14, 2015.

3. Hearing Notice served on September 28, 2015.

Steve Roberson, Attorney at Law, was present on behalf of County of Ventura Risk Management.

Staff reported that the applicant's attorney, Steven Pingle, called on October 4, 2015 to inform VCERA staff that he could not attend the meeting due to illness. Mr. Pingle requested a continuance to the next disability meeting.

Staff recommended that the Board grant the continuance and inform Mr. Pingle that there will be no further continuances for this matter, as this was Mr. Pingle's fourth request for a continuance for this application to be considered by the Board. Staff further recommended providing Mr. Pingle with the following options for the rescheduled hearing: to appear in person, to appear by telephone, to arrange for another attorney to appear in his place, or to submit written argument in lieu of oral argument.

Mr. Roberson stated that he had no objection to staff's recommendation. He informed the Board that he would be unavailable on the date of the next disability meeting, but that he would be available to attend the following disability meeting on December 7, 2015.

MOTION: Continue this matter to the December 7, 2015 Disability Meeting. Direct staff to provide the parties with the four options listed above prior to the meeting, and inform the parties that the matter will be heard on December 7, 2015 without the further option of continuance.

Moved by Winter, seconded by Wilson.

Vote: Motion carried
Yes: Hintz, Goulet, Sedell, Johnston, Winter, McCormick, Wilson
No: -
Absent: Henderson, Foy

VI. OLD BUSINESS

A. Chief Investment Officer Performance Evaluation Process
(materials will be on file with the Clerk and will be available prior to the meeting)

B. Update on Discussion of Reporting Relationships of VCERA Executive Management Staff to the Board and Retirement Administrator

The Board discussed engaging a business management consulting firm for analysis and recommendations for the organization of executive management staff and reviewed a proposal from Cortex.

MOTION: Table this matter to allow time for staff to request and acquire a more detailed description of the Cortex's proposed services and cost, to be provided for the Board's consideration at the October 19, 2015 business meeting.

Moved by Sedell, seconded by Johnston.

Vote: Motion carried
Yes: Hintz, Goulet, Sedell, Johnston, Winter, McCormick, Wilson
No: -
Absent: Henderson, Foy

VII. NEW BUSINESS

A. Appointment of SACRS Voting Proxy for Fall 2015 Conference

MOTION: Appoint Trustee McCormick as voting delegate and Trustee Sedell as alternate voting delegate for the SACRS 2015 Fall Conference.

Moved by Goulet, seconded by Johnston.

Vote: Motion carried
Yes: Hintz, Goulet, Sedell, Johnston, Winter, McCormick, Wilson
No: -
Absent: Henderson, Foy

B. SACRS 2016 Legislative Proposals - Consider and Take Possible Action to Provide Direction to Voting Delegates

1. Summary of Proposals

a. District Status for 1937 Act County Employee Retirement

Systems (SACRS Board of Directors)

MOTION: Direct voting delegate to vote in support of this proposal.

Moved by Johnston, seconded by Goulet.

Vote: Motion carried
Yes: Hintz, Goulet, Johnston, Winter, McCormick
No: Sedell, Wilson
Absent: Henderson, Foy

b. Optional Employee Sworn Statements (SDCERA)

MOTION: Direct voting delegate to vote in support of this proposal.

Moved by Goulet, seconded by Johnston.

Vote: Motion carried
Yes: Hintz, Goulet, Sedell, Johnston, Winter, McCormick, Wilson
No: -
Absent: Henderson, Foy

c. Alternate Retiree Trustee Voting (Merced CERA)

MOTION: Direct voting delegate to vote in support of this proposal.

Moved by Johnston, seconded by Goulet.

Vote: Motion carried
Yes: Hintz, Goulet, Johnston, Winter, McCormick
No: Sedell, Wilson
Absent: Henderson, Foy

d. BOR Trustee Per Diem (SACRS Board of Directors)

Chair Towner clarified that this proposal refers to trustee compensation for Board meeting attendance.

MOTION: Direct voting delegate to vote in support of this proposal.

Moved by Johnston, seconded by Wilson.

Vote: Motion carried
Yes: Hintz, Goulet, Sedell, Johnston, Winter, McCormick, Wilson
No: -
Absent: Henderson, Foy

VIII. PUBLIC COMMENT

None.

IX. STAFF COMMENT

Mr. Gallagher informed the Board that Trustee Sedell and Trustee Hoag were scheduled to accompany him on the upcoming due diligence visits to Loomis Sayles, GMO, LLC, and HarbourVest, in Boston, MA.

Ms. Webb discussed plans for VCERA's future newsletter and requested feedback from the trustees regarding their preferred name choice for the newsletter among suggestions submitted by staff.

Ms. Webb updated the Board on the Pensionable Compensation Analysis response from stakeholders to date, and stated that the deadline for additional feedback was extended by one week, to October 9, 2015. Chair Towner requested that Ms. Webb remind the County of Ventura that VCERA needs to receive the County's response by the end of the week.

X. BOARD MEMBER COMMENT

Trustee Goulet reported that he'd been informed of widespread problems with the County's new financial management system and that the staff in the Auditor-Controller's office have not been cooperative with county departments and agencies in resolving problems.

XI. ADJOURNMENT

The meeting was adjourned at 9:50 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

SEPTEMBER 2015

FIRST NAME	LAST NAME	G/S	DATE OF MEMBERSHIP	TOTAL SERVICE		OTHER SERVICE	DEPARTMENT	EFFECTIVE DATE
REGULAR RETIREMENTS:								
Mary H.	Allport	G	08/02/1981	30.10	*	B=0.08600 C=3.18400	Health Care Agency	08/01/2015
Lynnell J.	Bouchard	G	9/12/1978	38.80		A=1.9742	General Services Agency	08/15/2015
Joyce L.	Cheney	G	02/15/2004	6.70			Probation Agency (Deferred)	08/01/2015
Anthony J.	Cuccio	G	3/4/1979	37.10		B=1.1190	Public Works Agency	08/28/2015
Rosa M.	Delgadillo	G	08/31/1980	35.00		B=0.11350	Human Services Agency	08/06/2015
Susan L.	Di Maio	G	05/03/1987	24.50		B=0.12657	CEO	08/15/2015
Marie E.	Fenley	G	01/13/1985	26.90			Health Care Agency	08/01/2015
Jose L.	Garcia	G	09/18/2000	13.60			General Services Agency	08/06/2015
Rita	Hallett	G	08/17/2000	12.40			Health Care Agency	08/30/2015
Cheryl L.	Halsey	G	10/23/1994	18.90			Health Care Agency	08/27/2015
Karen L.	Hanson	S	06/15/1980	27.30			Sheriff's Department	08/19/2015
Dale C.	Hawkins	G	10/01/1999	15.80			Health Care Agency	08/01/2015
Pamela J.	Johnson	G	02/18/2003	12.50			County Clerk-Recorder	08/29/2015
Troy A.	Kuhlman	S	06/18/2000	4.00	*	C=21.58	Harbor Department (Deferred)	05/14/2015
Adria R.	Lawson	G	11/28/1999	10.70			Health Care Agency	08/31/2015
Linda M.	Moyer	G	09/25/1999	15.90			Regional Sanitation District	08/03/2015
Vicenta T.	Muldong	G	12/24/1989	22.10		B=0.42960	Health Care Agency	08/15/2015
Frank G.	Ramirez	G	07/11/1999	15.50			Superior Court	08/10/2015
Nelia	Raymundo	G	06/23/1991	20.80			Health Care Agency	08/01/2015
Sonya L.	Sheehan	G	09/07/1997	22.00		B=0.09150 D=4.00	Information Services Department	08/22/2015
Norma	Soto	G	05/01/1988	27.00			Assessor	08/23/2015
David B.	Torfeh	G	11/04/1984	32.00		B=0.11340 D=1.13260	Public Works	08/29/2015
Judith C.	Weigand	G	10/20/1975	38.70			Health Care Agency	08/29/2015
Robert S.	Wright	S	02/22/1987	3.10	*	C=25.37345	Sheriff's Department (Deferred)	08/31/2015
Roger P.	Woodland	G	10/04/1999	0.40	*	C=18.00945	Resource Management Agency	08/22/2015
Ellen C.	Yoshimura	G	09/29/2002	12.80			Health Care Agency	08/01/2015
DEFERRED RETIREMENTS:								
Brenda Jean	Garvie	G	01/14/2007	7.15			Health Care Agency	08/15/2015
Christian	Glasgow	G	07/31/2005	9.58			Health Care Agency	08/03/2015
John	Hinojosa	G	07/16/2006	9.14			Human Services Agency	09/11/2015
Kelsey	Hollenbeck	G	10/09/2005	9.85			Health Care Agency	08/15/2015
Anthony	Hudson	G	05/02/2010	5.30			Superior Court	09/03/2015
Steven A.	Jackson	G	10/01/2007	7.95			Public Works Agency	09/08/2015
Maria G.	Torres	G	05/30/2010	5.14			Health Care Agency	08/27/2015
Mary Beth	Weaverling	G	10/01/2000	12.78			Animal Regulations	08/14/2015

SURVIVORS' CONTINUANCES:

Eleanor L.	Hawkes
Hannah	Johnson
Edith A.	McGlynn
Anastacia A.	Takahashi

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

Ventura County Retirement Assn

Check Register - Standard

Period: 03-16 As of: 10/2/2015

Check Nbr	Check Type	Check Date	Vendor ID / Vendor Name	Period To Post	Closed	Ref Nbr	Doc Type	Invoice Number	Invoice Date	Discount Taken	Amount Paid
Company:	**VCERA**										
Acct / Sub:	1002		00								
025559	CK	9/3/2015	F3521 DEBORAH L. RAY	03-16		020432	VO	PENSION PAYMENT	9/3/2015	0.00	1,378.97
025560	CK	9/3/2015	F5197 GEORGE JOHNSON	03-16		020433	VO	PENSION PAYMENT	9/3/2015	0.00	689.14
025561	CK	9/3/2015	100922 KAREN L. BATEMAN	03-16		020434	VO	REFUND T2 COL	9/3/2015	0.00	1,131.95
025562	CK	9/3/2015	102536 CRYSTAL L. MCCULLER	03-16		020435	VO	REFUND T2 COL	9/3/2015	0.00	16,989.08
025563	CK	9/3/2015	XXXXX9945R JACKSON NATIONAL LIFE INS	03-16		020436	VO	ROLLOVER	9/3/2015	0.00	15,687.61
025564	CK	9/3/2015	118144R FRANKLIN TEMPLETON BANK	03-16		020437	VO	ROLLOVER	9/3/2015	0.00	22,727.55
025565	CK	9/3/2015	121744 IVAN K. FABIC	03-16		020438	VO	REFUND CONTRIB	9/3/2015	0.00	4,825.67
025566	CK	9/3/2015	119332 SHIRLEY A. MCCOWAN	03-16		020439	VO	REFUND CONTRIB	9/3/2015	0.00	32,585.44
025567	CK	9/3/2015	XXXXX9945 VIRGINIA RYERSON	03-16		020440	VO	REFUND CONTRIB	9/3/2015	0.00	327.04
025568	CK	9/3/2015	123535 STEPHEN E. STRANG	03-16		020441	VO	REFUND CONTRIB	9/3/2015	0.00	7,249.53
025569	CK	9/3/2015	119686 JORGE TAPIA	03-16		020442	VO	REFUND CONTRIB	9/3/2015	0.00	25,127.07
025570	CK	9/3/2015	104777 GREGORY G. LANNER	03-16		020443	VO	REFUND CONTRIB	9/3/2015	0.00	587.25
025571	CK	9/3/2015	108559 DEANA FULLER	03-16		020444	VO	REFUND CONTRIB	9/3/2015	0.00	4,195.10

Ventura County Retirement Assn

Check Register - Standard

Period: 03-16 As of: 10/2/2015

Check Nbr	Check Type	Check Date	Vendor ID / Vendor Name	Period To Post	Closed	Ref Nbr	Doc Type	Invoice Number	Invoice Date	Discount Taken	Amount Paid
025572	CK	9/3/2015	123692 BETH ELLEN HAWKINS	03-16		020445	VO	REFUND CONTRIB	9/3/2015	0.00	5,598.58
025573	CK	9/3/2015	124233 DENISE M. JAWAD-WENDELL	03-16		020446	VO	REFUND CONTRIB	9/3/2015	0.00	3,427.86
025574	CK	9/3/2015	XXXXX9387 CONNIE LEE LEWIS	03-16		020447	VO	REFUND CONTRIB	9/3/2015	0.00	3,950.62
025575	CK	9/3/2015	108123 EMILY CLEARY	03-16		020448	VO	REFUND CONTRIB	9/3/2015	0.00	71,297.27
025576	CK	9/3/2015	F2620B1 MILLER FAMILY TRUST DTD 7	03-16		020449	VO	DEATH BENEFIT	9/3/2015	0.00	11,304.00
025577	CK	9/3/2015	F3271B1 KEBRA HERNANDEZ	03-16		020450	VO	DEATH BENEFIT	9/3/2015	0.00	6.87
025578	CK	9/3/2015	F3409B1 GLORIA A. SMYLY	03-16		020451	VO		9/3/2015	0.00	3,831.60
025579	CK	9/3/2015	F3964B THEDA DECKER	03-16		020452	VO	DEATH BENEFIT	9/3/2015	0.00	5,659.58
025580	CK	9/3/2015	F6272B1 LEE MUTH	03-16		020453	VO	DEATH BENEFIT	9/3/2015	0.00	5,784.40
025581	CK	9/3/2015	F6461B1 MICHAEL GLEESON	03-16		020454	VO	DEATH BENEFIT	9/3/2015	0.00	4,000.00
025582	CK	9/3/2015	F4397S PALMA BALL	03-16		020455	VO	DEATH BENEFIT	9/3/2015	0.00	4,390.47
025583	CK	9/3/2015	F4436S ROSALINA BAUTISTA	03-16		020456	VO	DEATH BENEFIT	9/3/2015	0.00	4,101.47
025584	CK	9/3/2015	F4859S PEDRO R. PRADO	03-16		020457	VO	DEATH BENEFIT	9/3/2015	0.00	3,220.54

Ventura County Retirement Assn

Check Register - Standard

Period: 03-16 As of: 10/2/2015

Check Nbr	Check Type	Check Date	Vendor ID / Vendor Name	Period To Post	Closed	Ref Nbr	Doc Type	Invoice Number	Invoice Date	Discount Taken	Amount Paid
025585	CK	9/3/2015	AYALA IRENE P. AYALA	03-16		020458	VO	ADMIN EXP	9/3/2015	0.00	6,125.00
025586	CK	9/3/2015	PBI PENSION BENEFIT INFORMA	03-16		020459	VO	ADMIN EXP	9/3/2015	0.00	1,130.00
025587	CK	9/3/2015	CMP CMP & ASSOCIATES, INC	03-16		020460	VO	IT/PAS	9/3/2015	0.00	25,030.63
025588	CK	9/3/2015	COUNTY COUNTY COUNSEL	03-16		020461	VO	ADMIN EXP	9/3/2015	0.00	26,168.50
025589	CK	9/3/2015	CUSTOM CUSTOM PRINTING	03-16		020462	VO	ADMIN EXP	9/3/2015	0.00	376.26
025590	CK	9/3/2015	GFOA GOVERNMENT FINANCE	03-16		020463	VO	ADMIN EXP	9/3/2015	0.00	50.00
025591	CK	9/3/2015	LINEA LINEA SOLUTIONS	03-16		020464	VO	PAS	9/3/2015	0.00	32,368.00
025592	CK	9/3/2015	NOSSAMAN NOSSAMAN LLP	03-16		020465	VO	ADMIN EXP	9/3/2015	0.00	9,987.70
025593	CK	9/3/2015	SPRUCE SPRUCEGROVE INVESTMEN	03-16		020466	VO	INVESTMENT FEES	9/3/2015	0.00	57,266.70
025594	CK	9/3/2015	VOLT VOLT	03-16		020467	VO	ADMIN EXP	9/3/2015	0.00	2,333.71
025595	CK	9/3/2015	VSG VSG HOSTING, INC	03-16		020468	VO	PAS	9/3/2015	0.00	19,500.00
025596	CK	9/10/2015	F8711 THERESA M. RAITT	03-16		020469	VO	PENSION PAYMENT	9/10/2015	0.00	1,675.67
025597	CK	9/10/2015	F7273 JULIO VILLASANA	03-16		020470	VO	PENSION PAYMENT	9/10/2015	0.00	760.49
025598	CK	9/10/2015	106869 ELLEN C. YOSHIMURA	03-16		020471	VO	REFUND T2 COL	9/10/2015	0.00	27,218.10

Ventura County Retirement Assn

Check Register - Standard

Period: 03-16 As of: 10/2/2015

Check Nbr	Check Type	Check Date	Vendor ID / Vendor Name	Period To Post	Closed	Ref Nbr	Doc Type	Invoice Number	Invoice Date	Discount Taken	Amount Paid
025612	CK	9/10/2015	VITECH VITECH SYSTEMS GROUP, IN	03-16		020485	VO	PAS	9/10/2015	0.00	380,000.00
025613	CK	9/10/2015	VOLT VOLT	03-16		020486	VO	ADMIN EXP	9/10/2015	0.00	2,819.41
025614	CK	9/16/2015	107752 PAMELA L. JOHNSON	03-16		020487	VO	REFUND T2 COL	9/16/2015	0.00	13,451.09
025615	CK	9/16/2015	101682 NORMA SOTO	03-16		020488	VO	REFUND T2 COL	9/16/2015	0.00	12,290.53
025616	CK	9/16/2015	122665 CECILIA CEJA	03-16		020489	VO	REFUND CONTRIB	9/16/2015	0.00	4,515.43
025617	CK	9/16/2015	106288 CESAR CAMACHO	03-16		020490	VO	REFUND CONTRIB	9/16/2015	0.00	18,025.03
025618	CK	9/16/2015	F3279B1R NATIONAL FINANCIAL SERVI	03-16		020491	VO	ROLLOVER	9/16/2015	0.00	5,428.77
025619	CK	9/16/2015	122743R FIRST CLEARING CORP.	03-16		020492	VO	ROLLOVER	9/16/2015	0.00	4,696.28
025620	CK	9/16/2015	F2640B1 STEPHANIE VALLIERE	03-16		020493	VO	DEATH BENEFIT	9/16/2015	0.00	650.75
025621	CK	9/16/2015	F7247B1 JOHN CONNELLY FAMILY TR	03-16		020494	VO	DEATH BENEFIT	9/16/2015	0.00	325.59
025622	CK	9/16/2015	AT&T AT & T MOBILITY	03-16		020495	VO	IT	9/16/2015	0.00	292.65
025623	CK	9/16/2015	SEGAL SEGAL CONSULTING	03-16		020496	VO	ACTUARY FEES	9/16/2015	0.00	20,598.00
025624	CK	9/16/2015	TWC TIME WARNER CABLE	03-16		020497	VO	IT	9/16/2015	0.00	359.82
025625	CK	9/23/2015	990002 ARTHUR E. GOULET	03-16		020498	VO	ADMIN EXP	9/23/2015	0.00	368.17

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
025599	CK	9/10/2015	105750 JOSE L. GARCIA	03-16		020472	VO	REFUND T2 COL	9/10/2015	0.00	10,466.74
025600	CK	9/10/2015	116439 PAUL T. ARNOLD	03-16		020473	VO	REFUND T2 COL	9/10/2015	0.00	3,436.59
025601	CK	9/10/2015	F0312B1 THE ESTATE OF ROBERT J. E	03-16		020474	VO	DEATH BENEFIT	9/10/2015	0.00	4,178.83
025602	CK	9/10/2015	F3241B1 LAWRENCE D. LANDIS	03-16		020475	VO	DEATH BENEFIT	9/10/2015	0.00	2,089.22
025603	CK	9/10/2015	124158R PRUDENTIAL	03-16		020476	VO	ROLLOVER	9/10/2015	0.00	4,306.78
025604	CK	9/10/2015	101602 HENRY SOLIS	03-16		020477	VO	TRAVEL REIMB	9/10/2015	0.00	155.41
025605	CK	9/10/2015	BARNEY A.B.U. COURT REPORTING, II	03-16		020478	VO	ADMIN EXP	9/10/2015	0.00	315.00
025606	CK	9/10/2015	ADP ADP, LLC	03-16		020479	VO	ADMIN EXP	9/10/2015	0.00	12,312.09
025607	CK	9/10/2015	CMP CMP & ASSOCIATES, INC	03-16		020480	VO	IT	9/10/2015	0.00	16,419.38
025608	CK	9/10/2015	MEGAPATH GLOBAL CAPACITY	03-16		020481	VO	IT/PAS	9/10/2015	0.00	603.63
025609	CK	9/10/2015	HARRIS HARRIS WATER CONDITIONI	03-16		020482	VO	ADMIN EXP	9/10/2015	0.00	134.50
025610	CK	9/10/2015	LINEA LINEA SOLUTIONS	03-16		020483	VO	IT	9/10/2015	0.00	9,065.00
025611	CK	9/10/2015	CORPORATE STAPLES ADVANTAGE	03-16		020484	VO	ADMIN EXP	9/10/2015	0.00	598.21

Ventura County Retirement Assn

Check Register - Standard

Period: 03-16 As of: 10/2/2015

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
025626	CK	9/23/2015	ACCESS ACCESS INFORMATION MAN	03-16		020499	VO	ADMIN EXP	9/23/2015	0.00	320.62
025627	CK	9/23/2015	BROWN BROWN ARMSTRONG	03-16		020500	VO	ADMIN EXP	9/23/2015	0.00	27,994.87
025628	CK	9/23/2015	LINEA LINEA SOLUTIONS	03-16		020501	VO	IT/PAS	9/23/2015	0.00	54,568.75
025629	CK	9/23/2015	MBS MANAGED BUSINESS SOLUT	03-16		020502	VO	PAS	9/23/2015	0.00	3,750.00
025630	CK	9/23/2015	MF M.F. DAILY CORPORATION	03-16		020503	VO	ADMIN EXP	9/23/2015	0.00	16,611.72
025631	CK	9/23/2015	NOSSAMAN NOSSAMAN LLP	03-16		020504	VO	ADMIN EXP	9/23/2015	0.00	9,572.69
025632	CK	9/23/2015	SHRED-IT SHRED-IT USA	03-16		020505	VO	ADMIN EXP	9/23/2015	0.00	130.40
025633	CK	9/23/2015	STATE STATE STREET BANK AND TI	03-16		020506	VO	INVESTMENT FEES	9/23/2015	0.00	37,045.80
025634	CK	9/23/2015	VOLT VOLT	03-16		020507	VO	ADMIN EXP	9/23/2015	0.00	2,459.58
025635	CK	9/23/2015	WEST WEST COAST AIR CONDITIOI	03-16		020508	VO	IT	9/23/2015	0.00	75.00
025636	CK	9/23/2015	104238 TRACY TOWNER	03-16		020509	VO	ADMIN EXP	9/23/2015	0.00	270.10
025637	CK	9/29/2015	CALPERS CALPERS LONG-TERM	03-16		020510	VO	INSURANCE	9/29/2015	0.00	20,742.49
025638	CK	9/29/2015	CVMP COUNTY OF VENTURA	03-16		020511	VO	INSURANCE	9/29/2015	0.00	607,434.03

Ventura County Retirement Assn

Check Register - Standard

Period: 03-16 As of: 10/2/2015

Check Nbr	Check Type	Check Date	Vendor ID / Vendor Name	Period To Post	Closed	Ref Nbr	Doc Type	Invoice Number	Invoice Date	Discount Taken	Amount Paid
025639	CK	9/29/2015	VCPFF VENTURA COUNTY PROFESS	03-16		020512	VO	INSURANCE	9/29/2015	0.00	70,483.77
025640	CK	9/29/2015	VRSD VENTURA REGIONAL	03-16		020513	VO	INSURANCE	9/29/2015	0.00	7,926.64
025641	CK	9/29/2015	VSP VISION SERVICE PLAN - (CA)	03-16		020514	VO	INSURANCE	9/29/2015	0.00	10,216.12
025642	CK	9/29/2015	VCDSA VENTURA COUNTY DEPUTY	03-16		020516	VO	INSURANCE	9/29/2015	0.00	243,151.90
025643	CK	9/29/2015	SEIU SEIU LOCAL 721	03-16		020517	VO	DUES	9/29/2015	0.00	381.50
025644	CK	9/29/2015	REAVC RETIRED EMPLOYEES' ASSO	03-16		020518	VO	DUES	9/29/2015	0.00	4,278.00
025645	CK	9/29/2015	FTBCA3 FRANCHISE TAX BOARD	03-16		020519	VO	GARNISHMENT	9/29/2015	0.00	137.26
025646	CK	9/29/2015	IRS6 INTERNAL REVENUE SERVIC	03-16		020520	VO	GARNISHMENT	9/29/2015	0.00	321.00
025647	CK	9/29/2015	IRS7 INTERNAL REVENUE SERVIC	03-16		020521	VO	GARNISHMENT	9/29/2015	0.00	500.00
025648	CK	9/29/2015	CA SDU CALIFORNIA STATE	03-16		020522	VO	CRT ORDERED PMT	9/29/2015	0.00	1,052.47
025649	CK	9/29/2015	CHILD5 STATE DISBURSEMENT UNIT	03-16		020523	VO	CRT ORDERED PMT	9/29/2015	0.00	511.00
025650	CK	9/29/2015	CHILD9 SHERIDA SEGALL	03-16		020524	VO	CRT ORDERED PMT	9/29/2015	0.00	260.00
025651	CK	9/29/2015	CHILD21 OREGON DEPT OF JUSTICE	03-16		020525	VO	CRT ORDERED PMT	9/29/2015	0.00	171.74
025652	CK	9/29/2015	SPOUSE2 KELLY SEARCY	03-16		020526	VO	CRT ORDERED PMT	9/29/2015	0.00	1,874.00

Ventura County Retirement Assn

Check Register - Standard

Period: 03-16 As of: 10/2/2015

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
025653	CK	9/29/2015	SPOUSE3 ANGELINA ORTIZ	03-16		020527	VO	CRT ORDERED PMT	9/29/2015	0.00	250.00
025654	CK	9/29/2015	SPOUSE4 CATHY C. PEET	03-16		020528	VO	CRT ORDERED PMT	9/29/2015	0.00	550.00
025655	CK	9/29/2015	SPOUSE5 SUZANNA CARR	03-16		020529	VO	CRT ORDERED PMT	9/29/2015	0.00	829.00
025656	CK	9/29/2015	SPOUSE6 BARBARA JO GREENE	03-16		020530	VO	CRT ORDERED PMT	9/29/2015	0.00	675.00
025657	CK	9/29/2015	SPOUSE7 MARIA G. SANCHEZ	03-16		020531	VO	CRT ORDERED PMT	9/29/2015	0.00	104.00
025658	CK	9/29/2015	SPOUSE8 DEBBIE ANN BETTIS	03-16		020532	VO	CRT ORDERED PMT	9/29/2015	0.00	1,358.00

Check Count: 100

Acct Sub Total: **2,123,975.77**

Check Type	Count	Amount Paid
Regular	100	2,123,975.77
Hand	0	0.00
Electronic Payment	0	0.00
Void	0	0.00
Stub	0	0.00
Zero	0	0.00
Mask	0	0.00
Total:	**100**	**2,123,975.77**

Company Disc Total **0.00**

Company Total **2,123,975.77**

Ventura County Employee's Retirement Association
Statement of Reserves
June 30, 2015

VALUATION RESERVES:			
MEMBER CONTRIBUTIONS	$ 647,597,355		
EMPLOYER ADVANCE	2,119,359,715		
(EMPLOYER LIABILITY DIFFERENTIAL)	(885,633,697)		
RETIREE	2,269,554,677		
VESTED FIXED SUPPLEMENTAL ($108.44)	137,151,336		
SUPPLEMENTAL DEATH BENEFIT	14,301,038		
UNDISTRIBUTED EARNINGS	(0)		
TOTAL VALUATION RESERVES		$	4,302,330,424
NON-VALUATION RESERVES:			
SUPPLEMENTAL MEDICAL ($27.50)	8,800,509		
CONTINGENCY	-		
TOTAL NON-VALUATION RESERVES			8,800,509
TOTAL RESERVES (ACTUARIAL VALUATION)		$	4,311,130,933
MARKET STABILIZATION			53,664,255
TOTAL RESERVES (MARKET VALUE)		$	4,364,795,188

VENTURA COUNTY EMPLOYEES' RETIREMENT ASSOCIATION
STATEMENT OF FIDUCIARY NET POSITION
JULY 31, 2015 (UNAUDITED)

ASSETS

CASH & CASH EQUIVALENTS	**$213,841,458**
RECEIVABLES	
EMPLOYER/EMPLOYEE CONTRIBUTIONS	142
ACCRUED INTEREST AND DIVIDENDS	3,970,675
SECURITY SALES	52,535,325
MISCELLANEOUS	3,951
TOTAL RECEIVABLES	**56,510,092**
INVESTMENTS AT FAIR VALUE	
DOMESTIC EQUITY SECURITIES	123,022,412
DOMESTIC EQUITY INDEX FUNDS	1,221,476,705
INTERNATIONAL EQUITY SECURITIES	358,953,085
INTERNATIONAL EQUITY INDEX FUNDS	259,688,402
GLOBAL EQUITY	443,612,056
PRIVATE EQUITY	137,574,310
DOMESTIC FIXED INCOME - CORE PLUS	620,680,674
DOMESTIC FIXED INCOME - U.S. INDEX	140,127,368
GLOBAL FIXED INCOME	260,472,682
REAL ESTATE	339,068,878
ALTERNATIVES	402,058,175
CASH OVERLAY - CLIFTON	(490)
TOTAL INVESTMENTS	**4,306,734,256**
CAPITAL ASSET - SOFTWARE DEVELOPMENT	**9,426,005**
TOTAL ASSETS	**4,586,511,811**

LIABILITIES

SECURITY PURCHASES PAYABLE	59,556,267
ACCOUNTS PAYABLE	773,071
PREPAID CONTRIBUTIONS	156,738,367
TOTAL LIABILITIES	**217,067,705**
NET POSITION RESTRICTED FOR PENSIONS	**$4,369,444,106**

VENTURA COUNTY EMPLOYEES' RETIREMENT ASSOCIATION
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FOR THE MONTH ENDED JULY 31, 2015 (UNAUDITED)

ADDITIONS	
CONTRIBUTIONS	
EMPLOYER	$8,176,680
EMPLOYEE	3,384,697
TOTAL CONTRIBUTIONS	**11,561,377**
INVESTMENT INCOME	
NET APPRECIATION IN FAIR VALUE OF INVESTMENTS	(4,606,204)
INTEREST INCOME	1,366,286
DIVIDEND INCOME	16,347,649
REAL ESTATE OPERATING INCOME, NET	
SECURITY LENDING INCOME	6,300
TOTAL INVESTMENT INCOME	**13,114,032**
LESS INVESTMENT EXPENSES	
MANAGEMENT & CUSTODIAL FEES	106,041
SECURITIES LENDING BORROWER REBATES	1,941
SECURITIES LENDING MANAGEMENT FEES	4,360
TOTAL INVESTMENT EXPENSES	**112,341**
NET INVESTMENT INCOME	**13,001,691**
TOTAL ADDITIONS	**24,563,068**
DEDUCTIONS	
BENEFIT PAYMENTS	19,602,436
MEMBER REFUNDS	94
ADMINISTRATIVE EXPENSES	311,619
TOTAL DEDUCTIONS	**19,914,149**
NET INCREASE/(DECREASE)	**4,648,918**
NET POSITION RESTRICTED FOR PENSIONS	
BEGINNING OF YEAR	**4,364,795,188**
ENDING BALANCE	**$4,369,444,106**

VENTURA COUNTY EMPLOYEES' RETIREMENT ASSOCIATION
INVESTMENTS AND CASH EQUIVALENTS
JULY 31, 2015 (UNAUDITED)

EQUITY		
DOMESTIC EQUITY		
WESTERN ASSET INDEX PLUS	$123,022,412	$19,402,611
TOTAL DOMESTIC EQUITY	**123,022,412**	**19,402,611**
DOMESTIC INDEX FUNDS		
BLACKROCK - US EQUITY MARKET	1,172,698,407	0
BLACKROCK - EXTENDED EQUITY	48,778,298	1
TOTAL EQUITY INDEX FUNDS	**1,221,476,705**	**1**
INTERNATIONAL EQUITY		
SPRUCEGROVE	180,880,194	0
HEXAVEST	82,298,163	0
WALTER SCOTT	95,774,728	0
TOTAL INTERNATIONAL EQUITY	**358,953,085**	**0**
INTERNATIONAL INDEX FUNDS		
BLACKROCK - ACWIXUS	259,688,402	0
TOTAL INTERNATIONAL INDEX FUNDS	**259,688,402**	**0**
GLOBAL EQUITY		
GRANTHAM MAYO AND VAN OTTERLOO (GMO)	212,721,378	0
BLACKROCK - GLOBAL INDEX	230,890,678	0
TOTAL GLOBAL EQUITY	**443,612,056**	**0**
PRIVATE EQUITY		
ADAMS STREET	84,388,874	0
PANTHEON	12,378,350	0
HARBOURVEST	40,807,086	0
TOTAL PRIVATE EQUITY	**137,574,310**	**0**
FIXED INCOME		
DOMESTIC		
LOOMIS SAYLES AND COMPANY	68,702,961	3,446,918
REAMS	286,233,544	0
WESTERN ASSET MANAGEMENT	265,744,169	4,199,821
TOTAL DOMESTIC	**620,680,674**	**7,646,739**
DOMESTIC INDEX FUNDS		
BLACKROCK - US DEBT INDEX	140,127,368	0
TOTAL DOMESTIC INDEX FUNDS	**140,127,368**	**0**
GLOBAL		
LOOMIS SAYLES AND COMPANY	89,266,764	0
LOOMIS ALPHA	42,580,870	0
PIMCO	128,625,048	2,344,552
TOTAL GLOBAL	**260,472,682**	**2,344,552**

VENTURA COUNTY EMPLOYEES' RETIREMENT ASSOCIATION
INVESTMENTS AND CASH EQUIVALENTS
JULY 31, 2015 (UNAUDITED)

REAL ESTATE		
PRUDENTIAL REAL ESTATE	114,985,250	0
RREEF	4,430,973	0
UBS REALTY	219,652,656	0
TOTAL REAL ESTATE	339,068,878	0
ALTERNATIVES		
BRIDGEWATER	275,705,725	0
TORTOISE (MLP's)	126,352,450	3,913,435
TOTAL ALTERNATIVES	402,058,175	3,913,435
CASH OVERLAY - CLIFTON GROUP	(490)	153,786,261
IN HOUSE CASH		26,747,859
TOTAL INVESTMENTS AND CASH	$4,306,734,256	$213,841,458

VENTURA COUNTY EMPLOYEES' RETIREMENT ASSOCIATION
STATEMENT OF FIDUCIARY NET POSITION
AUGUST 31, 2015 (UNAUDITED)

ASSETS

CASH & CASH EQUIVALENTS	**$208,368,566**
RECEIVABLES	
EMPLOYER/EMPLOYEE CONTRIBUTIONS	142
ACCRUED INTEREST AND DIVIDENDS	3,631,666
SECURITY SALES	45,710,809
MISCELLANEOUS	3,800
TOTAL RECEIVABLES	**49,346,417**
INVESTMENTS AT FAIR VALUE	
DOMESTIC EQUITY SECURITIES	115,211,852
DOMESTIC EQUITY INDEX FUNDS	1,148,662,184
INTERNATIONAL EQUITY SECURITIES	335,345,376
INTERNATIONAL EQUITY INDEX FUNDS	240,616,565
GLOBAL EQUITY	412,798,685
PRIVATE EQUITY	137,574,310
DOMESTIC FIXED INCOME - CORE PLUS	618,941,959
DOMESTIC FIXED INCOME - U.S. INDEX	139,941,050
GLOBAL FIXED INCOME	272,521,469
REAL ESTATE	339,068,878
ALTERNATIVES	395,056,391
CASH OVERLAY - CLIFTON	(717)
TOTAL INVESTMENTS	**4,155,738,002**
CAPITAL ASSET - SOFTWARE DEVELOPMENT	**9,426,005**
TOTAL ASSETS	**4,422,878,990**

LIABILITIES

SECURITY PURCHASES PAYABLE	85,496,832
ACCOUNTS PAYABLE	274,662
PREPAID CONTRIBUTIONS	143,659,045
TOTAL LIABILITIES	**229,430,539**
NET POSITION RESTRICTED FOR PENSIONS	**$4,193,448,451**

VENTURA COUNTY EMPLOYEES' RETIREMENT ASSOCIATION
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FOR THE MONTH ENDED AUGUST 31, 2015 (UNAUDITED)

ADDITIONS	
CONTRIBUTIONS	
EMPLOYER	$21,341,439
EMPLOYEE	8,462,282
TOTAL CONTRIBUTIONS	**29,803,721**
INVESTMENT INCOME	
NET APPRECIATION IN FAIR VALUE OF INVESTMENTS	(180,548,894)
INTEREST INCOME	2,637,640
DIVIDEND INCOME	17,221,157
REAL ESTATE OPERATING INCOME, NET	
SECURITY LENDING INCOME	23,843
TOTAL INVESTMENT INCOME	**(160,666,254)**
LESS INVESTMENT EXPENSES	
MANAGEMENT & CUSTODIAL FEES	212,069
SECURITIES LENDING BORROWER REBATES	6,603
SECURITIES LENDING MANAGEMENT FEES	7,071
TOTAL INVESTMENT EXPENSES	**225,744**
NET INVESTMENT INCOME	**(160,891,997)**
TOTAL ADDITIONS	**(131,088,276)**
DEDUCTIONS	
BENEFIT PAYMENTS	39,195,884
MEMBER REFUNDS	431,495
ADMINISTRATIVE EXPENSES	631,081
TOTAL DEDUCTIONS	**40,258,461**
NET INCREASE/(DECREASE)	**(171,346,737)**
NET POSITION RESTRICTED FOR PENSIONS	
BEGINNING OF YEAR	**4,364,795,188**
ENDING BALANCE	**$4,193,448,451**

VENTURA COUNTY EMPLOYEES' RETIREMENT ASSOCIATION
INVESTMENTS AND CASH EQUIVALENTS
AUGUST 31, 2015 (UNAUDITED)

EQUITY		
DOMESTIC EQUITY		
WESTERN ASSET INDEX PLUS	$115,211,852	$27,021,291
TOTAL DOMESTIC EQUITY	**115,211,852**	**27,021,291**
DOMESTIC INDEX FUNDS		
BLACKROCK - US EQUITY MARKET	1,102,711,703	0
BLACKROCK - EXTENDED EQUITY	45,950,480	1
TOTAL EQUITY INDEX FUNDS	**1,148,662,184**	**1**
INTERNATIONAL EQUITY		
SPRUCEGROVE	168,840,887	0
HEXAVEST	77,726,102	0
WALTER SCOTT	88,778,387	0
TOTAL INTERNATIONAL EQUITY	**335,345,376**	**0**
INTERNATIONAL INDEX FUNDS		
BLACKROCK - ACWIXUS	240,616,565	0
TOTAL INTERNATIONAL INDEX FUNDS	**240,616,565**	**0**
GLOBAL EQUITY		
GRANTHAM MAYO AND VAN OTTERLOO (GMO)	197,623,282	0
BLACKROCK - GLOBAL INDEX	215,175,403	0
TOTAL GLOBAL EQUITY	**412,798,685**	**0**
PRIVATE EQUITY		
ADAMS STREET	84,388,874	365,564
PANTHEON	12,378,350	0
HARBOURVEST	40,807,086	0
TOTAL PRIVATE EQUITY	**137,574,310**	**365,564**
FIXED INCOME		
DOMESTIC		
LOOMIS SAYLES AND COMPANY	68,365,909	4,747,923
REAMS	284,999,573	0
WESTERN ASSET MANAGEMENT	265,576,477	2,940,263
TOTAL DOMESTIC	**618,941,959**	**7,688,186**
DOMESTIC INDEX FUNDS		
BLACKROCK - US DEBT INDEX	139,941,050	0
TOTAL DOMESTIC INDEX FUNDS	**139,941,050**	**0**
GLOBAL		
LOOMIS SAYLES AND COMPANY	89,179,674	0
LOOMIS ALPHA	42,278,611	0
PIMCO	141,063,184	2,224,144
TOTAL GLOBAL	**272,521,469**	**2,224,144**

VENTURA COUNTY EMPLOYEES' RETIREMENT ASSOCIATION
INVESTMENTS AND CASH EQUIVALENTS
AUGUST 31, 2015 (UNAUDITED)

REAL ESTATE		
PRUDENTIAL REAL ESTATE	114,985,250	0
RREEF	4,430,973	0
UBS REALTY	219,652,656	0
TOTAL REAL ESTATE	339,068,878	0
ALTERNATIVES		
BRIDGEWATER	274,332,500	0
TORTOISE (MLP's)	120,723,891	4,894,068
TOTAL ALTERNATIVES	395,056,391	4,894,068
CASH OVERLAY - CLIFTON GROUP	(717)	155,472,552
IN HOUSE CASH		10,702,760
TOTAL INVESTMENTS AND CASH	$4,155,738,002	$208,368,566

VENTURA COUNTY EMPLOYEES' RETIREMENT ASSOCIATION
BUDGET SUMMARY FISCAL YEAR 2015-2016
Septembert 2015 - 25.00% of Fiscal Year Expended

EXPENDITURE DESCRIPTIONS	Adopted 2015/2016 Budget	Adjusted 2015/2016 Budget	Sep-15	Year to Date Expended	Available Balance	Percent Expended
Salaries & Benefits:						
Salaries	$ 2,322,000.00	$ 2,322,000.00	$ 163,683.60	$ 415,422.01	$ 1,906,577.99	17.89%
Extra-Help	50,000.00	50,000.00	7,612.70	15,768.84	34,231.16	31.54%
Overtime	3,000.00	3,000.00	91.45	101.99	2,898.01	3.40%
Supplemental Payments	70,800.00	70,800.00	4,744.92	12,287.70	58,512.30	17.36%
Vacation Redemption	111,400.00	111,400.00	5,784.59	7,992.55	103,407.45	7.17%
Retirement Contributions	427,700.00	427,700.00	31,016.22	78,245.48	349,454.52	18.29%
OASDI Contributions	139,800.00	139,800.00	9,512.93	25,479.06	114,320.94	18.23%
FICA-Medicare	36,400.00	36,400.00	2,493.16	6,227.18	30,172.82	17.11%
Retiree Health Benefit	8,700.00	8,700.00	723.60	2,894.40	5,805.60	33.27%
Group Health Insurance	201,000.00	201,000.00	14,553.00	38,214.91	162,785.09	19.01%
Life Insurance/Mgmt	1,100.00	1,100.00	88.23	227.75	872.25	20.70%
Unemployment Insurance	2,900.00	2,900.00	198.96	504.40	2,395.60	17.39%
Management Disability Insurance	18,000.00	18,000.00	1,162.18	2,969.63	15,030.37	16.50%
Worker' Compensation Insurance	18,700.00	18,700.00	1,297.78	3,237.49	15,462.51	17.31%
401K Plan Contribution	47,500.00	47,500.00	3,321.00	8,360.55	39,139.45	17.60%
Transfers In	103,400.00	103,400.00	9,324.02	27,221.48	76,178.52	26.33%
Transfers Out	(103,400.00)	(103,400.00)	(9,324.02)	(27,221.48)	(76,178.52)	26.33%
Total Salaries & Benefits	$ 3,459,000.00	$ 3,459,000.00	$ 246,284.32	$ 617,933.94	$ 2,841,066.06	17.86%
Services & Supplies:						
Telecommunication Services - ISF	$ 36,500.00	$ 36,500.00	$ 2,971.49	$ 7,787.87	$ 28,712.13	21.34%
General Insurance - ISF	12,500.00	12,500.00	0.00	0.00	12,500.00	0.00%
Office Equipment Maintenance	2,000.00	2,000.00	0.00	0.00	2,000.00	0.00%
Membership and Dues	10,400.00	10,400.00	0.00	4,700.00	5,700.00	45.19%
Education Allowance	10,000.00	10,000.00	0.00	0.00	10,000.00	0.00%
Cost Allocation Charges	17,000.00	17,000.00	0.00	0.00	17,000.00	0.00%
Printing Services - Not ISF	4,300.00	4,300.00	376.26	376.26	3,923.74	8.75%
Books & Publications	2,500.00	2,500.00	50.00	50.00	2,450.00	2.00%
Office Supplies	20,000.00	20,000.00	598.21	2,794.82	17,205.18	13.97%
Postage & Express	60,000.00	60,000.00	0.00	133.30	59,866.70	0.22%
Printing Charges - ISF	13,300.00	13,300.00	0.00	0.00	13,300.00	0.00%
Copy Machine Services - ISF	6,500.00	6,500.00	0.00	0.00	6,500.00	0.00%
Board Member Fees	12,000.00	12,000.00	1,800.00	1,800.00	10,200.00	15.00%
Judgement & Damages	0.00	0.00	0.00	1,838.57	(1,838.57)	#DIV/0!
Professional Services	1,002,300.00	1,002,300.00	93,863.50	197,205.37	805,094.63	19.68%
Storage Charges	4,500.00	4,500.00	320.62	693.24	3,806.76	15.41%
Equipment	5,000.00	5,000.00	0.00	0.00	5,000.00	0.00%
Office Lease Payments	205,200.00	205,200.00	16,611.72	49,835.16	155,364.84	24.29%
Private Vehicle Mileage	10,000.00	10,000.00	629.73	1,555.80	8,444.20	15.56%
Conference, Seminar and Travel	100,000.00	100,000.00	538.95	9,321.78	90,678.22	9.32%
Furniture	24,000.00	24,000.00	0.00	0.00	24,000.00	0.00%
Facilities Charges	6,900.00	6,900.00	75.00	75.00	6,825.00	1.09%
Transfers In	10,900.00	10,900.00	985.30	2,876.58	8,023.42	26.39%
Transfers Out	(10,900.00)	(10,900.00)	(985.30)	(2,876.58)	(8,023.42)	26.39%
Total Services & Supplies	$ 1,564,900.00	$ 1,564,900.00	$ 117,835.48	$ 278,167.17	$ 1,286,732.83	17.78%
Total Sal, Ben, Serv & Supp	$ 5,023,900.00	$ 5,023,900.00	$ 364,119.80	$ 896,101.11	$ 4,127,798.89	17.84%
Technology:						
Computer Hardware	$ 91,600.00	$ 91,600.00	$ -	2,164.37	$ 89,435.63	2.36%
Computer Software	204,400.00	204,400.00	0.00	8,955.74	195,444.26	4.38%
Systems & Application Support	693,100.00	693,100.00	84,151.41	119,039.53	574,060.47	17.17%
Pension Administration System	2,660,500.00	2,660,500.00	480,953.00	512,281.75	2,148,218.25	19.26%
Total Technology	$ 3,649,600.00	$ 3,649,600.00	$ 565,104.41	$ 642,441.39	$ 3,007,158.61	17.60%
Contingency	$ 812,400.00	$ 812,400.00	$ -	$ -	$ 812,400.00	0.00%
Total Current Year	$ 9,485,900.00	$ 9,485,900.00	$ 929,224.21	$ 1,538,542.50	$ 7,947,357.50	16.22%

Presented to

Ventura County Employees' Retirement Association

October 19, 2015

Presented by:

Clark W. Holland, CFA
Portfolio Manager

REAMS ASSET MANAGEMENT
A Division of Scout Investments

227 Washington Street, PO Box 727 Columbus, IN 47202 812.372.6606 www.reamsasset.com

Presenter Biography

Clark W. Holland, CFA

Clark Holland, is a portfolio manager at Reams Asset Management. In this role, he is responsible for managing portfolio compliance as well as communicating the firm's investment outlook and strategy to current and prospective Reams clients and their consultants. Clark has over 21 years of experience as a portfolio manager, analyst, and client service specialist. Prior to joining Reams in 2002, Clark was a Portfolio Manager and Investment Product Specialist at Wells Fargo Investment Management Group. Mr. Holland earned his master's in business administration from Rice University and his bachelor's degree from Taylor University. He holds the Chartered Financial Analyst (CFA) designation and is a member of the CFA Institute.

Agenda

Section	
1	Organizational Updates
2	Client Relationship Overview
3	Performance Review
4	Fixed Income Market Review
5	Portfolio Characteristics
6	Unconstrained Product
7	Supplemental Materials

Firm Overview

Reams Asset Management

- A trusted investment management partner since 1981
- Exclusive focus on U.S. fixed income portfolios for institutional clients and individual investors through separate accounts and mutual funds
- Long-term client relationships are a result of strong historical performance and attentive client service

Scout Investments

- Wholly owned subsidiary of UMB Financial Corporation, a multi-billion dollar diversified financial services company with roots tracing back to 1913
- 41 investment professionals with an average of 19 years of industry experience
- Striving to deliver relative outperformance over full market cycles
- Committed to leveraging the unique strengths of its divisions

Reams Leadership Team

Investment Committee

Mark M. Egan, CFA (29)
Chief Investment Officer
Managing Director

Thomas M. Fink, CFA (29)
Managing Director

Robert A. Crider, CFA (38)
Managing Director

Operations and Administration

David B. McKinney, JD, CPA (35)
President, Reams Division

Daniel P. Spurgeon (19)
V.P. Operations

Greg VanDuesen (19)
Chief Information Officer

Nancy Morey (33)
Director of Portfolio Systems and Accounting

Structured Products

Stephen T. Vincent, CFA (24)
Portfolio Manager
Structured Products Team Leader

Credit

Todd C. Thompson, CFA (21)
Portfolio Manager
Credit Research Team Leader

Client Services

Deanne B. Olson, CFA (18)
V.P. Client Services
Client Services Team Leader

Note: Names of **Key Investment Professionals** are emboldened.
Please see Supplemental Materials for detailed biographies.

(Years of Industry Experience)

Reams Representative Client List

Corporate
American Honda Motor Company
APL Limited
Cummins Inc.
Emerson Electric Company
NCR Corporation
Omaha Public Power District
Southern California Rock Products
VF Corporation

University/Endowment/Foundation
Trustees of Indiana University
Iowa Board of Regents
University of Kentucky
Purdue University
Regents of the University of Minnesota
University of Wisconsin System

Hospital
University of Colorado Health
Johns Hopkins Health System
NorthShore University HealthSystem
Northwestern Memorial HealthCare
Rehabilitation Institute of Chicago

Sub-Advisory
Christian Brothers Investment Services
Jackson National Life
Prudential Retirement Insurance and Annuity Company
Redwood Asset Management
Russell Investment Management Company

Non-Profit
Archdiocese of Miami
Board of Pensions/Presbyterian Church, USA
Cleveland Museum of Art
Sisters of the Holy Cross
Veterans of Foreign Wars of the U.S.

Public
City of Detroit Employees' Retirement System
Employees' Retirement System of Baltimore County
Indiana Public Retirement System
Indiana State Police Pension Trust
Los Angeles Fire & Police Pension System
City of Milwaukee Employees' Retirement System
Montana Board of Investments
City of Oakland Police & Fire Retirement System
San Francisco Bay Area Rapid Transit District
Santa Barbara County Employees' Retirement System
Seattle City Employees' Retirement System
Sonoma County Employees' Retirement Association
Spokane Firefighters' Pension Fund
Ventura County Employees' Retirement Association

Taft-Hartley
Building Trades United Pension Trust Fund
Carpenters District Council of Kansas City Pension Fund
Carpenters Pension Fund of Illinois
IBEW 8th District Electrical Pension Trust
ILWU-Pacific Maritime Association
Inter-Local Pension Fund, GCC/IBT
Louisiana Carpenters Regional Council Pension Plan

This Representative Client List includes institutional clients whose permission has been received for inclusion. It is not known whether or not the listed clients approve of the advisory services provided by Reams Asset Management or Scout Investments.

Reams Fixed Income Products

PRODUCTS	
Core Plus	$6.8 billion
Core	$0.9 billion
Intermediate	$0.4 billion
Long Duration	$2.4 billion
Low Duration	$3.9 billion
Real Return	$0.5 billion
Unconstrained	$6.4 billion
Total Firm AUM	$21.3 billion

VEHICLES

Separate Accounts

Institutional Commingled Funds:

- Columbus Core Plus Bond Fund
- Columbus Unconstrained Bond Fund

Institutional Mutual Funds:

- Scout Core Plus Bond Fund (SCPZX)
- Scout Core Bond Fund (SCCIX)
- Scout Low Duration Bond Fund (SCLDX)
- Scout Unconstrained Bond Fund (SUBFX)

Non-U.S. Mutual Fund:

- Scout Unconstrained Bond Fund (UCITS)

As of September 30, 2015

Investment Objective and Guidelines

Objective

- To maximize risk-adjusted total return by systematically pursuing relative value opportunities throughout all sectors of the fixed income market.

Performance Benchmark

- BofA Merrill Lynch LIBOR 3-Month Constant Maturity Index

Guidelines

- Average portfolio duration shall be within a range of -3 to 8 years. No restriction on individual holdings.
- No limit on the ratings of individual securities.
- No single credit industry shall exceed 25% of the portfolio at purchase.
- Emerging market securities shall not exceed 30% of the portfolio at purchase.
- Non-U.S. dollar holdings shall not exceed 30% of the portfolio at purchase, including positions hedged and unhedged.
- Futures, forwards, options and swaps (including credit default swaps) may be used to enhance returns, increase liquidity and/or gain exposure to certain instruments or markets in a more efficient way. Borrowing will not be permitted to create leverage in the portfolio. Investments in derivatives will only be used to gain exposure to underlying assets that are otherwise permitted by the investment guidelines.

Relationship Summary

Ventura County Employees' Retirement Association

Relationship Inception	October 1, 2001
Investment Style	Unconstrained Fixed Income
Performance Benchmark	BofA Merrill Lynch 3-Month LIBOR Index
Financial Data as of September 30, 2015:	
Initial Investment	$225.7 million
Contributions	$128.4 million
(Withdrawals)	($281.3 million)
Portfolio Gains	$211.6 million
Portfolio Value	$284.4 million

Performance Review

For Periods Ending September 30, 2015

	Percent Gain or Loss						
	Quarter Ending	Year To Date	Last 12 Months	Two Years (annualized)	Three Years (annualized)	Five Years (annualized)	Since Inception* (annualized)
Ventura County Employees' Retirement Association (a)	(0.50)	0.75	(1.22)	(0.37)	0.43	3.53	5.86
Ventura County Employees' Retirement Association (b)	(0.55)	0.62	(1.39)	(0.55)	0.25	3.34	5.67
Benchmark**	0.07	0.20	0.25	0.25	0.04	2.08	4.40
Barclays U.S. Aggregate Index	1.23	1.13	2.94	3.45	1.71	3.10	4.77
Core Plus Composite	0.97	1.70	2.74	3.02	2.08	4.31	5.95

* Inception Date: 10/1/2001

(a) Gross of Investment Management Fees
(b) Net of Investment Management Fees (recorded on cash basis)

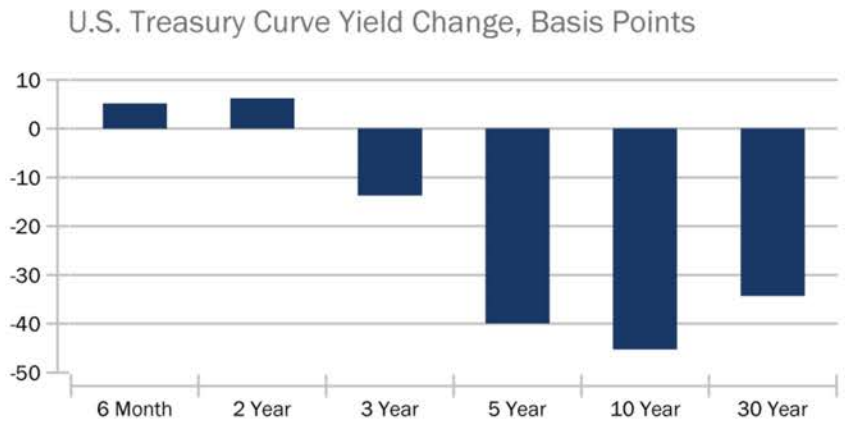
**The portfolio was managed under a Core Plus mandate from 10/1/2001 - 2/5/2013. Beginning 2/6/2013, the portfolio was transitioned to an Unconstrained mandate. The benchmark consists of the Barclays U.S. Aggregate through 2/5/2013 and the BofA Merrill Lynch 3-Month LIBOR Constant Maturity Index as of 2/6/2013.

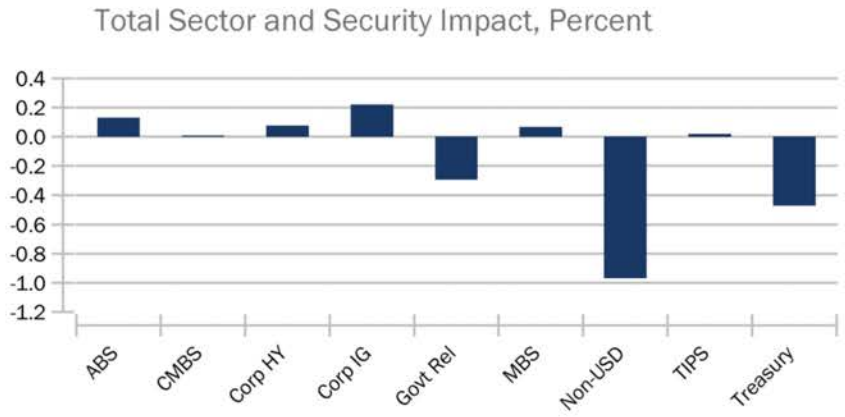
Total Return Detail

Ventura County Employees' Retirement Association: 10/1/2014 - 9/30/2015

	Portfolio (%)
Total Return	-1.22

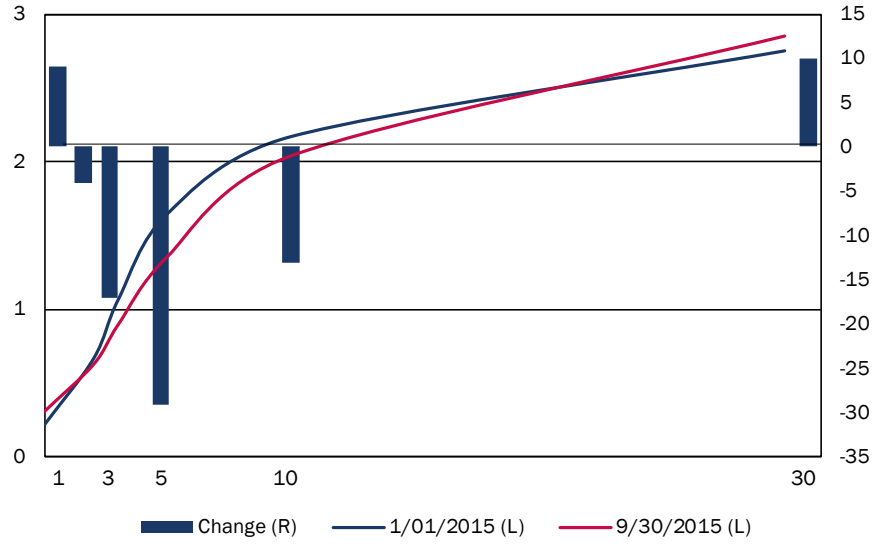
Sector	Total Impact
ABS	0.13
CMBS	0.01
Corp HY	0.07
Corp IG	0.22
Govt Rel	-0.29
MBS	0.07
Non-USD	-0.97
TIPS	0.02
Treasury	-0.47
	-1.22



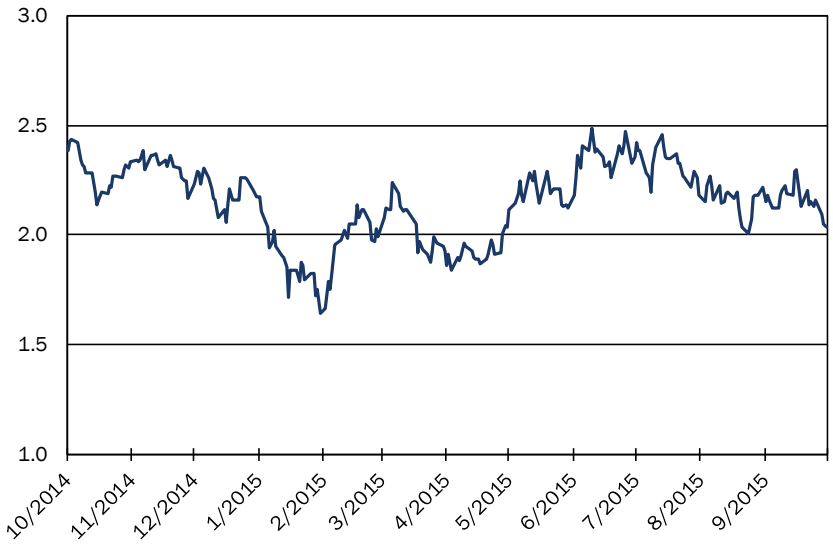


Fixed Income Market Review

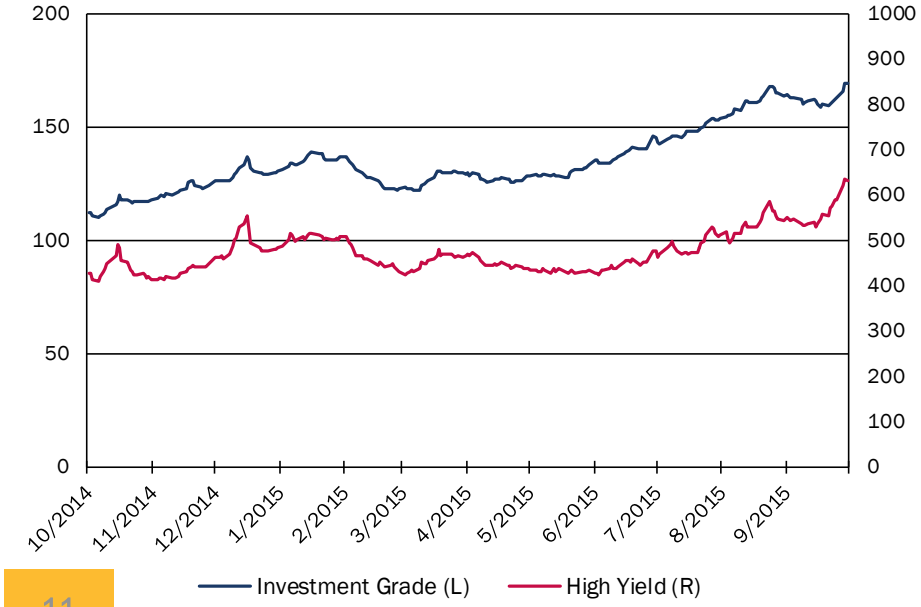
2015 YTD U.S. Treasury Yield Curve, Percent



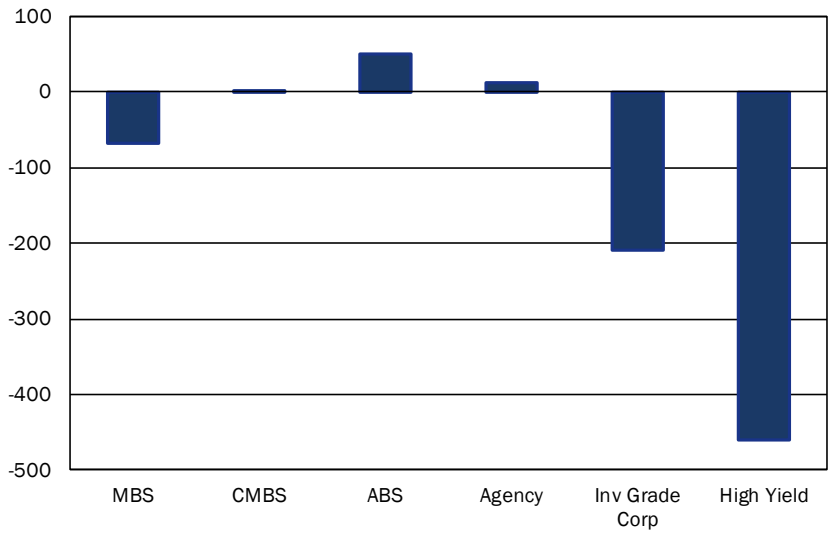
10-Year Treasury Yields (Trailing 12 Months), Percent



Corporate OAS (Trailing 12 Months), Basis Points



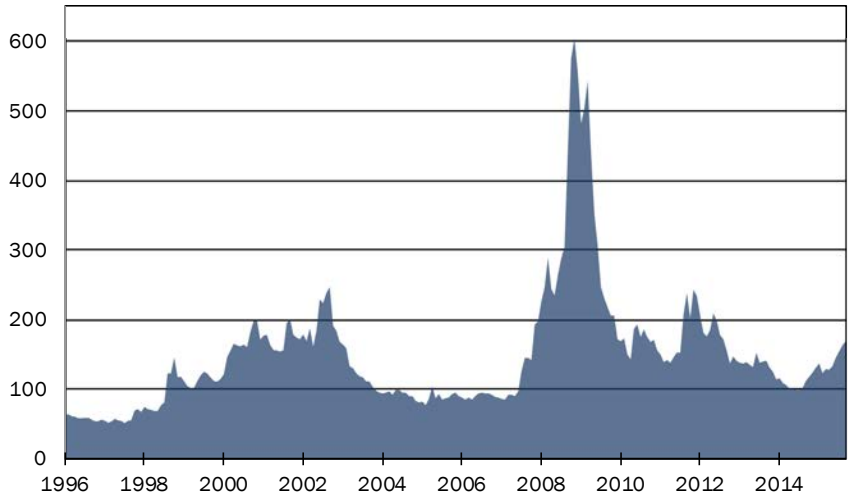
2015 YTD Sector Excess Returns, Basis Points



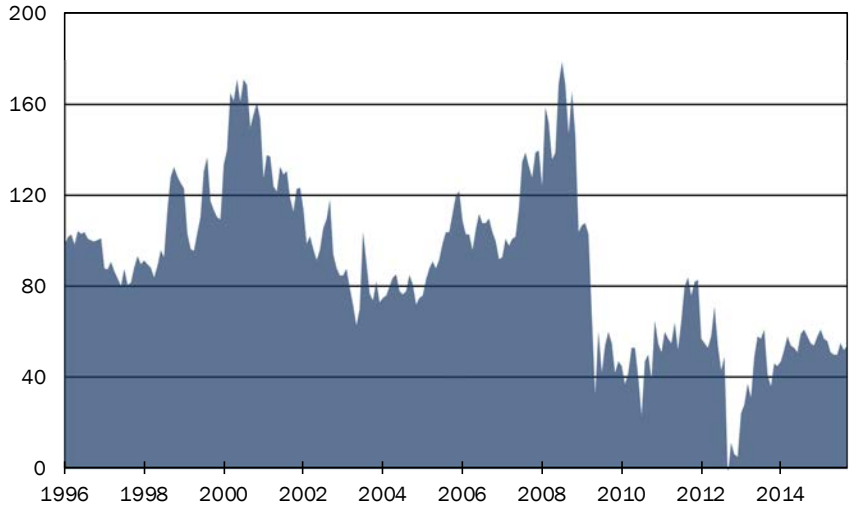
Source: Bloomberg and Barclays

Sector Spreads

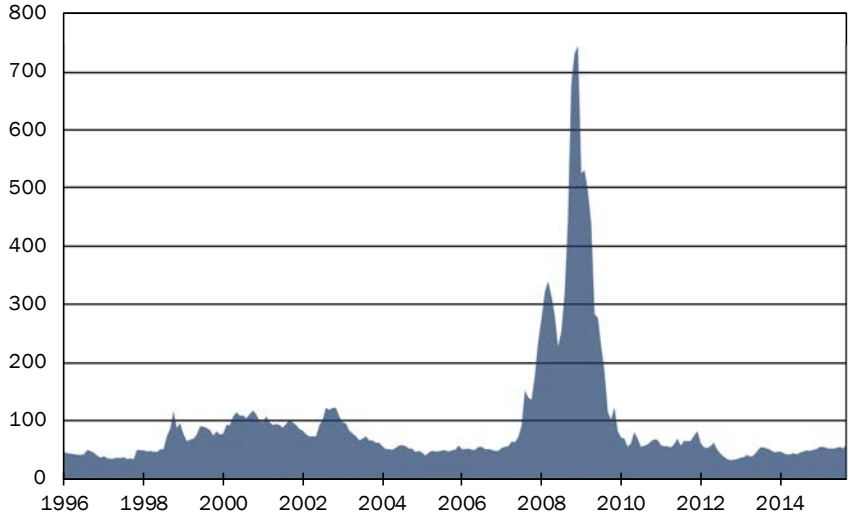
U.S. Corporate, Basis Points



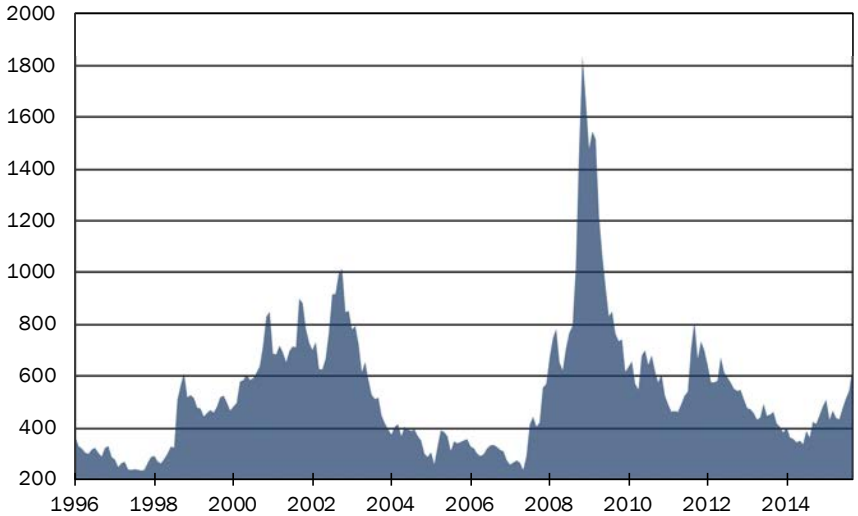
Agency Mortgage-Backed, Basis Points



Asset-Backed, Basis Points



High Yield, Basis Points

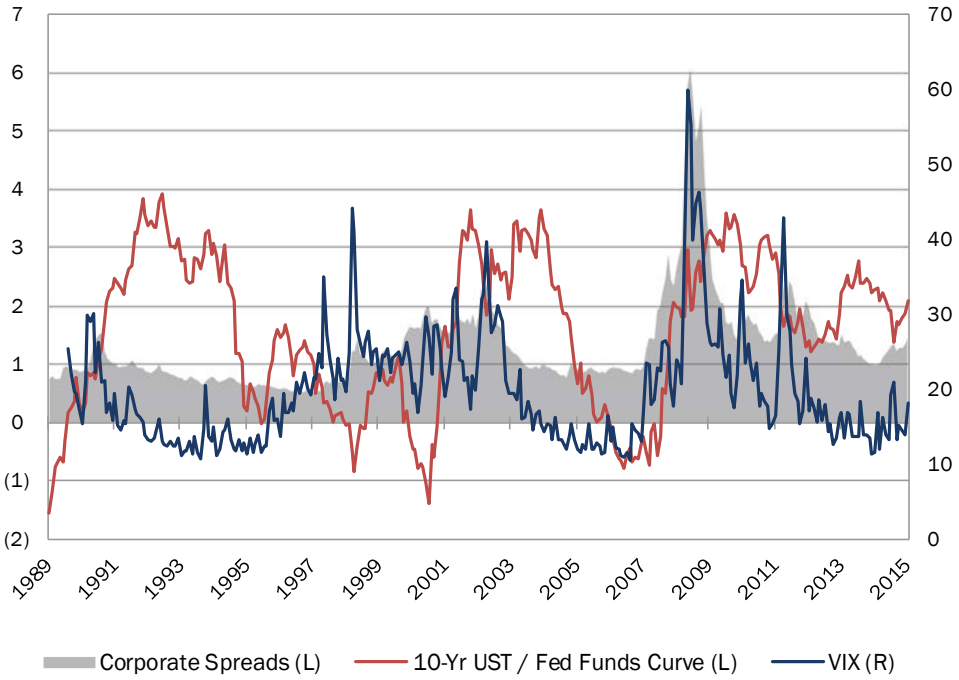


Source: Barclays

As of June 30, 2015

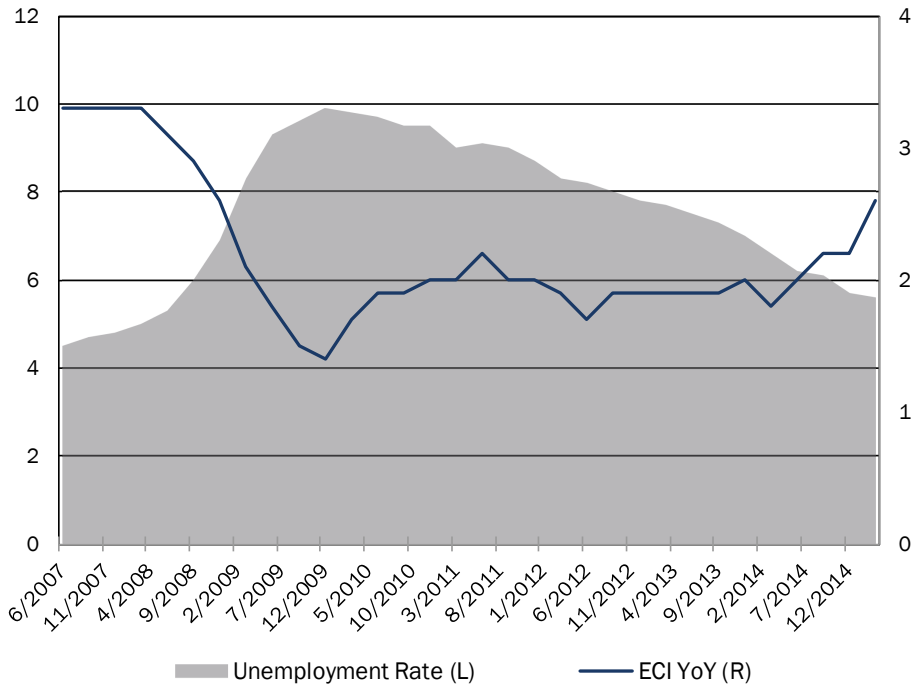
Fixed Income Market Review

Treasury Curve vs. Corporate Spreads and Volatility



- The Fed's upward pressure on short rates, coupled with long rates tamed by milder inflation expectations, could translate to a flatter term structure.
- History tells us that flat curves are not friendly toward risk assets.

Unemployment and Employment Cost Index YoY, Percent

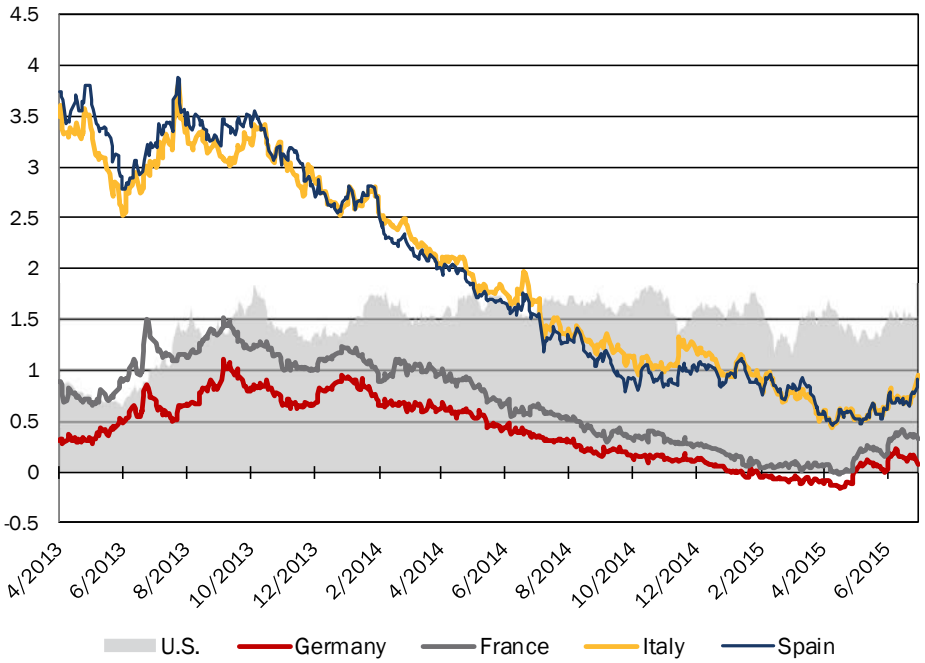


- In regard to the inflation threat in the U.S., the most watched indicator seems to be on the wage front, which has been moribund until recently.

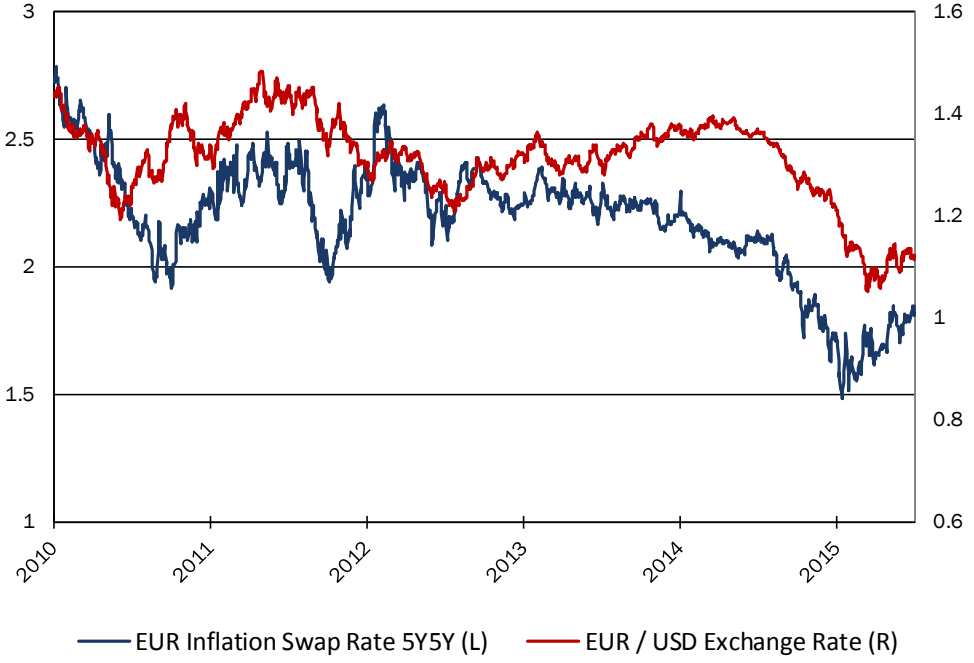
Source: Bloomberg

Fixed Income Market Review

U.S. vs. European Interest Rates, 5-Year Constant Maturity



European Deflation and the EUR / USD Exchange Rate



- 5-Year U.S. Treasurys have traded in a relatively narrow band over the past two years. Meanwhile, in response to disinflation and the massive European quantitative easing program, Eurozone rates have decoupled and trended significantly lower.
- Rates in stronger economies, such as France and Germany, spent part of 2015 in negative territory and remain very low versus U.S. Treasurys. Even lower rated Italy and Spain now enjoy lower interest rates than the U.S.

- The Eurozone seems to have stemmed its disinflation problem, but in doing so has also stopped the decline in the Euro. In our opinion, the objective of its QE has been a weaker currency. A lower currency will encourage growth and inflation in Europe's export-driven economy.
- The by-product of this dynamic is a stronger U.S. dollar, thereby, hurting the U.S. economy in the near term.

Source: Bloomberg

Portfolio Characteristics

Columbus Unconstrained Bond Fund: 9/30/2015

	Portfolio
Avg. Duration (Years)	1.5
Avg. Convexity	0.11
Avg. Yield to Worst (%)	2.8
Avg. Maturity (Years)	1.9
Avg. Quality	A2

Quality Structure (% of Portfolio)	Portfolio *
AAA	46.4
AA	1.7
A	22.0
BBB	10.8
Other	19.2
Total	100.0

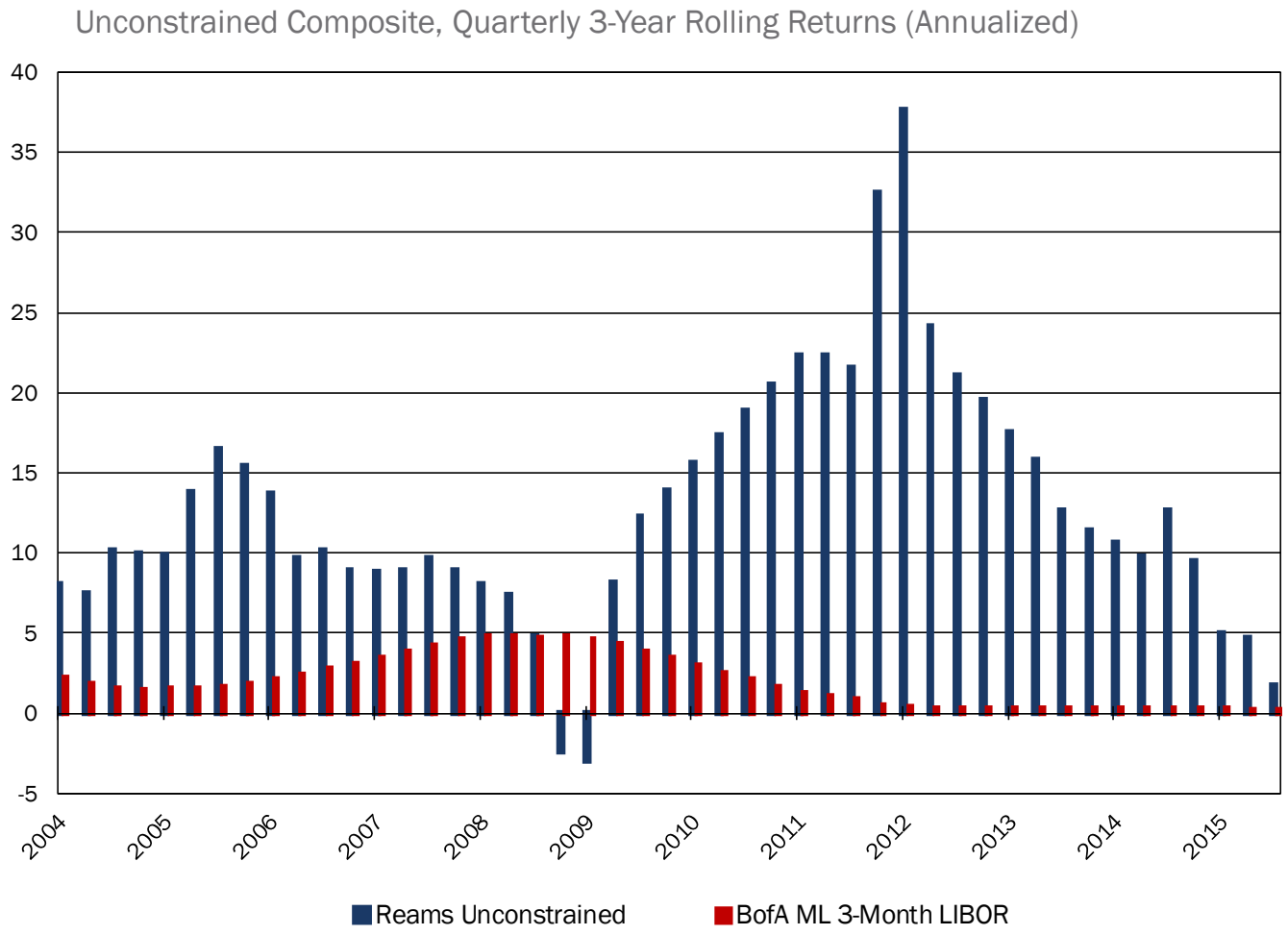
* The methodology used is consistent with client investment guidelines.

Sector Structure (% of Portfolio)	Portfolio
Treasury	1.3
Govt Related	2.6
Mortgage-Backed	2.1
Asset-Backed	3.5
Corporate IG	30.2
Corporate HY	16.2
Non-US Dollar	6.6
Cash and Equivalents	37.5
Total	100.0

Duration Distribution (Years)	Portfolio
0 - 1 yr.	0.2
1 - 3	0.5
3 - 4	0.1
4 - 6	0.3
6 - 8	0.1
8 +	0.3
Total	1.5

Maturity Distribution (%)	Portfolio
0 - 1 yr.	59.3
1 - 3	26.9
3 - 5	6.0
5 - 7	1.5
7 - 10	2.4
10 - 20	1.5
20 +	2.3
Total	100.0

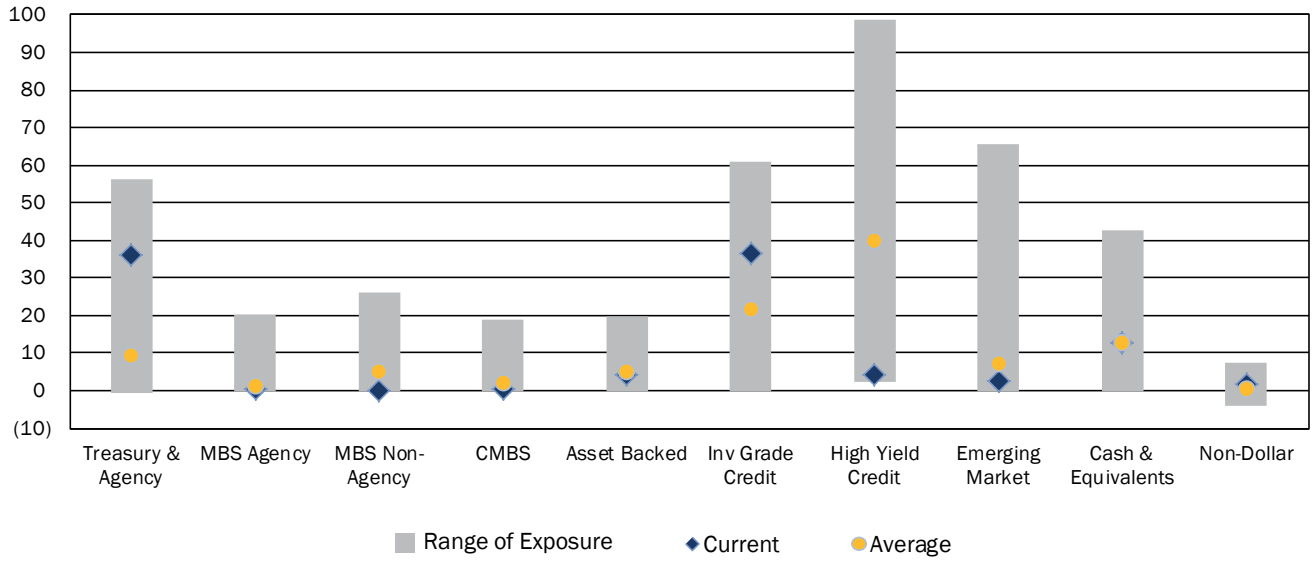
Process Has Produced Consistent Outperformance



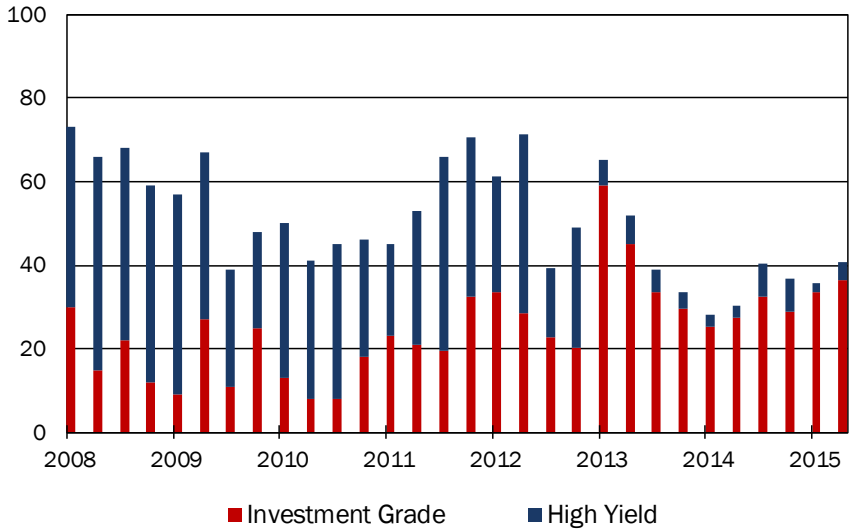
Past performance is no guarantee of future results. Performance figures are stated in U.S. dollars and assume reinvestment of dividends for the entire period. Performance for the Reams Unconstrained Fixed Income Composite is gross of fees. Each observation represents the rolling 3-year composite gross of fees return as of quarter end from January 1, 2001, through September 30, 2015. The rolling 3-year return as of quarter end for the BoA ML 3-month LIBOR Index over the same time period is also represented. The data does not represent performance for each quarter. Performance is based on the rolling 3-year observations. Please see the Important Disclosures for further information.

Reams Unconstrained Product

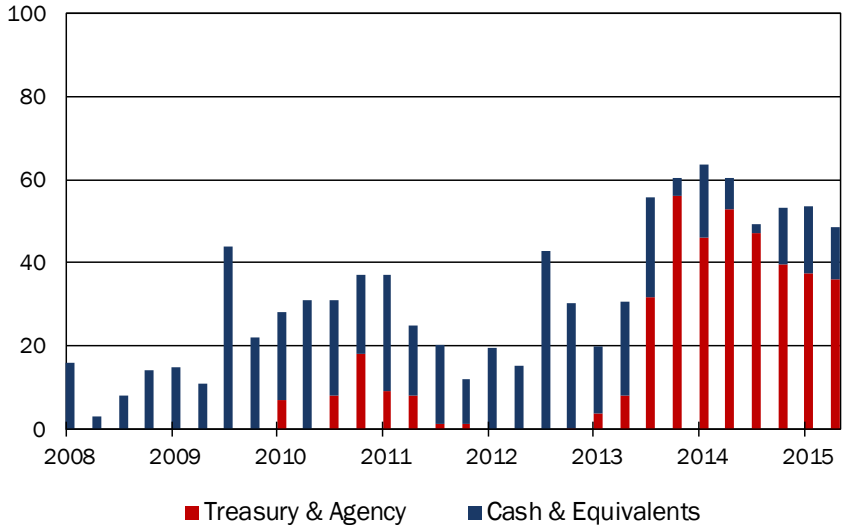
Historical Sector Allocation (Since Inception: 8/1/1998), Percent of Composite



Corporate Exposure, Percent of Portfolio

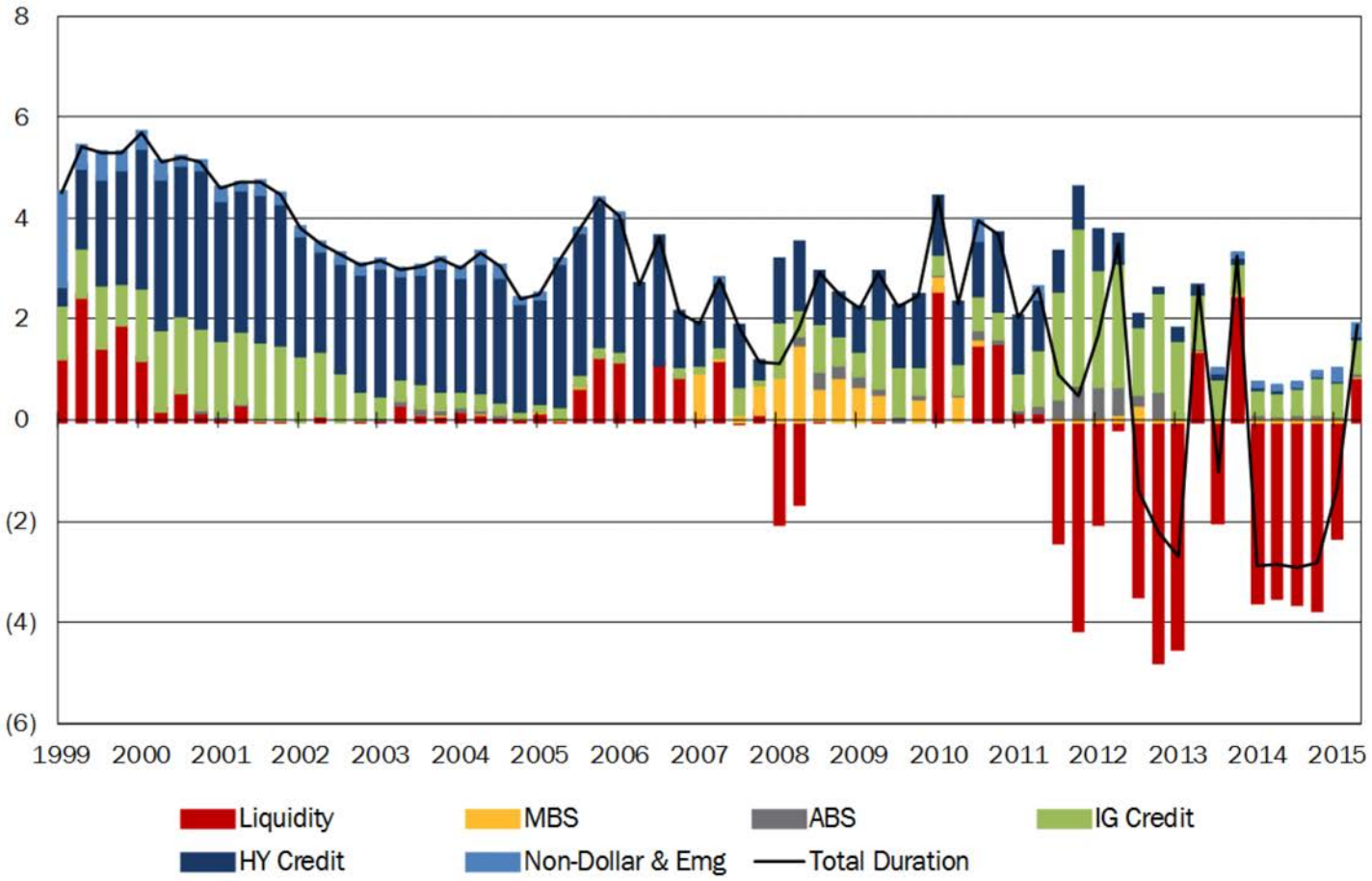


Liquidity Exposure, Percent of Portfolio



Historical Unconstrained Allocations

Contribution to Duration by Sector and Total Duration, Years



As of June 30, 2015

Reams Unconstrained Correlation Matrix

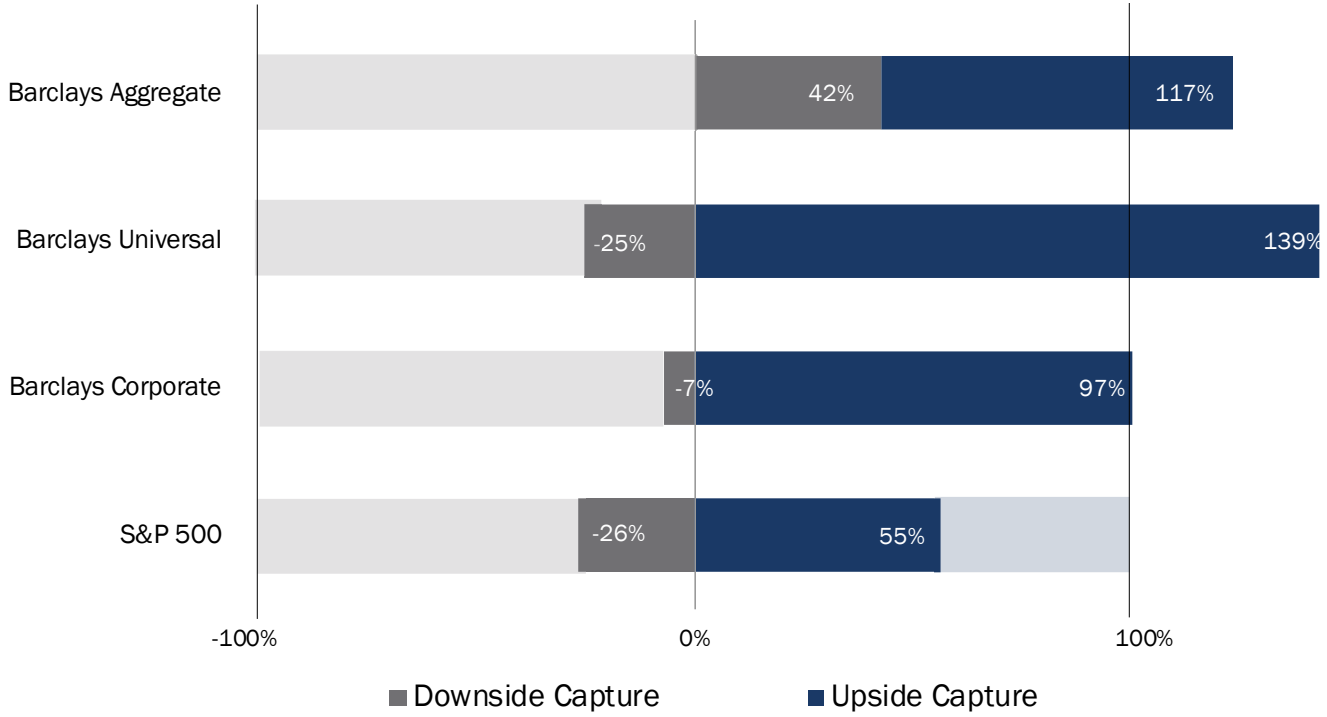
	Barclays Aggregate	Barclays Universal	Barclays Corporate	S&P 500	Reams Unconstrained
Barclays Aggregate	1.00	0.97	0.82	-0.09	0.07
Barclays Universal		1.00	0.88	0.08	0.23
Barclays Corporate			1.00	0.19	0.36
S&P 500				1.00	0.62
Reams Unconstrained					1.00

Monthly data for the period 8/1998 through 9/2015

Source: Barclays and Bloomberg

Reams Unconstrained Composite

Unconstrained Market Capture (*8/1/1998 – 9/30/2015*)

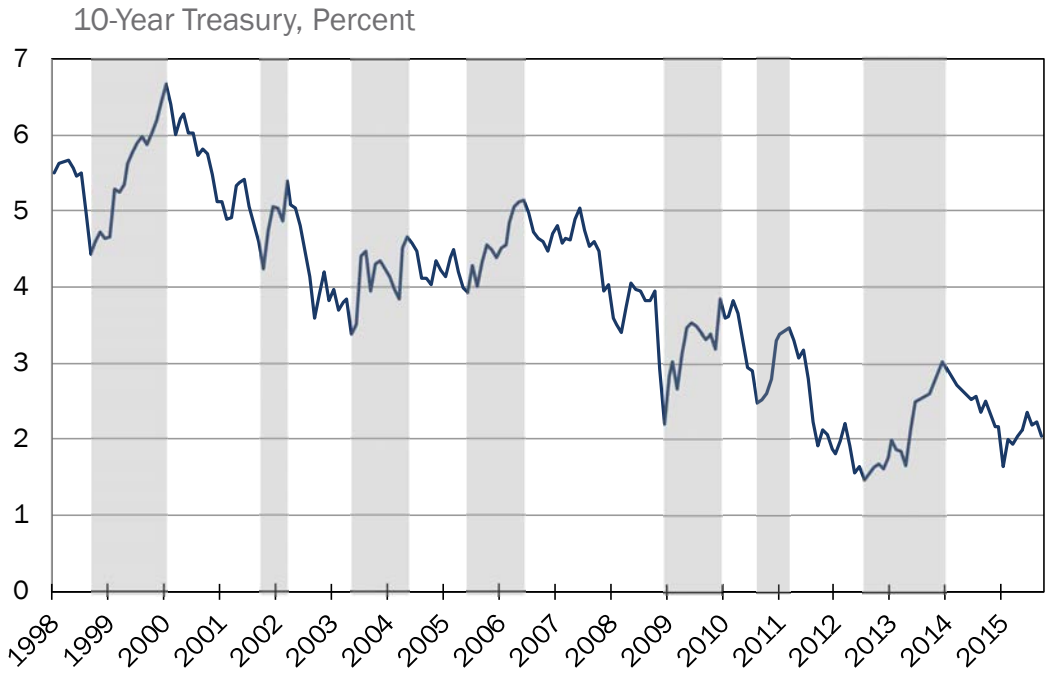


Source: Data derived from Barclays and Bloomberg

- Upside and downside capture ratios are important indicators of a strategy's performance relative to its market indexes in both strong and weak performing markets.
- Since the Reams Unconstrained strategy's inception (August 1998) through September 2015, it has captured significantly higher upside during periods of market strength and only a fraction of the downside over the same time period.

Performance data is from the Unconstrained Fixed Income Composite. Past performance is no guarantee of future results. Performance figures are stated gross of fees in U.S. Dollars, assume reinvestment of income for the entire period and do not reflect the deduction of management fees. Performance results of clients would be reduced by the firm's management fees. For example, an account with a compounded annual total return of 10% would have increased by 159% over ten years. Assuming an annual management fee of 0.30%, this increase would be 152%. The firm's management fees are detailed in its Form ADV Part 2. Please see the Important Disclosures for further information.

Returns in Rising Rate Environments



Note: For the purposes of this illustration, a rising interest rate environment (highlighted in gray) is a period of time during which the 10-Year Treasury rate rose at least 100 basis points.

Source: Bloomberg

	Percent Gain or Loss*						
	10/1/1998 - 1/31/2000	11/1/2001 - 3/31/2002	6/1/2003 - 5/31/2004	7/1/2005 - 6/30/2006	1/1/2009 - 12/31/2009	9/1/2010 - 3/31/2011	8/1/2012 - 12/31/2013
Unconstrained Composite	17.66	1.74	15.85	6.83	76.62	12.96	14.06
Barclays U.S. Aggregate Index	(0.81)	(1.91)	(0.44)	(0.81)	5.93	(0.77)	(1.62)
Difference	18.47	3.65	16.29	7.64	70.69	13.73	15.68

* Returns are cumulative for each time period

Performance data is from the Unconstrained Fixed Income Composite. Past performance is no guarantee of future results. Performance figures are stated gross of fees in U.S. Dollars, assume reinvestment of income for the entire period and do not reflect the deduction of management fees. Performance results of clients would be reduced by the firm's management fees. For example, an account with a compounded annual total return of 10% would have increased by 159% over ten years. Assuming an annual management fee of 0.30%, this increase would be 152%. The firm's management fees are detailed in its Form ADV Part 2. Please see the Important Disclosures for further information.

Reams Key Investment Professionals

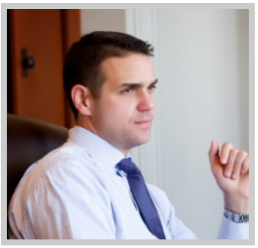
Mark M. Egan, CFA, chief investment officer, a managing director, and portfolio manager at Reams Asset Management, is the lead portfolio manager of the Scout Core Bond Fund, Scout Core Plus Bond Fund, Scout Low Duration Bond Fund and the Scout Unconstrained Bond Fund. Mark has 29 years of experience managing fixed income portfolios. Prior to joining Reams in 1990, Mark was a Portfolio Manager at National Investment Services of America. Mr. Egan earned his master's in business administration from the University of Wisconsin – Madison and his bachelor's degree from Marquette University. He holds the Chartered Financial Analyst (CFA) designation and is a member of the CFA Institute.

Thomas M. Fink, CFA, a managing director and portfolio manager at Reams Asset Management, is co-portfolio manager of the Scout Core Bond Fund, Scout Core Plus Bond Fund, Scout Low Duration Bond Fund and the Scout Unconstrained Bond Fund. Tom has 29 years of experience managing fixed income portfolios. Prior to joining Reams in 2000, Tom was a partner with Brandes Fixed Income Partners/Hilltop Capital, and held senior portfolio management roles with Zurich Financial Services in Bermuda and First Wisconsin Asset Management Company. Mr. Fink earned his master's in business administration from the University of Wisconsin – Madison and his bachelor's degree from Marquette University. He holds the Chartered Financial Analyst (CFA) designation and is a member of the CFA Institute.

Robert A. Crider, CFA, is a managing director at Reams Asset Management. Bob was a founding partner of Reams and has 38 years of experience managing fixed income portfolios. Prior to joining Reams in 1981, he worked for Cummins Engine Co., Inc. and the State Teachers Retirement System of Ohio. Mr. Crider earned his master's and bachelor's degrees from Ohio State University. He holds the Chartered Financial Analyst (CFA) designation and is a member of the CFA Institute.

Deanne B. Olson, CFA, is vice president of Client Services at Reams Asset Management. In this role, she is responsible for ensuring that Reams' clients receive personalized attention and outstanding client service. Deanne has 32 years of combined experience in relationship management, administration and community development. Prior to joining Reams in 1997, Deanne was Director of Health Promotion Services at Columbus Regional Hospital. Ms. Olson earned her master's in business administration from Indiana University and her bachelor's degree from Seattle Pacific University. She holds the Chartered Financial Analyst (CFA) designation and is a member of the CFA Institute.

Reams Key Investment Professionals (Cont'd.)



Todd C. Thompson, CFA, is a portfolio manager and leads the fixed income credit research team at Reams Asset Management. He is a co-portfolio manager of the Scout Core Bond Fund, Scout Core Plus Bond Fund, Scout Low Duration Bond Fund and the Scout Unconstrained Bond Fund. Todd has 21 years of experience as a fixed income portfolio manager and analyst. Prior to joining Reams in 2001, Todd worked for Conseco Capital Management Company and The Ohio Public Employees' Retirement System. Mr. Thompson earned his master's in business administration from Clemson University and his bachelor's degree from Bob Jones University. He holds the Chartered Financial Analyst (CFA) designation and is a member of the CFA Institute.

Stephen T. Vincent, CFA, is a portfolio manager and leads the fixed income structured products research team at Reams Asset Management. He is a co-portfolio manager of the Scout Core Bond Fund, Scout Core Plus Bond Fund, Scout Low Duration Bond Fund and the Scout Unconstrained Bond Fund. Steve has 24 years of experience as a fixed income portfolio manager and analyst. Prior to joining Reams in 1994, Steve worked for the Federal Deposit Insurance Corp. and First Security Corporation. Mr. Vincent earned his master's in business administration from Indiana University and his bachelor's degree from Brigham Young University. He holds the Chartered Financial Analyst (CFA) designation and is a member of the CFA Institute.

Clark W. Holland, CFA, is a portfolio manager at Reams Asset Management. In this role, he is responsible for managing portfolio compliance as well as communicating the firm's investment outlook and strategy to current and prospective Reams clients and their consultants. Clark has over 21 years of experience as a portfolio manager, analyst, and client service specialist. Prior to joining Reams in 2002, Clark was a Portfolio Manager and Investment Product Specialist at Wells Fargo Investment Management Group. Mr. Holland earned his master's in business administration from Rice University and his bachelor's degree from Taylor University. He holds the Chartered Financial Analyst (CFA) designation and is a member of the CFA Institute.

Reams Fixed Income Analysts

Bobby P. Flynn, is a fixed income analyst at Reams Asset Management. In this role, he is responsible for security research and trading for Reams' credit research team. Bobby worked at Reams as a summer intern while pursuing his undergraduate degree and joined the firm full-time upon graduation in 2012. Mr. Flynn earned his bachelor's degree in economics from Augustana College. He has passed all three levels of the Chartered Financial Analyst (CFA) Program and may be awarded the charter upon completion of the required work experience.

Trey Harrison, CFA, ASA is a fixed income analyst and actuary at Reams Asset Management. Prior to joining Reams in 2010, Trey was as an asset-liability portfolio manager at 40|86 Advisors, Inc.; and he played a lead role in the development of in-house asset-liability profiles for CNO Financial Group's individual statutory entities. He also served as a modeling actuary for Unum's Asset-Liability Working Group. Mr. Harrison is a CFA Charterholder and Associate of the Society of Actuaries. He holds a bachelor's degree in finance from Georgia Southern University and a master's degree from Georgia State's J. Mack Robinson College of Business.

Jason J. Hoyer, CFA, is a fixed income analyst at Reams Asset Management. In this role, he is responsible for security research and trading for Reams' credit team. He brings to Reams 12 years of experience as both a fixed income and equity analyst. Prior to joining Reams, Jason was a senior credit analyst at 40 | 86 Advisors; and, prior to that, was a Director in the Research Department at Fiduciary Management Associates. Mr. Hoyer earned his bachelor's degree from the University of Michigan. He holds the Chartered Financial Analyst (CFA) designation and is a member of the CFA Institute.

Reams Fixed Income Analysts (Cont'd)

Patrick T. Laughlin, is a fixed income analyst at Reams Asset Management. In this role, he is responsible for security research and trading for Reams' structured products team. Pat has 20 years of experience in investment research and analysis. Prior to joining Reams in 2004, Pat was a portfolio manager at St. Francis Bank and a director at SF Investment Corp. Mr. Laughlin earned his bachelor's degree from the University of Wisconsin – Stevens Point.

Scott A. Rosener, CFA, is a fixed income analyst at Reams Asset Management. In this role, he is responsible for security research and trading for Reams' credit team. Scott has over 18 years of experience in investment research and analysis. Prior to joining Reams in 2005, Scott was an investment analyst at the Lincoln Financial Group. Mr. Rosener earned his master's and bachelor's degrees from Indiana University. He holds the Chartered Financial Analyst (CFA) designation and is a member of the CFA Institute.

Kevin T. Salsbery, CFA, is a fixed income analyst at Reams Asset Management. In this role, he is responsible for security research and trading for Reams' structured products team. Kevin has 14 years of experience in investment research and analysis. Prior to joining Reams in 2004, he was an investment analyst at 40|86 Advisors, Inc. Mr. Salsbery earned his bachelor's degree from Taylor University. He holds the Chartered Financial Analyst (CFA) designation and is a member of the CFA Institute.

Important Disclosures

This presentation is intended for Institutional/Advisor use only. This material is provided for informational purposes only and contains no investment advice or recommendations to buy or sell any specific securities. You should not interpret the statements in this presentation as investment, tax, legal, or financial planning advice. Reams Asset Management obtained some information used in this presentation from third party sources it believes to be reliable, but this information is not necessarily comprehensive and Reams Asset Management does not guarantee that it is accurate. Neither Reams Asset Management nor Scout Investments, its affiliates, directors, officers, employees or agents accepts any liability for any loss or damage arising out of your use of all or any part of this presentation. All investments involve risk, including the possible loss of principal. Graphs or other illustrations are provided for illustrative purposes only and not intended as a recommendation to buy or sell securities displaying similar characteristics. Reams Asset Management is a division of Scout Investments, Inc., a registered investment advisor that offers investment management services for both managed accounts and mutual funds. Scout Investments is a wholly owned subsidiary of UMB Financial Corporation. Additional information is available at www.reamsasset.com or www.scoutinv.com.

"UMB" and "Scout"–Reg. U.S. Pat. & Tm. Off. UMB Financial Corporation claims service mark right in "Scout Investments" and "Scout Distributors". Copyright © 2015. UMB Financial Corporation. All Rights Reserved.

NOT FDIC INSURED/ NO BANK GUARANTEE/ MAY LOSE VALUE

Important Disclosures

This presentation is provided for institutional/advisor use only. All investments involve risk, including the possible loss of principal.

The portfolio data represents the Unconstrained Fixed Income Composite. Portfolio characteristics and sector weights are included for informational purposes only, and should not be construed as an investment recommendation. It should not be assumed that investments in any sectors listed were or will prove to be profitable. Portfolio composition may change at any time. Individual client accounts may differ from characteristics shown. The sector weights of any particular account may vary based on any investment restrictions applicable to the account.

Past performance is no guarantee of future results. Performance figures are in U.S. Dollars and assume reinvested of income for the entire period.

On November 30, 2010, Scout Investment Advisors, Inc. acquired the advisory business of Reams Asset Management Company, LLC. The performance provided prior to this date is based upon the Unconstrained Fixed Income Composite managed by Reams Asset Management Company, LLC. The portfolio managers and the investment objectives remain the same.

On December 28, 2010, the firm changed its name from Scout Investment Advisors to Scout Investments. Reams Asset Management is a division of Scout Investments, Inc., a registered investment advisor that offers investment management services for both managed accounts and mutual funds. Scout Investments is a wholly owned subsidiary of UMB Financial Corporation. Employees of Scout Distributors receive referral fees and compensation for soliciting clients on behalf of Scout Investments, including the Reams Asset Management Division. Scout Investments claims compliance with the Global Investment Performance Standards (GIPS®).

The Unconstrained Fixed Income Composite invests in all sectors of the fixed income markets, including investment grade securities, high yield securities and foreign securities. The composite can maintain a portfolio duration of any length. The Unconstrained Fixed Income Composite may invest in derivatives, including credit default swaps and related instruments, such as credit default swap index products. These derivative securities may be used to enhance returns, increase liquidity and/or gain exposure to certain instruments in the market (such as the corporate bond market) in a more efficient or less expensive way. The composite may also invest in interest rate derivatives to manage duration and yield curve exposure and in currency forwards to hedge currency exposure when Reams chooses to establish positions in non-U.S Dollar bonds. Derivatives used are strictly constrained by client investment policy.

To receive a complete list and description of composites and/or an Annual Disclosure Presentation, please contact David B. McKinney at 812.372.6606. Additional information is available at www.reamsasset.com or www.scoutinv.com.

"UMB" and "Scout" – Reg. U.S. Pat. & Tm. Off. UMB Financial Corporation claims service mark right in "Scout Investments" and "Scout Distributors". Copyright © 2015. UMB Financial Corporation. All Rights Reserved.

NOT FDIC INSURED/ NO BANK GUARANTEE/ MAY LOSE VALUE

Index Definitions:

The BofA Merrill Lynch 3-Month LIBOR Constant Maturity Index represents the London interbank offered rate (LIBOR) with a constant 3-month average maturity. Published by the British Bankers' Association, LIBOR is a composite of the rates of interest at which banks borrow from one another in the London market.

The Barclays U.S. Universal Index represents the union of the U.S. Aggregate Index, the U.S. High-Yield Corporate Index, the 144A Index, the Eurodollar Index, the Emerging Markets Index, and the non-ERISA portion of the CMBS Index. Municipal debt, private placements, and non-dollar-denominated issues are excluded from the Universal Index.

The Barclays U.S. Corporate Investment Grade Index is publicly issued U.S. corporate and specified foreign debentures and secured notes that meet the specified maturity, liquidity, and quality requirements.

The Barclays U.S. Aggregate Bond Index measures the performance of the investment grade, fixed-rate taxable bond market.

The Standard & Poor 500® Index (S&P 500®) is an unmanaged capitalization-weighted index (weighted by the market value of the companies) of 500 stocks listed on various exchanges.

NEPC, LLC

YOU DEMAND MORE. So do we.SM

Ventura County Employees' Retirement Association

Preliminary Performance Report
Month Ending September 30, 2015

Allan Martin, Partner
Dan LeBeau, Consultant
Anthony Ferrara, CAIA, 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 | SAN FRANCISCO

Ventura County Employees' Retirement Association

Total Fund Performance Detail Net of Fees

Performance Summary

	Market Value ($)	% of Portfolio	Policy %	1 Mo (%)	3 Mo (%)	YTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)	Return (%)	Since
Total Fund	**4,197,654,972**	**100.0**	**100.0**	**-2.2**	**-5.6**	**-3.8**	**-2.9**	**7.1**	**8.1**	**5.5**	**7.8**	**Apr-94**
Policy Index				*-1.9*	*-4.9*	*-2.6*	*-0.8*	*7.5*	*8.1*	*5.7*	*7.8*	*Apr-94*
Over/Under				-0.3	-0.7	-1.2	-2.1	-0.4	0.0	-0.2	0.0	
Allocation Index				*-2.5*	*-5.9*	*-4.0*	*-2.5*	*6.5*	*7.4*	*5.3*	--	*Apr-94*
Total Fund ex Parametric	**4,059,742,319**	**96.7**	**--**	**-2.1**	**-5.4**	**-3.6**	**-2.7**	**7.1**	**8.1**	**5.5**	**7.8**	**Apr-94**
Total Fund ex Private Equity	**4,053,352,786**	**96.6**	**--**	**-2.5**	**-6.0**	**-4.3**	**-3.4**	**6.2**	**--**	**--**	**8.0**	**Jan-12**
Policy Index				*-1.9*	*-4.9*	*-2.6*	*-0.8*	*7.5*	*8.1*	*5.7*	*8.9*	*Jan-12*
Over/Under				-0.6	-1.1	-1.7	-2.6	-1.3			-0.9	
Total US Equity	**1,245,732,873**	**29.7**	**30.0**	**-3.0**	**-7.3**	**-5.4**	**-0.5**	**12.7**	**13.5**	**6.6**	**8.5**	**Dec-93**
Total U.S. Equity Benchmark				*-3.0*	*-7.3*	*-5.5*	*-0.5*	*12.4*	*13.3*	*7.0*	*8.9*	*Dec-93*
Over/Under				0.0	0.0	0.1	0.0	0.3	0.2	-0.4	-0.4	
BlackRock Equity Market Fund	1,070,309,612	25.5		-2.9	-7.2	-5.4	-0.4	12.5	13.3	--	6.1	Dec-07
Dow Jones U.S. Total Stock Market				*-2.9*	*-7.3*	*-5.5*	*-0.5*	*12.4*	*13.3*	*7.1*	*6.1*	*Dec-07*
Over/Under				0.0	0.1	0.1	0.1	0.1	0.0		0.0	
Western U.S. Index Plus	131,690,258	3.1		-2.6	-6.7	-5.5	-1.0	12.8	14.3	--	2.5	May-07
S&P 500				*-2.5*	*-6.4*	*-5.3*	*-0.6*	*12.4*	*13.3*	*6.8*	*5.0*	*May-07*
Over/Under				-0.1	-0.3	-0.2	-0.4	0.4	1.0		-2.5	
BlackRock Extended Equity Index	43,733,003	1.0		-4.8	-10.5	-6.2	-0.2	12.8	13.0	7.9	11.3	Oct-02
Dow Jones U.S. Completion Total Stock Market				*-4.8*	*-10.6*	*-6.3*	*-0.2*	*12.7*	*12.8*	*7.8*	*11.2*	*Oct-02*
Over/Under				0.0	0.1	0.1	0.0	0.1	0.2	0.1	0.1	

Policy Index: Currently, 30% Total U.S. Equity Benchmark, 19% Barclays Aggregate, 14% MSCI ACWI ex U.S., 10% MSCI ACWI, 5% Barclays Global Aggregate, 5% DJ U.S. Total Stock Market Index + 3%, 10% CPI+4% Index, and 7% NCREIF ODCE Real Estate Index

Total U.S. Equity Benchmark: 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

CPI+4% is estimated due to CPI monthly lag

Total Fund Performance Detail Net of Fees

	Market Value ($)	% of Portfolio	Policy %	1 Mo (%)	3 Mo (%)	YTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)	Return (%)	Since
Total Non-US Equity	**551,804,954**	**13.1**	**14.0**	**-4.2**	**-11.1**	**-8.0**	**-11.0**	**2.8**	**2.6**	**3.2**	**5.9**	**Mar-94**
Total Non-US Equity Benchmark				*-4.6*	*-12.2*	*-8.6*	*-12.2*	*2.3*	*1.8*	*3.0*	*4.6*	*Mar-94*
Over/Under				0.4	1.1	0.6	1.2	0.5	0.8	0.2	1.3	
BlackRock ACWI ex-U.S. Index	230,128,039	5.5		-4.4	-11.9	-7.7	-11.3	2.9	2.3	--	0.3	Mar-07
MSCI ACWI ex USA				*-4.6*	*-12.2*	*-8.6*	*-12.2*	*2.3*	*1.8*	*3.0*	*-0.2*	*Mar-07*
Over/Under				0.2	0.3	0.9	0.9	0.6	0.5		0.5	
Sprucegrove	161,094,129	3.8		-4.6	-12.2	-10.9	-13.4	2.2	2.9	3.5	6.6	Mar-02
MSCI EAFE				*-5.1*	*-10.2*	*-5.3*	*-8.7*	*5.6*	*4.0*	*3.0*	*5.4*	*Mar-02*
Over/Under				0.5	-2.0	-5.6	-4.7	-3.4	-1.1	0.5	1.2	
MSCI ACWI ex USA				*-4.6*	*-12.2*	*-8.6*	*-12.2*	*2.3*	*1.8*	*3.0*	*5.8*	*Mar-02*
Hexavest	74,816,577	1.8		-3.8	-7.1	-3.7	-7.6	4.2	--	--	2.8	Dec-10
MSCI EAFE				*-5.1*	*-10.2*	*-5.3*	*-8.7*	*5.6*	*4.0*	*3.0*	*2.8*	*Dec-10*
Over/Under				1.3	3.1	1.6	1.1	-1.4			0.0	
Walter Scott	85,766,209	2.0		-3.5	-10.2	-6.6	-8.5	1.8	--	--	2.0	Dec-10
MSCI ACWI ex USA				*-4.6*	*-12.2*	*-8.6*	*-12.2*	*2.3*	*1.8*	*3.0*	*0.4*	*Dec-10*
Over/Under				1.1	2.0	2.0	3.7	-0.5			1.6	
Total Global Equity	**397,821,094**	**9.5**	**10.0**	**-3.6**	**-10.2**	**-7.6**	**-8.4**	**5.7**	**6.4**	**3.5**	**4.3**	**May-05**
MSCI ACWI				*-3.6*	*-9.4*	*-7.0*	*-6.7*	*7.0*	*6.8*	*4.6*	*5.4*	*May-05*
Over/Under				0.0	-0.8	-0.6	-1.7	-1.3	-0.4	-1.1	-1.1	
BlackRock MSCI ACWI Equity Index	207,477,250	4.9		-3.6	-9.4	-6.7	-6.3	7.3	--	--	9.0	Jul-12
MSCI ACWI				*-3.6*	*-9.4*	*-7.0*	*-6.7*	*7.0*	*6.8*	*4.6*	*8.6*	*Jul-12*
Over/Under				0.0	0.0	0.3	0.4	0.3			0.4	
GMO Global Equity	190,343,844	4.5		-3.7	-11.1	-8.4	-10.5	4.1	5.8	4.4	5.3	Apr-05
MSCI ACWI				*-3.6*	*-9.4*	*-7.0*	*-6.7*	*7.0*	*6.8*	*4.6*	*5.4*	*Apr-05*
Over/Under				-0.1	-1.7	-1.4	-3.8	-2.9	-1.0	-0.2	-0.1	

Total Non-U.S. Equity Benchmark: MSCI ACWI ex US Free, prior to May 2002, the MSCI EAFE

Total Fund Performance Detail Net of Fees

	Market Value ($)	% of Portfolio	Policy %	1 Mo (%)	3 Mo (%)	YTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)	Return (%)	Since
Total Private Equity	**144,302,186**	**3.4**	**5.0**	**7.2**	**6.1**	**12.1**	**13.8**	**17.4**	**--**	**--**	**15.8**	**Jan-12**
DJ U.S. Total Stock Market Index + 3%				*-2.7*	*-6.6*	*-3.4*	*2.4*	*15.8*	*16.6*	--	*17.7*	*Jan-12*
Over/Under				9.9	12.7	15.5	11.4	1.6			-1.9	
Adams Street Partners	87,461,015	2.1		4.7	2.9	7.4	10.3	15.2	--	--	14.2	Jan-12
DJ U.S. Total Stock Market Index + 3%				*-2.7*	*-6.6*	*-3.4*	*2.4*	*15.8*	*16.6*	--	*17.7*	*Jan-12*
Over/Under				7.4	9.5	10.8	7.9	-0.6			-3.5	
Harbourvest	43,198,185	1.0		10.7	10.7	25.1	24.8	--	--	--	23.8	Jul-13
DJ U.S. Total Stock Market Index + 3%				*-2.7*	*-6.6*	*-3.4*	*2.4*	*15.8*	*16.6*	--	*13.4*	*Jul-13*
Over/Under				13.4	17.3	28.5	22.4				10.4	
Pantheon Global Secondary Fund IV	13,642,986	0.3		13.1	13.1	7.9	5.3	14.8	--	--	10.6	Jan-12
DJ U.S. Total Stock Market Index + 3%				*-2.7*	*-6.6*	*-3.4*	*2.4*	*15.8*	*16.6*	--	*17.7*	*Jan-12*
Over/Under				15.8	19.7	11.3	2.9	-1.0			-7.1	

Please Note:
Private Equity performance is shown on a time-weighted return basis. Values are cash adjusted with current month cash flows.

Private Equity Limited Partnership Performance

Fund Name	Vintage Year	Initial Investment Date	Commitment	Capital Called to Date[1]	Outstanding Commitment[1]	Call Ratio	Interest Paid/(Rec'd)	Distributions to Date	Valuation	Total Value	Net Benefit	Since Inception[2] IRR	Since Inception[2] Distributions to Paid In Multiple (DPI)	Since Inception[2] Total Value to Paid In Multiple (TVPI)
Adams Street 2010 U.S. Fund	2010	5/21/2010	$42,500,000	$26,690,000	$15,810,000	63%	$15,213	$8,147,483	$30,489,272	$38,636,755	$11,931,542	17.0%	0.31x	1.45x
Adams Street 2010 Non-U.S. Dev. Mkts Fund	2010	5/21/2010	$25,500,000	$15,516,750	$9,983,250	61%	$1,589	$3,354,595	$14,675,817	$18,030,412	$2,512,073	7.6%	0.22x	1.16x
Adams Street 2010 Non-U.S. Emg Mkts Fund	2010	1/3/2011	$8,500,000	$5,049,000	$3,451,000	59%	$0	$0	$6,434,378	$6,434,378	$1,385,378	12.7%	--	1.27x
Adams Street 2010 Direct Fund	2010	5/21/2010	$8,500,000	$7,837,000	$663,000	92%	$6,697	$1,169,070	$10,306,949	$11,476,019	$3,632,322	14.5%	0.15x	1.46x
Total Adams Street 2010	*2010*	*5/21/2010*	*$85,000,000*	*$55,092,750*	*$29,907,250*	*65%*	*$23,499*	*$12,671,148*	*$61,906,416*	*$74,577,564*	*$19,461,315*	*14.0%*	*0.23x*	*1.35x*
Adams Street 2013 Global Fund	2013	6/27/2013	$75,000,000	$24,150,000	$50,850,000	32%	$10,728	$222,166	$24,301,324	$24,523,490	$362,762	1.6%	0.01x	1.02x
HarbourVest - Dover Street VIII	2013	5/30/2013	$67,500,000	$40,500,000	$27,000,000	60%	$84,954	$11,914,154	$45,071,968	$56,986,122	$16,401,168	47.2%	0.29x	1.4x
Pantheon Global Secondary Fund IV	2010	8/20/2010	$15,000,000	$9,960,000	$5,040,000	66%	$0	$7,830,001	$6,920,072	$14,750,073	$4,790,073	17.9%	0.79x	1.48x
Pantheon Global Secondary Fund V	2014	2/26/2015	$50,000,000	$7,198,005	$42,801,995	14%	$45,766	$62,603	$7,735,393	$7,797,996	$554,225	7.6%	0.01x	1.08x
Total VCERA Private Equity Program	**--**	***5/21/2010***	***$292,500,000***	***$136,900,755***	***$155,599,245***	***47%***	***$164,947***	***$32,700,072***	***$145,935,173***	***$178,635,245***	***$41,569,543***	***18.0%***	***0.24x***	***1.3x***

1. Includes recycled/recallable distributions received to date.

2. Net of fees

Total Fund Performance Detail Net of Fees

	Market Value ($)	% of Portfolio	Policy %	1 Mo (%)	3 Mo (%)	YTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)	Return (%)	Since
Total US Fixed Income	**765,965,707**	**18.2**	**19.0**	**-0.1**	**0.0**	**0.7**	**0.7**	**1.5**	**4.0**	**5.7**	**6.1**	**Feb-94**
Barclays Aggregate				*0.7*	*1.2*	*1.1*	*2.9*	*1.7*	*3.1*	*4.6*	*5.7*	*Feb-94*
Over/Under				-0.8	-1.2	-0.4	-2.2	-0.2	0.9	1.1	0.4	
BlackRock U.S. Debt Fund	140,941,338	3.4		0.7	1.3	1.2	3.0	1.8	3.2	4.7	5.5	Nov-95
Barclays Aggregate				*0.7*	*1.2*	*1.1*	*2.9*	*1.7*	*3.1*	*4.6*	*5.5*	*Nov-95*
Over/Under				0.0	0.1	0.1	0.1	0.1	0.1	0.1	0.0	
Western	269,528,505	6.4		0.2	0.7	1.0	2.5	2.7	4.7	5.4	6.4	Dec-96
Barclays Aggregate				*0.7*	*1.2*	*1.1*	*2.9*	*1.7*	*3.1*	*4.6*	*5.5*	*Dec-96*
Over/Under				-0.5	-0.5	-0.1	-0.4	1.0	1.6	0.8	0.9	
Reams	284,432,025	6.8		-0.2	-0.5	0.6	-1.4	0.2	3.3	5.9	5.7	Sep-01
Reams Custom Index				*0.0*	*0.1*	*0.2*	*0.3*	*0.1*	*2.1*	*4.1*	*4.4*	*Sep-01*
Over/Under				-0.2	-0.6	0.4	-1.7	0.1	1.2	1.8	1.3	
Barclays Aggregate				*0.7*	*1.2*	*1.1*	*2.9*	*1.7*	*3.1*	*4.6*	*4.8*	*Sep-01*
Loomis Sayles Multi Strategy	71,063,839	1.7		-1.9	-2.7	-1.3	-1.3	3.4	5.6	6.6	6.5	Jul-05
Loomis Custom Index				*-0.4*	*-0.9*	*-0.1*	*0.7*	*2.1*	*3.9*	*5.4*	*5.3*	*Jul-05*
Over/Under				-1.5	-1.8	-1.2	-2.0	1.3	1.7	1.2	1.2	
Barclays Govt/Credit				*0.7*	*1.2*	*0.9*	*2.7*	*1.6*	*3.1*	*4.6*	*4.5*	*Jul-05*
Total Global Fixed Income	**254,196,806**	**6.1**	**5.0**	**-0.2**	**-0.3**	**-2.5**	**-3.0**	**-1.1**	**--**	**--**	**0.0**	**Jun-12**
Barclays Global Aggregate				*0.5*	*0.9*	*-2.3*	*-3.3*	*-1.6*	*0.8*	*3.7*	*-0.5*	*Jun-12*
Over/Under				-0.7	-1.2	-0.2	0.3	0.5			0.5	
Loomis Sayles Global Fixed Income	89,092,585	2.1		-0.1	-0.4	-3.5	-4.9	-1.8	--	--	-0.6	Jun-12
Barclays Global Aggregate				*0.5*	*0.9*	*-2.3*	*-3.3*	*-1.6*	*0.8*	*3.7*	*-0.5*	*Jun-12*
Over/Under				-0.6	-1.3	-1.2	-1.6	-0.2			-0.1	
PIMCO Global Fixed Income	123,090,088	2.9		-0.1	0.2	-2.4	-2.5	-1.4	--	--	-1.4	Sep-12
Barclays Global Aggregate				*0.5*	*0.9*	*-2.3*	*-3.3*	*-1.6*	*0.8*	*3.7*	*-1.6*	*Sep-12*
Over/Under				-0.6	-0.7	-0.1	0.8	0.2			0.2	
Loomis Strategic Alpha	42,014,133	1.0		-0.7	-1.5	-0.2	-0.2	--	--	--	1.6	Jul-13
Barclays Global Aggregate				*0.5*	*0.9*	*-2.3*	*-3.3*	*-1.6*	*0.8*	*3.7*	*-0.3*	*Jul-13*
Over/Under				-1.2	-2.4	2.1	3.1				1.9	

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

Total Fund Performance Detail Net of Fees

	Market Value ($)	% of Portfolio	Policy %	1 Mo (%)	3 Mo (%)	YTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)	Return (%)	Since
Total Real Estate	**339,068,878**	**8.1**	**7.0**	**0.0**	**0.0**	**5.8**	**9.1**	**9.9**	**11.2**	**4.5**	**7.8**	**Mar-94**
Total Real Estate Benchmark				*0.0*	*0.0*	*7.3*	*10.8*	*12.1*	*13.2*	*6.4*	*8.9*	*Mar-94*
Over/Under				0.0	0.0	-1.5	-1.7	-2.2	-2.0	-1.9	-1.1	
Prudential Real Estate	114,985,250	2.7		0.0	0.0	6.2	10.0	11.4	13.2	5.1	5.4	Jun-04
UBS Real Estate	219,652,656	5.2		0.0	0.0	5.5	8.4	9.0	10.0	5.7	7.3	Mar-03
RREEF	4,430,973	0.1		0.0	0.0	14.5	16.7	19.3	25.7	--	-4.4	Sep-07
Total Liquid Alternatives	**360,849,821**	**8.6**	**10.0**	**-6.9**	**-12.4**	**-13.7**	**-16.3**	**--**	**--**	**--**	**2.2**	**Apr-13**
CPI + 4% (Unadjusted)				*0.2*	*0.7*	*4.4*	*4.0*	*5.0*	*5.8*	*5.9*	*5.0*	*Apr-13*
Over/Under				-7.1	-13.1	-18.1	-20.3				-2.8	
Bridgewater All Weather Fund	258,151,446	6.1		-1.9	-6.4	-5.9	-5.8	--	--	--	2.2	Aug-13
Tortoise Energy Infrastructure	102,698,375	2.4		-17.5	-24.5	-28.7	-34.6	--	--	--	-3.1	Apr-13
Wells Fargo MLP Index				*-16.4*	*-24.8*	*-29.9*	*-37.9*	*-2.4*	--	--	*-9.0*	*Apr-13*
Over/Under				-1.1	0.3	1.2	3.3				5.9	
Overlay	**137,912,653**	**3.3**	**0.0**									
Parametric	137,912,653	3.3										

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.

Total Liquid Alternatives index, the CPI+4% is estimated by carrying the last available month forward

CPI+5% and CPI+4% are estimated by carrying the last available month forward

Real Estate Valuation is as of 6/30/2015

Total Fund

Cash Flow Summary

Month Ending September 30, 2015

	Beginning Market Value	Withdrawals	Contributions	Net Cash Flow	Fees	Net Investment Change	Ending Market Value
Adams Street Partners	$84,754,452	-$1,268,982	$0	-$1,268,982	$0	$3,975,545	$87,461,015
BlackRock ACWI ex-U.S. Index	$240,616,565	$0	$0	$0	-$20,844	-$10,488,526	$230,128,039
BlackRock Equity Market Fund	$1,102,711,703	$0	$0	$0	-$19,922	-$32,402,092	$1,070,309,612
BlackRock Extended Equity Index	$45,950,481	$0	$0	$0	-$2,916	-$2,217,478	$43,733,003
BlackRock MSCI ACWI Equity Index	$215,175,403	$0	$0	$0	-$8,583	-$7,698,153	$207,477,250
BlackRock U.S. Debt Fund	$139,941,051	$0	$0	$0	-$8,031	$1,000,288	$140,941,338
Bridgewater All Weather Fund	$263,192,998	$0	$0	$0	-$87,115	-$5,041,552	$258,151,446
GMO Global Equity	$197,623,282	$0	$0	$0	-$87,241	-$7,279,439	$190,343,844
Harbourvest	$40,702,616	-$1,691,511	$0	-$1,691,511	$0	$4,187,080	$43,198,185
Hexavest	$77,726,102	$0	$0	$0	-$29,106	-$2,909,526	$74,816,577
Loomis Sayles Global Fixed Income	$89,179,674	$0	$0	$0	-$22,273	-$87,090	$89,092,585
Loomis Sayles Multi Strategy	$72,412,034	$0	$0	$0	-$23,599	-$1,348,195	$71,063,839
Loomis Strategic Alpha	$42,278,611	$0	$0	$0	-$14,005	-$264,477	$42,014,133
Pantheon Global Secondary Fund IV	$12,071,364	-$12,603	$0	-$12,603	$0	$1,584,225	$13,642,986
Parametric	$148,018,320	-$22,852,090	$9,817,549	-$13,034,541	-$22,013	$2,928,874	$137,912,653
PIMCO Global Fixed Income	$123,129,361	$0	$0	$0	-$34,939	-$39,272	$123,090,088
Prudential Real Estate	$114,985,250	$0	$0	$0	$0	$0	$114,985,250
Reams	$284,999,573	$0	$0	$0	-$41,804	-$567,549	$284,432,025
RREEF	$4,430,973	$0	$0	$0	$0	$0	$4,430,973
Sprucegrove	$168,840,887	$0	$0	$0	-$53,145	-$7,746,758	$161,094,129
Tortoise Energy Infrastructure	$124,392,035	$0	$0	$0	-$63,905	-$21,693,659	$102,698,375
UBS Real Estate	$219,652,656	$0	$0	$0	$0	$0	$219,652,656
Walter Scott	$88,778,387	$0	$0	$0	-$64,758	-$3,012,178	$85,766,209
Western	$269,011,237	$0	$0	$0	-$46,191	$517,268	$269,528,505
Western U.S. Index Plus	$135,114,686	$0	$0	$0	-$28,961	-$3,424,428	$131,690,258
Total	**$4,305,689,699**	**-$25,825,185**	**$9,817,549**	**-$16,007,637**	**-$679,350**	**-$92,027,090**	**$4,197,654,972**

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.
- NEPC's source for portfolio pricing, calculation of accruals, and transaction information is the plan's custodian bank. Information on market indices and security characteristics is received from other sources external to NEPC. While NEPC has exercised reasonable professional care in preparing this report, we cannot guarantee the accuracy of all source information contained within.
- Some index returns displayed in this report or used in calculation of a policy, allocation or custom benchmark may be preliminary and subject to change.
- This report is provided as a management aid for the client's internal use only. Information contained in this report does not constitute a recommendation by NEPC.
- This report may contain confidential or proprietary information and may not be copied or redistributed to any party not legally entitled to receive it.

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.

RESOLUTION OF THE BOARD OF RETIREMENT OF VENTURA COUNTY EMPLOYEES' RETIREMENT ASSOCIATION (VCERA) REGARDING PENSIONABLE COMPENSATION DETERMINATIONS

WHEREAS, the Ventura County Employees' Retirement Association ("VCERA") and the VCERA Board of Retirement ("Board") are governed by the County Employees Retirement Law of 1937 (Gov. Code sections 31450, et seq.) ("CERL") and the Public Employees' Pension Reform Act of 2013 (Gov. Code sections 7522., et seq.), enacted by Assembly Bill 340 (regular session 2011-2012), effective January 1, 2013 ("PEPRA").

WHEREAS, this Resolution implements PEPRA's provisions regarding the determination of "pensionable compensation" in Government Code section 7522.34 ("Pensionable Compensation"), which applies to VCERA members for their service rendered on or after January 1, 2013 as "new members" under Government Code 7522.04(f) of PEPRA ("New Members").

WHEREAS, this Resolution identifies items of compensation that the Board presently believes are permitted, or required, to be included in, or excluded from, Pensionable Compensation for purposes of the effective administration of retirement system benefits and collection of contributions. **If, however, the Board later concludes that it has identified an item herein as either includable or excludable in a manner that is inconsistent with Board policy as determined by that later Board, or with a determination by the legislature, a court of competent jurisdiction, or other persuasive administrative legal authority such as the California Attorney General, the Board reserves the right to change its prior determination and to make appropriate adjustments both prospectively and/or retroactively, as this Resolution is not intended to, and does not, create any vested rights in members to the past, present, or future determinations set forth herein. Where this Resolution conflicts with any subsequent Board amendment to it, that subsequent Board-amended Resolution shall prevail.**

WHEREAS, Government Code section 7522.34, subdivision (a), defines Pensionable Compensation as "the normal monthly rate of pay or base pay of the member paid in cash to similarly situated members of the same group or class of employment for services rendered on a full-time basis during normal working hours, pursuant to publicly available pay schedules."

WHEREAS, the Board interprets the above-quoted subdivision (a) as permitting pay items to be included in Pensionable Compensation if they are within either the normal monthly rate of pay or the base pay of the member. Such pay items must also comply with the other requirements of subdivision (a) that they be paid:

1. In cash,
2. Not only to the member but also to similarly situated members of the same group or class of employment,
3. For services rendered on a full-time basis,
4. For services rendered during normal working hours,

5. Pursuant to publicly available pay schedules, and
6. Not paid to enhance a member's retirement benefit.

WHEREAS, Government Code section 7522.34, subdivision (c), also identifies categories of payments that are not included in Pensionable Compensation under any circumstances, which are enumerated as follows:

1. Any compensation determined by the board to have been paid to increase a member's retirement benefit under that system.

2. Compensation that had previously been provided in kind to the member by the employer or paid directly by the employer to a third party other than the retirement system for the benefit of the member and which was converted to and received by the member in the form of a cash payment.

3. Any one-time or ad hoc payments made to a member.

4. Severance or any other payment that is granted or awarded to a member in connection with or in anticipation of a separation from employment, but is received by the member while employed.

5. Payments for unused vacation, annual leave, personal leave, sick leave, or compensatory time off, however denominated, whether paid in a lump sum or otherwise, regardless of when reported or paid.

6. Payments for additional services rendered outside of normal working hours, whether paid in a lump sum or otherwise.

7. Any employer-provided allowance, reimbursement, or payment, including, but not limited to, one made for housing, vehicle, or uniforms.

8. Compensation for overtime work, other than as defined in Section 207(k) of Title 29 of the United States Code.

9. Employer contributions to deferred compensation or defined contribution plans.

10. Any bonus paid in addition to the compensation described in subdivision (a).

11. Any other form of compensation a public retirement board determines is inconsistent with the requirements of subdivision (a).

12. Any other form of compensation a public retirement board determines should not be pensionable compensation.

NOW, THEREFORE, BE IT RESOLVED that the VCERA Board of Retirement declares the following:

1. The foregoing Recitals are incorporated herein by this reference.

2. The following pay types shall be included in Pensionable Compensation under section 7522.34, subdivision (a), and retirement contributions will be taken on all such payments, as follows:

   a) Regular salary, including scheduled step increases;

   b) FLSA premium pay for law enforcement and fire protection as defined in Section 207(k) of Title 29 of the United States Code.

   c) Additional pay types will be included in Pensionable Compensation if the following criteria are met:

      Special 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 and is not performed or received solely during the final average compensation period, and is part of the regular assignment of other members in the same group or class. The amounts must also be (i) paid in cash to similarly situated members of the same group or class of employment; (ii) paid for services rendered on a full-time basis; (iii) paid only for services rendered during normal working hours; (iv) paid pursuant to publicly available pay schedules; and (v) affirmatively and specifically approved by the Board as consistent with the Board policy set forth in this Resolution.

3. The following pay types shall be excluded from Pensionable Compensation under the referenced numerical subdivisions of Government Code section 7522.34, subdivision (c), and retirement contributions will not be collected on those payments for New Members:

   a) Allowances (e.g., clothing, uniform, automobile, housing) (subdiv. (7)).

   b) In-kind benefits converted to cash (subdiv. (2)).

   c) All leave cash outs, regardless of when paid (e.g., annual, sick, floating holiday, personal, comp time) (subdiv. (5)).

   d) Reimbursements and allowances (including, but not limited to, automobile, housing, moving, relocation, tool, meal, boot, cell phone, or license) (subdiv. (7)).

e) Overtime, unless it is FLSA premium pay for certain safety members as defined by statute (subdiv. (8)).

f) Severance pay, regardless of when or how paid (subdiv. (4)).

g) Lump sum payment of comp time at promotion (subdiv. (5)).

h) 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 (subdiv. (10)).

i) Employer contributions to deferred compensation or defined contribution plans (subdiv. (9)).

j) Payments for additional services rendered outside of normal working hours (including, but not limited to, call-back, standby pay, off-duty canine care, or extra-shift work) (subdiv. (6)).

k) Payments made to enhance a retirement benefit as determined by the Board of Retirement (subdivs. (11) and (12)).

4. The "publicly available pay schedule" requirement in Government Code section 7522.34 means each employer plan sponsor of VCERA ("Employer") must publish publically the amount of the pay item that is to be included in its employees' Pensionable Compensation by meeting all of the following criteria:

a) Has been duly approved and adopted by the Employer's governing body in accordance with requirements of applicable public meetings laws;

b) Identifies the position title for every employee position used by the Employer;

c) Specifies the Pensionable Compensation amount of each identified position, which may be stated as a single amount or as multiple amounts within a range;

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;

e) Is posted at the office of the Employer or immediately accessible and available for public review from the Employer during normal business hours or posted on the Employer's internet website;

f) Indicates an effective date and date of any revisions;

g) Is retained by the Employer and available for public inspection for not fewer than five years; and

h) Does not reference another document in lieu of disclosing the item of Pensionable Compensation other than those outlined in a "labor policy or agreement," as described and limited below:

(i) A labor policy or agreement means any of the following: a Memorandum of Agreement; a Management, Confidential Clerical and Other Unrepresented Employees Resolution, or other similar document used by the Employer to specify the Pensionable Compensation of represented and unrepresented employees, as specifically approved by the VCERA Board of Retirement.

(ii) Identifying a percentage increase in salary, in lieu of a dollar amount, in a labor policy or agreement does comply with this interpretation of a "pay schedule".

5. The Retirement Administrator, with assistance of VCERA's legal counsel, is responsible for implementing the Board's determinations and policy decisions related to Pensionable Compensation. The VCERA Retirement Administrator will analyze pay codes to determine whether they constitute Pensionable Compensation or not under this Resolution, and will bring such determinations to the VCERA Board for action. The Chair of the Board may, but is not obligated to, appoint an ad hoc committee of the Board to address or recommend responses to any Pensionable Compensation implementation challenges, as appropriate.

6. Employers are responsible for coding of pay code categories consistent with this VCERA Resolution and subsequent VCERA determinations made consistent with this Resolution, and subject to the VCERA Retirement Administrator's review. Employers are responsible for notifying VCERA's Retirement Administrator regarding the facts and circumstances of any pay items they consider may be an exception to the Resolution and policy set forth herein, for review by the VCERA Retirement Administrator. Employers are also responsible for notifying the VCERA Retirement Administrator of new pay codes for Pensionable Compensation review by VCERA no later than the time of implementation of the codes.

7. The VCERA Retirement Administrator will review Employer pay code listings for compliance with this Resolution and policy established hereby as part of staff administrative procedures. When reviewing items of compensation, VCERA will audit pay items to identify those that may have a primary purpose to enhance retirement benefits, involve the manipulation of compensation by members or Employers to enhance benefits, and receipt of ad hoc payments or any other compensation considered to be inconsistent with the pension reform legislation provisions.

8. VCERA members or Employers may appeal a determination regarding pensionability of a particular pay item by the Retirement Administrator to the Retirement Board, through a VCERA administrative appeal process, as appropriate. The administrative appeal process, if implemented, may, but is not required, to follow the hearing process provides in Government Code sections 31533 and 31534.

ADOPTED AND APPROVED by the Board of Retirement of the Ventura County Employees' Retirement Association on the 12th day of November 2014.

Tracy Towner, Chair of the Board

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

October 19, 2015

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

SUBJECT: PEPRA PENSIONABLE COMPENSATION ANALYSIS: RECOMMENDATION TO APPROVE.

Dear Board Members:

Pursuant to the Board's November 2014 resolution interpreting Government Code section 7522.34 subdivision (a) – "pensionable compensation", staff and outside counsel Ashley Dunning from Nossaman, LLP ("Counsel") have concluded their analysis of various member pay codes, based on available data and feedback from stakeholders.

At the September 16, 2015 VCERA off-site meeting, the Board was provided an update and addendums on the Preliminary Report on PEPRA Pensionable Compensation from staff and Counsel. The update included corrections and clarifications to the initial report, as well as the analysis of codes added by the County of Ventura or the Ventura Regional Sanitation District (VRSD) since the initial work began. At that meeting, the Board was provided a written response from Stephen H. Silver, and heard comment from him and his colleague, as well as representatives from SEIU and Paul Derse with the County of Ventura. The Board of Retirement subsequently voted to receive and file the addendums, deferring formal action until the October 19, 2015 business meeting and to allow until October 2, 2015 for additional feedback and response from stakeholders.

Since the September 16, 2015 meeting, staff and Counsel together have met with, and had response from, several stakeholders on this issue.

Meetings:
- County of Ventura: Sept. 23, 2015
- SEIU: Sept. 29, 2015

Written Feedback (provided):
- Stephen Silver, attorney for VCDSA, VCPFA and VCPPOA: Sept. 10, 2015 (also provided on Sept. 16), with follow up on Sept. 17 with a list of specific pay codes.
- Kerianne R. Steele, attorney for SEIU, Local 721, received with Declaration from Angela Portillo, SEIU worksite organizer: Oct. 2, 2015
- Tina Grieger, labor representative for California Nurses Association (CNA): Oct. 2, 2015
- Mike Powers, CEO of the County of Ventura Letter: Oct. 13, 2015

The feedback received during the course of these meetings and through the written responses has been very informative and helpful to staff and Counsel. We appreciate the input and insights, as we all recognize that this issue of pensionable compensation will have an impact on VCERA members who were recently hired or will be hired in the future.

As indicated to the Board at the September 16th meeting, staff and Counsel are in agreement with the County of Ventura on the majority of the pay codes analyzed in terms of inclusion/exclusion in PEPRA pensionable compensation. (NOTE: Of the five pay items listed in the County of Ventura's letter, dated April 15, 2013, regarding "Pensionable Compensation Under the Public Employees' Pension Reform Act (PEPRA)", four are addressed in staff's recommendations; "per diem pool flat rate" cannot be attributed to specific pay codes however, but is a reference to the base pay of a specific group who receives limited benefits.)

For the codes on which there is disagreement, the County appears to have a different approach to the concept of what is the "normal" monthly rate of pay or base pay, as well as the concept of "similarly situated" employees of the "same group or class of employment." The provided Counsel's accompanying memorandum provides more details on these distinctions, as well as information on the areas of disagreement with the other stakeholders who provided feedback.

In response to the Board's instruction to analyze existing pay codes pursuant to its November 2014 resolution interpreting Government Code section 7522.34's provision on "pensionable compensation" (Pensionable Compensation Resolution), and based on careful examination of the information available and feedback provided, as well as the practical application of some current pay codes, staff is prepared to recommend inclusion or exclusion of each individual code. Counsel's separate letter comments on these and provides the Board legal guidance on the discretion it has in regard to staff's recommendations; though such discretion is certainly within the Board's authority, staff is pleased that Counsel's review confirms we have successfully performed our charge to recommend action within both Government Code section 7522.34 subdivision (a) – "pensionable compensation" and the Board of Retirement's Resolution of November 2014.

Staff's recommendations are categorized into several groups and exhibits to assist the Board in understanding the various distinctions, and ultimately, in taking action. Please note that in describing the positions of the interested parties with respect to the exhibits, the term "stakeholder" is used to describe individuals and organizations that have spoken on behalf of the VCERA membership, and is distinguished from the County and VRSD.

(SEE FOLLOWING PAGE)

Exhibits to VCERA Staff Recommendations Regarding Pensionable Compensation

	Title	Contents:
Exhibit 1:	Recommend Continued Inclusion (County and stakeholder feedback: agree)	Table A: COV Table B: VRSD
Exhibit 2:	Recommend Exclusion, With Correction of Past Inclusion (County and stakeholder feedback: disagree)	Table A: MBPP Table B: Y-Rate
Exhibit 3:	Recommend Inclusion: for Table A; for Table B (County and stakeholder feedback: agree)	Table A: Scheduled FLSA Overtime (Effective January 1, 2013) Table B: Longevity Pay (Effective January 3, 2016)
Exhibit 4:	Recommend Prospective Inclusion (County feedback: disagree; stakeholder feedback: agree)	Job-Related Assignment Pay & Normally Scheduled Differentials
Exhibit 5:	Recommend Continued Exclusion in Absence of Pay Code Distinctions (Situational)	Table A: COV Table B: VRSD
Exhibit 6:	Recommend Exclusion, With Correction of Past Inclusion (County & VRSD feedback: agree; stakeholder feedback: disagree)	Table A: County Table B: VRSD
Exhibit 7:	Recommend Continued Exclusion* (County and VRSD feedback: agree; stakeholder feedback: disagree on certain) *includes LWOP codes	Table A: County Table B: VRSD
Exhibit 8:	Inactive Codes	Table A: County Table B: VRSD

The following is an explanation of each of the exhibits and its contents.

Exhibit 1: Recommend Continued Inclusion

The codes listed in this exhibit are currently being included in pensionable compensation by both the County of Ventura (COV) and Ventura Regional Sanitation District (VRSD), and staff recommends they continue to be included. We believe they clearly fall under base pay or normal rate of pay within the scope of the Board's Pensionable Compensation Resolution. All of the feedback received supports this recommendation.

Exhibit 2: Recommend Exclusion, With Correction of Past Inclusion

The codes in this exhibit address three of the five items referenced in the County of Ventura's April 15, 2013 letter, specifically market-based premium pay, hard-to-recruit pay range extensions and "Y-rate" pay.

Staff does not believe the codes in Exhibit 2 meet the definition of pensionable compensation pursuant to the Board's Pensionable Compensation Resolution, for the following reasons:

1) Market-based Premium and Hard to Recruit pay items (Table A): both the definition and the application of these codes appear 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 Resolution because not every employee in the same group or class receives it. The external market forces on the date of hire, rather than the duties required of the employee, are a factor that determines which employees receive the pay, creating situations where it is not paid to all in the same group or class, nor for services rendered because they are all rendering the same services.

In addition, the market based premium pay items have a discretionary component and may be withheld at a later date without a change in duties. The SEIU MOA says the following in regard to Market-Based Premium Pay (MBPP): "*Upon recommendation of the Director -Health Care Agency, the Director-Human Resources may approve a premium pay for…*" and then lists the applicable positions. It further describes MBPP as a "*recruitment and retention bonus*" and that "*the premium pay may be reduced or eliminated should a survey as described above show that reduction/elimination is warranted*." Indeed, staff observed that certain job classifications are no longer receiving MBPP who were previously (ex: Histologist, Radiologic Specialist and Radiologic Technologist.)

In their letter dated Oct. 13, 2015, the County of Ventura disagreed with this analysis, saying, "*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*." Again, in the examination of all available data in making recommendations, staff cannot discount instances where the practical application of codes appears contrary to the purpose/definition provided. For example, payroll data indicates that of the 21 employees in the classification of "Senior Physical Therapist" only 2 are receiving MBPP. Conversely, of the 34 employees in the position of "Principal Respiratory Therapist", all but 2 are receiving MBPP.

NOTE: Though Counsel has reviewed staff's rationale on the recommendation to exclude Table A's MBPP items from pensionable compensation, and has confirmed that this rationale is sound and consistent with both PEPRA and the Board's Resolution, she will point out in her accompanying letter that the recommended exclusion is not ***expressly*** mandated by PEPRA.

2) <u>Y-Rate pay (Table B):</u> these pay items are, by MOA definition, paid when a job reclassification to a lower level takes place; thus, the newly reclassified employee receives this because he or she had a higher pay rate previously in his or her former position, but others in the same current group or class do not. Staff again views this as 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*," in the Resolution. Y-Rates are paid because a specific employee previously served in a higher-paid classification, which is clearly not the case for all serving in the current classification.

<u>Exhibit 3: Recommend Inclusion</u>

The codes in Exhibit 3 are for scheduled FLSA overtime (Table A) and longevity pay items (Table B). Overtime as defined in Section 207(k) of Title 29 of the US Code (FLSA) is allowed inclusion by PEPRA and was already included by the Board in its Pensionable Compensation Resolution. For this reason, it is recommended that this item be included retroactively to January 1, 2013 to coincide with PEPRA's effective date.

Staff believes the longevity pay items are includable as normal rate of pay, as they are similar to step increases as milestone based and all employees who reach the milestones receive it uniformly. (NOTE: The category of longevity-based pay range extensions was another of the five referenced categories in the County of Ventura's April 15, 2013 letter.)

Exhibit 4: Recommend Prospective Inclusion

This exhibit relates to job related assignment pay, differentials and a small number certification pay items. (Job related assignment pay is an area where staff and the County disagree, but stakeholder feedback indicates agreement.)

Job related assignment pay has a direct relationship with the duties being performed, and "*for services rendered on a full-time basis*" as well as "*for services rendered during normal working hours*." In addition, all those regularly assigned to perform the assignment/duties receive the assignment pay. Examples include deputies assigned to a bomb squad or employees on a medical dispatch team. All those on the team or performing the assignment receive it, and staff views this as a "*similarly situated group or class*". The certification pay items included in Exhibit 4 represent ones that are paid in relation to a specific assignment an employee performs, such as "helicopter maintenance certification" which is required to have that assignment. Staff consistently applies this principle in its recommendations for certification pay later in Exhibit 5.

The County's letter of Oct. 13, 2015, states, "*Duties performed during an assignment are not "normal" or essential" because assignments are generally temporary in nature*" and view this type of pay as special compensation. VCERA staff noted that such assignments are frequently long term, as many of them require a substantial time commitment. For example, according to the VCPFA MOA, firefighters and firefighter trainees make a 3-year commitment in the Advanced Life Support (ALS) program in order to be eligible for paramedic premium pay, and may not opt out of it before 3 years without approval of the Fire Chief.

The County's letter further cautions that "*the temporary and non-routine nature of assignment-based pay renders it especially susceptible to pension-spiking*." Staff would assert that because the County itself has discretion on the assignment of its employees, it also has the power to guard against misuse of assignments for spiking purposes. In addition, VCERA staff has established policies and procedures in place to closely examine instances where potential spiking takes place.

Similarly, the differentials included in Exhibit 4 are paid to all employees in a group based on their regular schedule and/or "*for services rendered on a full-time basis.*"

Exhibit 5: Recommend Continued Exclusion in Absence of Pay Code Distinctions (Situational)

All of the codes listed in Exhibit 5 are those which staff believes are pensionable in some circumstances, but not all. More specifically, in applying the principle that a direct relationship between the pay item and the duties performed is the best way to honor "*for services rendered on a full-time basis*" and "*for services rendered during normal working hours*" by "*similarly situated*" employees in the Resolution, staff recommends that the Exhibit 5 items are pensionable only if the skill or certification is ***required*** for performance of the position.

In the example of certification bonuses for nurses, in some circumstances a nurse cannot work in a specific job or assignment ***without*** a specific certification (ex: neo-natal certification or mental health certification). In other circumstances, a nurse may possess a certification, but does not need it in the job he or she is performing (ex: nurse with neo-natal certification does not work as a neo-natal nurse.)

Similarly, in regard to the bilingual pay items, some positions require an employee to be bilingual (and possess the certification) to perform a specific job (or perform it in a specific location based on the local language demographic.) For these positions, the job cannot be performed without this skill or certification – and those are the circumstances staff deems the pay to be pensionable as they reflect "*services rendered on a full-time basis*" and "*services rendered during normal working hours*" by "*similarly situated employees in the same group or class*".

The County's letter of Oct. 13, 2015 indicates that it has plans for investigation with potential revision of pay codes and/or classifications related to some of these distinctions. Staff supports this plan. VCERA staff cannot recommend inclusion of Exhibit 5 items in absence of pay code distinctions of some kind, because it is otherwise impossible to distinguish between pay items related to job requirements and duties and those that are not. This makes it also problematic to monitor them administratively.

Exhibit 6: Recommend Exclusion, With Correction of Past Inclusion
Exhibit 6 lists codes that staff determines to be clearly excluded by the statutory exclusions under PEPRA, but are currently being included in practice. They include items such as one-time or ad hoc payments, payments for unused leave, non-FLSA overtime, etc.

Exhibit 7: Recommend Continued Exclusion
Like Exhibit 6, Exhibit 7 also lists codes that staff determines to be excluded by the statutory exclusions under PEPRA. However, these are currently being excluded in practice, so staff recommends this exclusion be continued.

Exhibit 7 also includes codes representing leave without pay (LWOP). Retirement system contributions are not paid for periods during which an employee is on leave without pay, and thus retirement system service credit is not provided for those periods; however, subdivision (c) of Government Code section 31462 provides for imputing of the pensionable compensation of the position held by the member immediately prior to any such absences when determining final compensation if the absence occurs during a member's final compensation period.

Exhibit 8: Inactive Codes:
Pay codes that are currently "inactive" are listed in Exhibit 8. This table specifies in which exhibit (1-7) staff recommends they be placed, were they to be reactivated in the future.

Future Considerations
As previously communicated to the Board and as already stated in bold on page 1 of the Board's Pensionable Compensation Resolution, the Board has reserved the right to change and update the inclusion/exclusion designation of payroll codes as new information becomes available in the future, as well as provide analysis for any new payroll codes as they are established. While the analysis by staff and Counsel was done based on available data, we recognize that the definition or application of specific codes may change in the future. In several cases, staff's recommendation was significantly influenced by data observed in our queries, and the observance that the scope and purpose of some codes have, over time, become less defined and applied in circumstances that do not fit the formal definition or original stated purpose.

RECOMMENDATION: APPROVE AND ADOPT STAFF RECOMMENDATIONS REGARDING THE INCLUSION OR EXCLUSION IN PENSIONABLE COMPENSATION OF THE SPECIFIC PAY CODES PROVIDED IN EXHIBITS 1-7, IN SUPPORT OF, AND AS ADDENDUMS TO, THE BOARD RESOLUTION OF NOVEMBER 2014 REGARDING PENSIONABLE COMPENSATION DETERMINATIONS.

Staff and Counsel will be happy to answer any questions at the October 19, 2015 business meeting.

Sincerely,

Linda Webb
Retirement Administrator

EXHIBIT 1: RECOMMEND CONTINUED INCLUSION

(COUNTY AND STAKEHOLDER FEEDBACK: AGREE)

TABLE A: COUNTY OF VENTURA

EARNINGS CODE	EARNINGS CODE DESCRIPTION	VCERA ANALYSIS
40H	40 Hour Work Week	Included in normal monthly rate of pay.
48A	PP 4850 Adjustment	Included in normal monthly rate of pay.
48H	4850 Time Safety Hourly	Included in normal monthly rate of pay.
48S	4850 Time Safety Salary	Included in normal monthly rate of pay.
ADM	Administrative Leave Salary	Included in normal monthly rate of pay.
BHH	Bank Holiday Hourly	Included in normal monthly rate of pay.
BHS	Bank Holiday Salary	Included in normal monthly rate of pay.
BSH	Bereavement Hourly FLSA	Included in normal monthly rate of pay.
BSS	Bereavement Salary FLSA	Included in normal monthly rate of pay.
BVH	Bereavement Hourly	Included in normal monthly rate of pay.
BVS	Bereavement Salary	Included in normal monthly rate of pay.
CTH	Comp Taken Hourly FLSA	Included in normal monthly rate of pay.
CTK	Comp Time Taken NonFLSA	Included in normal monthly rate of pay.
CTS	Comp Time Taken Salary	Included in normal monthly rate of pay.
EDS	Educational Leave Salary	Included in normal monthly rate of pay.
EDU	Educational Leave Hourly	Included in normal monthly rate of pay.
FHH	Floating Holiday Non FLSA	Included in normal monthly rate of pay.
FLH	Floating Holiday Hourly	Included in normal monthly rate of pay.
FLS	Floating Holiday Salary	Included in normal monthly rate of pay.
FSH	Sick - Family Sick Hourly	Included in normal monthly rate of pay.
FSS	Sick - Family Sick Salary	Included in normal monthly rate of pay.
HOH	Holiday Taken Hourly	Base pay portion of holiday pay.
HOL	Holiday - Hourly Non FLSA	Base pay portion of holiday pay.
HOS	Holiday Taken Salary	Base pay portion of holiday pay.
HW2	Holiday Worked Salary Sheriff	Base pay portion of holiday pay.
HWS	Holiday Worked 1.0x	Base pay portion of holiday pay.
NAHRLY	Hourly Compensation	Included in normal monthly rate of pay.
IPH	Industrial Leave Hourly	Included in normal monthly rate of pay.
IPS	Industrial Leave Salary	Included in normal monthly rate of pay.
JDH	Jury Duty Hourly	Included in normal monthly rate of pay.
JDS	Jury Duty Salary	Included in normal monthly rate of pay.
JUR	Jury Duty Hourly Non FLSA	Included in normal monthly rate of pay.
LPH	Leave with Pay Hourly	Included in normal monthly rate of pay.
LPS	Leave with Pay Salary	Included in normal monthly rate of pay.
MLH	Military Leave Paid Hourly	Included in normal monthly rate of pay.
MLN	Military Leave Hourly Non FLSA	Included in normal monthly rate of pay.
MLS	Military Leave Paid Salary	Included in normal monthly rate of pay.
NHS	4850 Non Tax Hol Taken Salary	Included in normal monthly rate of pay.
NHT	4850 Non Tax Holiday Taken	Included in normal monthly rate of pay.
PHS	PDP Holiday Worked 1.0	Included in normal monthly rate of pay.
PSH	Sick - Personal Sick Hourly	Included in normal monthly rate of pay.
PSS	Sick - Personal Sick Salary	Included in normal monthly rate of pay.
R48	Retro 4850 Reg & Hol Pay	Included in normal monthly rate of pay.
RAJ	PP Regular Earnings Adjustment	Included in normal monthly rate of pay.
REG	Regular	Included in normal monthly rate of pay.

EARNINGS CODE	EARNINGS CODE DESCRIPTION	VCERA ANALYSIS
RRP	Retro Regular Pay	Included in normal monthly rate of pay.
RTC	Retro Comp Time Taken	Included in normal monthly rate of pay.
SFH	Family Sick - Hourly Non FLSA	Included in normal monthly rate of pay.
SPH	Sick - Personal Hourly NonFLSA	Included in normal monthly rate of pay.
USB	Union Steward Bank	Included in normal monthly rate of pay.
VAH	Vacation Hourly NonFLSA	Included in normal monthly rate of pay.
VAS	Vacation Salary	Included in normal monthly rate of pay.
VSH	Vacation Hourly FLSA	Included in normal monthly rate of pay.
VSS	Vacation Salary FLSA	Included in normal monthly rate of pay.
FUH	Court Furlough With Pay Hourly	Reduces from base pay
FUS	Court Furlough With Pay Salary	Included in normal monthly rate of pay.
VFH	Court Voluntary Furlough Pay	Included in normal monthly rate of pay.
VFJ	Voluntary Furlough Adjustment	Included in normal monthly rate of pay.
VFS	Court Voluntary Furlough Pay	Included in normal monthly rate of pay.
N12	4850 27-Day FLSA Premium >7/02	Compensation for overtime worked as defined in Section 207(k) for Title 29 of the USC.
OTH	27-Day FLSA Overtime Premium	Compensation for overtime worked as defined in Section 207(k) for Title 29 of the USC.
OTR	VCPFA Scheduled OT Retirement	Compensation for overtime worked as defined in Section 207(k) for Title 29 of the USC.
N4H	4850 Non-Tax 4 hr OT	Compensation for overtime worked as defined in Section 207(k) for Title 29 of the USC.
O4S	Scheduled OT Retirement SST	Compensation for overtime worked as defined in Section 207(k) for Title 29 of the USC.
OT4	Scheduled Overtime Retirement	Compensation for overtime worked as defined in Section 207(k) for Title 29 of the USC.
RT4	Retro Scheduled OT VCSCOA	Compensation for overtime worked as defined in Section 207(k) for Title 29 of the USC.
DAT	DA On-Call Flex Time Taken	Included in normal monthly rate of pay.
MLN	Military Leave Hourly Non FLSA	Included in normal monthly rate of pay.
SCO	Scheduled Overtime	Compensation for overtime worked as defined in Section 207(k) for Title 29 of the USC.
BIWKLY	Biweekly Compensation	Included in normal monthly rate of pay.
JAILCK	Jail Cook Shift Leader Pay	Payment is available to all permanently assigned Jail Cook Shift leaders. This payment is thus provided for regularly assigned normal or essential job functions of an identifiable subgroup of similarly situated members within a group or class of employment.

TABLE B: VENTURA REGIONAL SANITATION DISTRICT (VRSD)

EARNINGS CODE	EARNINGS CODE DESCRIPTION	VCERA ANALYSIS
01CAL	(R) CAL	Included in normal monthly rate of pay for leave taken as time off.
01HOUR	(R) Regular	Included in normal monthly rate of pay.
AUTHWP	(R) Authorized Leave W/Pay	Included in normal monthly rate of pay for leave taken as time off.

EARNINGS CODE	EARNINGS CODE DESCRIPTION	VCERA ANALYSIS
BEREAV	(R) Bereavement Leave	Included in normal monthly rate of pay for leave taken as time off.
FLOAT	(R) Floating Hol Taken	Included in normal monthly rate of pay for leave taken as time off.
FMLA-C	(R) FMLA CAL	Included in normal monthly rate of pay for leave taken as time off.
HOL	(R) Holiday Leave	Included in normal monthly rate of pay for leave taken as time off.
IND-C	(R) Industrial CAL	Included in normal monthly rate of pay for leave taken as time off.
IND24	(R) Industrial-24 Hours	Included in normal monthly rate of pay for leave taken as time off for first 24 hours.
JURY	(R) Jury Duty	Included in normal monthly rate of pay.
MED-C	(R) Medical CAL	Included in normal monthly rate of pay for leave taken as time off.
MILIT	(R) Military Leave	Included in normal monthly rate of pay.
R-01CL	(A) Retro-Vacation	Included in normal monthly rate of pay.
R-01HR	(A) Retro-Regular	Included in normal monthly rate of pay.
R-HOL	(A) Retro-Holiday	Included in normal monthly rate of pay for leave taken as time off.
R-ALWP	(A) Retro-Authorized Leave W/Pay	Included in normal monthly rate of pay for leave taken as time off.
R-FLTT	(A) Retro-Floating Hol Taken	Included in normal monthly rate of pay for leave taken as time off.
R-FMLC	(A) Retro-FMLA CAL	Included in normal monthly rate of pay for leave taken as time off.
R-INDC	(A) Industrial CAL	Included in normal monthly rate of pay for leave taken as time off.
R-IN24	(A) Industrial-24 Hours	Included in normal monthly rate of pay for leave taken as time off for first 24 hours.
R-MEDC	(A) Retro Med-C	Included in normal monthly rate of pay for leave taken as time off.

EXHIBIT 2: RECOMMEND EXCLUSION, WITH CORRECTION OF PAST INCLUSION

EFFECTIVE JANUARY 1, 2013

(COUNTY AND STAKEHOLDER FEEDBACK: DISAGREE)

TABLE A: MARKET-BASED PREMIUM PAY ITEMS (COUNTY OF VENTURA)

EARNINGS CODE	EARNINGS CODE DESCRIPTION	VCERA ANALYSIS
CLS123	Clinical Laboratory Scientist I/II/III Premium Pay	Market based premium pay for hard to recruit position(s). Premium pay may be discontinued based on market conditions. This payment is thus an ad hoc bonus that is not part of normal monthly rate of pay provided for regularly assigned normal or essential job functions of any identifiable subgroup of similarly situated members within a group or class of employment.
HISTOL	Histologist Premium Pay	Market based premium pay for hard to recruit position(s). Premium pay may be discontinued based on market conditions. This payment is thus an ad hoc bonus that is not part of normal monthly rate of pay provided for regularly assigned normal or essential job functions of any identifiable subgroup of similarly situated members within a group or class of employment.
LPTAST	Licensed Physical Therapy Assistant	Market based premium pay for hard to recruit position(s). Premium pay may be discontinued based on market conditions. This payment is thus an ad hoc bonus that is not part of normal monthly rate of pay provided for regularly assigned normal or essential job functions of any identifiable subgroup of similarly situated members within a group or class of employment.
PHARM	Pharmacy Premium Pay	Market based premium pay for hard to recruit position(s). Premium pay may be discontinued based on market conditions. This payment is thus an ad hoc bonus that is not part of normal monthly rate of pay provided for regularly assigned normal or essential job functions of any identifiable subgroup of similarly situated members within a group or class of employment.
PRNRES	Principal Respiratory Therapist Premium Pay	Market based premium pay for hard to recruit position(s). Premium pay may be discontinued based on market conditions. This payment is thus an ad hoc bonus that is not part of normal monthly rate of pay provided for regularly assigned normal or essential job functions of any identifiable subgroup of similarly situated members within a group or class of employment.
PSYCH	Psychologist Premium Pay	Market based premium pay for hard to recruit position(s). Premium pay may be discontinued based on market conditions. This payment is thus an ad hoc bonus that is not part of normal monthly rate of pay provided for regularly assigned normal or essential job functions of any identifiable subgroup of similarly situated members within a group or class of employment.
RADSPE	Radiologic Specialist Premium Pay	Market based premium pay for hard to recruit position(s). Premium pay may be discontinued based on market conditions. This payment is thus an ad hoc bonus that is not part of normal monthly rate of pay provided for regularly assigned normal or essential job functions of any identifiable subgroup of similarly situated members within a group or class of employment.

EARNINGS CODE	EARNINGS CODE DESCRIPTION	VCERA ANALYSIS
RADTEC	Radiologic Technologist Premium Pay	Market based premium pay for hard to recruit position(s). Premium pay may be discontinued based on market conditions. This payment is thus an ad hoc bonus that is not part of normal monthly rate of pay provided for regularly assigned normal or essential job functions of any identifiable subgroup of similarly situated members within a group or class of employment.
SPEECH	Speech Pathologist Premium Pay	Market based premium pay for hard to recruit position(s). Premium pay may be discontinued based on market conditions. This payment is thus an ad hoc bonus that is not part of normal monthly rate of pay provided for regularly assigned normal or essential job functions of any identifiable subgroup of similarly situated members within a group or class of employment.
THRPST	Therapist Premium Pay	Market based premium pay for hard to recruit position(s). Premium pay may be discontinued based on market conditions. This payment is thus an ad hoc bonus that is not part of normal monthly rate of pay provided for regularly assigned normal or essential job functions of any identifiable subgroup of similarly situated members within a group or class of employment.

TABLE B: Y-RATE (COUNTY OF VENTURA)

EARNINGS CODE	EARNINGS CODE DESCRIPTION	VCERA ANALYSIS
YRATE	Y-Rate Differential for Biweekly Employees	Payment is a temporary adjustment based on individual circumstances. Thus, the payment is by definition not for regularly assigned normal or essential job functions, nor is it available to similarly situated members of the same group or class of employment.
YRATEH	Y-Rate Differential for Hourly Employees	Payment is a temporary adjustment based on individual circumstances. Thus, the payment is by definition not for regularly assigned normal or essential job functions, nor is it available to similarly situated members of the same group or class of employment.

EXHIBIT 3: RECOMMEND INCLUSION

EFFECTIVE JANUARY 1, 2013 (TABLE A)
EFFECTIVE JANUARY 3, 2016 (TABLE B)
(COUNTY AND STAKEHOLDER FEEDBACK: AGREE)

TABLE A: SCHEDULED FLSA OVERTIME (COUNTY OF VENTURA)

EARNINGS CODE	EARNINGS CODE DESCRIPTION	VCERA ANALYSIS
ROS	Retro Overtime Safety	Compensation for overtime worked as defined in Section 207(k) for Title 29 of the USC.

TABLE B: LONGEVITY PAY (COUNTY OF VENTURA)

EARNINGS CODE	EARNINGS CODE DESCRIPTION	VCERA ANALYSIS
L07	Longevity CNA 7 Years	All employees who satisfy this continuous County service requirement are eligible for this payment. The payment then becomes part of the base pay provided to all similarly situated members within this group or class of employment.
L12	Longevity CNA 12 Years	All employees who satisfy this continuous County service requirement are eligible for this payment. The payment then becomes part of the base pay provided to all similarly situated members within this group or class of employment.
L17	Longevity CNA 17 Years	All employees who satisfy this continuous County service requirement are eligible for this payment. The payment then becomes part of the base pay provided to all similarly situated members within this group or class of employment.

EXHIBIT 4: RECOMMEND PROSPECTIVE INCLUSION

EFFECTIVE JANUARY 3, 2016

(COUNTY FEEDBACK: DISAGREE; STAKEHOLDER FEEDBACK: AGREE)

EARNINGS CODE	EARNINGS CODE DESCRIPTION	VCERA ANALYSIS
42P	4/2 Sheriff Patrol Bonus	Payment for regularly assigned normal or essential job function of identifiable subgroup of similarly situated members within this group or class of employment performed during normal working hours.
ASN	Assignment Bonus - Nurses	All employees regularly assigned to the Crisis Team are eligible for this payment. Thus, the payment is for regularly assigned normal or essential job functions of an identifiable subgroup of similarly situated members within this group or class of employment.
ASR	Sheriff Records Assignment Pay	All employees regularly assigned to work a particular shift on the Sheriff Records team are eligible for this payment. Thus, the payment is for regularly assigned normal or essential job functions of an identifiable subgroup of similarly situated members within this group or class of employment.
BMB	Bomb Squad Bonus	All employees regularly assigned to the Bomb Squad are eligible for this payment. Thus, the payment is for regularly assigned normal or essential job functions of an identifiable subgroup of similarly situated members within this group or class of employment.
EMD	Emergency Medical Dispatch	All employees regularly assigned to the Emergency Medical Dispatch are eligible for this payment. Thus, the payment is for regularly assigned normal or essential job functions of an identifiable subgroup of similarly situated members within this group or class of employment.
HAZ	Hazard Material Response Team	All employees regularly assigned to the Hazardous Material Response Team are eligible for this payment. Thus, the payment is for regularly assigned normal or essential job functions of an identifiable subgroup of similarly situated members within this group or class of employment.
HMT	Helicopter Maint Certification	Employees in specific classifications are required to acquire and maintain certification as a condition of employment. Therefore, this certification is required to perform regularly assigned normal or essential job functions of an identifiable subgroup of similarly situated members within a group or class of employment.
HPS	HIRT Premium Pay VCPFA	All employees regularly assigned to the HIRT Unit are eligible for this payment. Thus, the payment is for regularly assigned normal or essential job functions of an identifiable subgroup of similarly situated members within this group or class of employment.
IAD	Inpatient Assign Differential	All employees assigned to the VCMC Inpatient Unit are eligible. Thus, the payment is for regularly assigned normal or essential job functions of an identifiable subgroup of similarly situated members within this group or class of employment.

EARNINGS CODE	EARNINGS CODE DESCRIPTION	VCERA ANALYSIS
LDT	Lead Disaster Behavioral Health	All employees regularly assigned to the Lead Disaster Team are eligible for this payment. Thus, the payment is for regularly assigned normal or essential job functions of an identifiable subgroup of similarly situated members within this group or class of employment.
LMH	Licensed Mental Health Assoc	All employees assigned to the Licensed Mental Health Associates classification must have this license. Thus, the payment is for regularly assigned normal or essential job functions of an identifiable subgroup of similarly situated members within this group or class of employment.
MTR	Motorcycle Bonus	All employees regularly assigned to be a Motorcycle Officer receive this payment. Thus, the payment is for regularly assigned normal or essential job functions of an identifiable subgroup of similarly situated members within this group or class of employment.
NS1	NOCS - IUOE 7.5%	Payment is members who are regularly assigned to work 51% of a shift between the hours of 3pm and 11pm. Thus, the payment is for regularly assigned normal or essential job functions of an identifiable subgroup of similarly situated members within this group or class of employment.
NS4	NOCS - 10% - Addl Pay	Includable for employees who are regularly assigned to work between the hours of 11pm to 8:15 am. Earnings code set up as regular additional pay. Thus, the payment is for regularly assigned normal or essential job functions of an identifiable subgroup of similarly situated members within this group or class of employment.
NSM	Nurse Specialty Pay - MGMT	All nursing services personnel regularly assigned to specialty areas are eligible for this incentive pay. Thus, the payment is for regularly assigned normal or essential job functions of an identifiable subgroup of similarly situated members within this group or class of employment.
NSP	Nurse Specialty Pay	All nursing services personnel regularly assigned to specialty areas are eligible for this incentive pay. Thus, the payment is for regularly assigned normal or essential job functions of an identifiable subgroup of similarly situated members within this group or class of employment.
PAL	Paramedic Level I VCPFA Line	Payment is restricted to employees participating in the ALS program. Thus, the payment is for regularly assigned normal or essential job functions of an identifiable subgroup of similarly situated members within this group or class of employment.
PFL	Paramedic Fire Engineer Line	Payment is provided to employees participating in the ALS program, which adds to the regular duties of those employees. Thus, the payment is for regularly assigned normal or essential job functions of an identifiable subgroup of similarly situated members within this group or class of employment.
PM4	P.M. Shift - 5% - Addl Pay	Includable ONLY for employees who are regularly required to work between the hours of 3pm to 7 am. Thus, the payment is for regularly assigned normal or essential job functions of an identifiable subgroup of similarly situated members within this group or class of employment.

EARNINGS CODE	EARNINGS CODE DESCRIPTION	VCERA ANALYSIS
PPA	Paramedic Premium Pay Level I	Payment is restricted to employees participating in the ALS program. Thus, the payment is for regularly assigned normal or essential job functions of an identifiable subgroup of similarly situated members within this group or class of employment.
PPC	Paramedic Premium Pay Level II	Payment is restricted to employees participating in the ALS program. Thus, the payment is for regularly assigned normal or essential job functions of an identifiable subgroup of similarly situated members within this group or class of employment.
PPF	Paramedic Prem Fire Engineers	Payment is provided to employees participating in the ALS program, which adds to the regular duties of those employees. Thus, the payment is for regularly assigned normal or essential job functions of an identifiable subgroup of similarly situated members within this group or class of employment.
PPP	Paramedic Premium Pay Level P	Payment is restricted to employees participating in the ALS program. Thus, the payment is for regularly assigned normal or essential job functions of an identifiable subgroup of similarly situated members within this group or class of employment.
PSD	POST- Public Safety Dispatcher	MOA language indicates that specific classifications assigned to the Sheriff's Communication Center shall receive a biweekly incentive. Thus, the payment is for regularly assigned normal or essential job functions of an identifiable subgroup of similarly situated members within this group or class of employment.
SAP	Sheriffs' Assignment Pay	Employees are only eligible when assigned to Sheriff's Major Crimes Unit. Thus, the payment is for regularly assigned normal or essential job functions of an identifiable subgroup of similarly situated members within this group or class of employment.
SIP	Sheriffs' Investigation Pay	Employees are only eligible when primary function is investigations. Thus, the payment is for regularly assigned normal or essential job functions of an identifiable subgroup of similarly situated members within this group or class of employment.
SPD	Staff Pay Differential - VCPFA	All employees working at staff assignment are eligible and compensated for this incentive pay during normal working hours. Thus, the payment is for regularly assigned normal or essential job functions of an identifiable subgroup of similarly situated members within this group or class of employment.
SPF	Staff Pay Diff - MT Bat Chiefs	All employees working at staff assignment are eligible and compensated for this incentive pay during normal working hours. Thus, the payment is for regularly assigned normal or essential job functions of an identifiable subgroup of similarly situated members within this group or class of employment.
SPM	Staff Pay Differential - MT	All employees working at staff assignment are eligible and compensated for this incentive pay during normal working hours. Thus, the payment is for regularly assigned normal or essential job functions of an identifiable subgroup of similarly situated members within this group or class of employment.
SPO	Superv Deputy Probation Officer	All employees in the classification of Supervising Deputy Probation Officer assigned to Work Furlough/Work Release are eligible. Thus, the payment is for regularly assigned normal or essential job functions of an identifiable subgroup of similarly situated members within this group or class of employment.

EARNINGS CODE	EARNINGS CODE DESCRIPTION	VCERA ANALYSIS
ARP	Armed Premium VCPPOA PVP	Probation Officers regularly assigned armed caseloads are eligible for premium pay. Thus, the payment is for regularly assigned normal or essential job functions of an identifiable subgroup of similarly situated members within this group or class of employment.
ARU	Armed Unit Premium	Probation Employees regularly assigned to supervise an armed unit are eligible for premium pay. Thus, the payment is for regularly assigned normal or essential job functions of an identifiable subgroup of similarly situated members within this group or class of employment.

EXHIBIT 5: RECOMMEND CONTINUED EXCLUSION
IN ABSENCE OF PAY CODE DISTINCTIONS (SITUATIONAL)

TABLE A: COUNTY OF VENTURA

EARNINGS CODE	EARNINGS CODE DESCRIPTION	VCERA ANALYSIS
42B	4/2 Bilingual Level 2	Includable only if bilingualism a regularly assigned normal or essential job function of an identifiable subgroup of similarly situated members within this group or class of employment.
B1A	Bilingual Level 1 - CNA	Includable only if bilingualism a regularly assigned normal or essential job function of an identifiable subgroup of similarly situated members within this group or class of employment.
B1B	Bilingual Level 1 - MGMT	Includable only if bilingualism a regularly assigned normal or essential job function of an identifiable subgroup of similarly situated members within this group or class of employment.
B1C	Bilingual Level 1	Includable only if bilingualism a regularly assigned normal or essential job function of an identifiable subgroup of similarly situated members within this group or class of employment.
B1S	Bilingual Level 1 - VCDSA	Includable only if bilingualism a regularly assigned normal or essential job function of an identifiable subgroup of similarly situated members within this group or class of employment.
B2A	Bilingual Level 2 - CNA	Includable only if bilingualism a regularly assigned normal or essential job function of an identifiable subgroup of similarly situated members within this group or class of employment.
B2B	Bilingual Level 2 - MGMT	Includable only if bilingualism a regularly assigned normal or essential job function of an identifiable subgroup of similarly situated members within this group or class of employment.
B2C	Bilingual Level 2	Includable only if bilingualism a regularly assigned normal or essential job function of an identifiable subgroup of similarly situated members within this group or class of employment.
B2S	Bilingual Level 2 - VCDSA	Includable only if bilingualism a regularly assigned normal or essential job function of an identifiable subgroup of similarly situated members within this group or class of employment.
B3A	Bilingual Level 3 - CNA	Includable only if bilingualism a regularly assigned normal or essential job function of an identifiable subgroup of similarly situated members within this group or class of employment.
B3B	Bilingual Level 3 - MGMT	Includable only if bilingualism a regularly assigned normal or essential job function of an identifiable subgroup of similarly situated members within this group or class of employment.
B3C	Bilingual Level 3	Includable only if bilingualism a regularly assigned normal or essential job function of an identifiable subgroup of similarly situated members within this group or class of employment.
B3D	Bilingual Level 3 $1.10	Includable only if bilingualism a regularly assigned normal or essential job function of an identifiable subgroup of similarly situated members within this group or class of employment.
B3S	Bilingual Level 3 - VCDSA	Includable only if bilingualism a regularly assigned normal or essential job function of an identifiable subgroup of similarly situated members within this group or class of employment.
BIL	Bilingual Pay -VCPFA 80	Includable only if bilingualism a regularly assigned normal or essential job function of an identifiable subgroup of similarly situated members within this group or class of employment.

EARNINGS CODE	EARNINGS CODE DESCRIPTION	VCERA ANALYSIS
BPF	Bilingual Pay VCPFA Line	Includable only if bilingualism a regularly assigned normal or essential job function of an identifiable subgroup of similarly situated members within this group or class of employment.
EMT	EMT Premium Pay	Employees in specific classifications are required to acquire and maintain certification as a condition of employment. Included for Firefighter, Fire Engineer and Fire Captain. Need code for classifications where EMT certification is not a normal or essential job requirement.
IAM	PP Incentives Adj MGMT/CJ	Need to setup new earnings code to include/exclude incentives that are eligible vs. ineligible
IAN	PP Incentive Adjustment (NR)	Need to setup new earnings code to include/exclude incentives that are eligible vs. ineligible
IAR	PP Incentives Adjustment (R1)	Need to setup new earnings code to include/exclude incentives that are eligible vs. ineligible
NB1	Nurses Certification Bonus 1	Includable only if certification is required to perform regularly assigned normal or essential job functions of any identifiable subgroup of similarly situated members within a group or class of employment.
NB2	Nurses Certification Bonus 2	Includable only if certification is required to perform regularly assigned normal or essential job functions of any identifiable subgroup of similarly situated members within a group or class of employment.
NB3	Nurses Certification Bonus 3	Includable only if certification is required to perform regularly assigned normal or essential job functions of any identifiable subgroup of similarly situated members within a group or class of employment.
NB4	Nurses Certification Bonus 4	Includable only if certification is required to perform regularly assigned normal or essential job functions of any identifiable subgroup of similarly situated members within a group or class of employment.
NB5	Nurses Certification Bonus 5	Includable only if certification is required to perform regularly assigned normal or essential job functions of any identifiable subgroup of similarly situated members within a group or class of employment.
NS2	NOCS - 10%	Includable only for employees who are regularly assigned to work between the hours of 11pm to 8:15 am. Excluded for employees who occasionally work this shift but are eligible for the incentive pay.
NS3	NOCS - Hospital 15% - CNA	Includable only for employees who are regularly assigned to work 7/12 of a shift between the hours of 7pm to 7am on a 12-hour shift or work 5/8 of a shift between 11pm to 7am on an 8-hour shift. Excluded for employees who occasionally work this shift but are eligible for the incentive pay.
PM1	Night Shift - MGMT & CJAAVC	Includable only for employees who are regularly required to work between the hours of 2 pm to 9:30 am. Excluded for employees who occasionally work this shift but are eligible for the incentive pay.
PM2	P.M. Shift - 5%	Includable only for employees who are regularly required to work between the hours of 3pm to 7 am. Excluded for employees who occasionally work this shift but are eligible for the incentive pay.

EARNINGS CODE	EARNINGS CODE DESCRIPTION	VCERA ANALYSIS
PM3	P.M. Shift - Hospital 7.5%	Includable only for employees who are regularly required to work between the hours of 3pm to 7 pm. Excluded for employees who occasionally work this shift but are eligible for the incentive pay.
RF1	Retro Incentive Pay VCPFA FF1	Need to setup new earnings code to include/exclude incentives that are eligible vs. ineligible
RF2	Retro Incentive Pay VCPFA FF2	Need to setup new earnings code to include/exclude incentives that are eligible vs. ineligible
RIM	Retro Incentives Management	Need to setup new earnings code to include/exclude incentives that are eligible vs. ineligible
RIP	Retro Incentives	Need to setup new earnings code to include/exclude incentives that are eligible vs. ineligible
RIS	Retro Incentives Safety	Need to setup new earnings code to include/exclude incentives that are eligible vs. ineligible
SEIU Sect. 601	Bilingual Level 2 - VCDSA	Includable only if bilingualism a regularly assigned normal or essential job function of an identiable subgroup of similarly situated members within this group or class of employment.
SPB	Sheriff Patrol Bonus	Includable only if payment for regularly assigned normal or essential job function of identifiable subgroup of similarly situated members within this group or class of employment. Payment is not included if it is a bonus that is not provided for patrol duties performed by the individual in a new group or class, but rather is paid because of duties previously performed by the individual who is transferred to group or class that does not have patrol duties.
TPA	Treatment Plan Behavioral Health	Includable only for Behavioral Health Clinician IV regularly assigned to areas where treatment plan must be completed.
WKD	Weekend Worked-CNA	Employees regularly assigned to work on weekends, such that payment is part of their normal monthly rate of pay, are eligible. Employees are occasionally work on weekends are not eligible
WKS	Weekend Worked SEIU	Employees regularly assigned to work on weekends such that payment is part of their normal monthly rate of pay are eligible. Employees are occasionally work on weekends are not eligible
MC1	Mgmt Certification Pay - Nurse1	Includable only if certification is required for a regularly assigned position.
MC2	Mgmt Certification Pay - Nurse2	Includable only if certification is required for a regularly assigned position.
MC3	Mgmt Certification Pay - Nurse3	Includable only if certification is required for a regularly assigned position.
MC4	Mgmt Certification Pay - Nurse4	Includable only if certification is required for a regularly assigned position.
MC5	Mgmt Certification Pay - Nurse5	Includable only if certification is required for a regularly assigned position.
RXM	Retro Xtra Incentive Mgmt	Included only if the retro incentive is based on incentives that are includable for pension compensation
RXP	Retro Xtra Incentives	Included only if the retro incentive is based on incentives that are includable for pension compensation

EARNINGS CODE	EARNINGS CODE DESCRIPTION	VCERA ANALYSIS
RXS	Retro Xtra Incentives Safety	Included only if the retro incentive is based on incentives that are includable for pension compensation

TABLE B: VENTURA REGIONAL SANITATION DISTRICT (VRSD)

EARNINGS CODE	EARNINGS CODE DESCRIPTION	STAFF ANALYSIS
01NITE	Hourly	Includable only for employees who are regularly required to work between the hours of 2 pm to 9:30 am. Excluded for employees who occasionally work this shift but are eligible for the incentive pay.
R-NITE	Hourly	Includable only for employees who are regularly required to work between the hours of 2 pm to 9:30 am. Excluded for employees who occasionally work this shift but are eligible for the incentive pay.

EXHIBIT 6: RECOMMEND EXCLUSION, WITH CORRECTION OF PAST INCLUSION

EFFECTIVE JANUARY 1, 2013

(COUNTY & VRSD FEEDBACK: AGREE; STAKEHOLDER FEEDBACK: DISAGREE)

TABLE A: COUNTY OF VENTURA

EARNINGS CODE	EARNINGS CODE DESCRIPTION	VCERA ANALYSIS
NHB	4850 Non Tax Holiday RDO Bank	Payment is for leave cashout time.
NHO	4850 Non Tax Holiday RDO-Shf	Payment is for leave cashout time.
HDP	Holiday Day Off Paid SPOAVC	Compensation exceeds base pay and is not part of normal monthly rate of pay.
HDS	Sheriff Holiday on Reg Day Off	Compensation exceeds base pay and is not part of normal monthly rate of pay.
HWK	Holiday Worked 4&2_Sheriff 1.0	Payment is for additional services rendered outside of normal working hours. Payment is for overtime work, other than as defined in Section 207(k) of title 29 of the United States Code (non-FLSA).
HWN	Holiday Worked 1.5 Non-FLSA	Compensation for non-FLSA overtime worked. Also, not base pay or normal monthly rate of pay.
HWO	Holiday Worked 1.5x	Compensation for non-FLSA overtime worked. Also, not base pay or normal monthly rate of pay.
PHO	PDP Holiday Worked 0.5	Compensation for non-FLSA overtime worked. Also, not base pay or normal monthly rate of pay.
RHO	Retro Holiday Overtime 1.5x	Compensation for non-FLSA overtime worked. Also, not base pay or normal monthly rate of pay.
RHW	Retro Holiday Pay 1.0x	Compensation for non-FLSA overtime worked. Also, not base pay or normal monthly rate of pay.
RHX	Retro Holiday Worked 1.5x	Compensation for non-FLSA overtime worked. Also, not base pay or normal monthly rate of pay.
CRT	Sheriff Court Time	Payment is for additional services rendered outside of normal working hours.
CBN	Call Back Retirement CNA	Additional payment for services rendered outside of normal working hours. Compensation for non-FLSA overtime worked. Not base pay or normal monthly rate of pay.
CBR	Call Back CNA Retirement	Additional payment for services rendered outside of normal working hours. Compensation for non-FLSA overtime worked. Not base pay or normal monthly rate of pay.
CBS	Call Back Straight Time 1.0x	Additional payment for services rendered outside of normal working hours. Compensation for non-FLSA overtime worked. Not base pay or normal monthly rate of pay.
RCB	Retro Call Back Straight	Additional payment for services rendered outside of normal working hours. Compensation for non-FLSA overtime worked. Not base pay or normal monthly rate of pay.

EARNINGS CODE	EARNINGS CODE DESCRIPTION	VCERA ANALYSIS
CRJ	PP CNA Call Back Ret Adj	Additional payment for services rendered outside of normal working hours. Compensation for non-FLSA overtime worked. Not base pay or normal monthly rate of pay.
CSF	Call Back Straight Time FCW	Additional payment for services rendered outside of normal working hours. Compensation for non-FLSA overtime worked. Not base pay or normal monthly rate of pay.
XTR	One Time Payment	One-time ad-hoc payment.
SPVDIF	Supervisory Differential	Payment for temporary supervisory assignments. Thus, the payment is by definition not for regularly assigned normal or essential job functions, nor is it available to all similarly situated members of the same group or class of employment.
ATTSP	Attorney Supervisory Incentive	This is a temporary bonus that is provided to certain supervisors based on the compensation provided to their subordinates. It is in additional to base compensation and will be eliminated when conditions authorizing the increase cease to exist. Thus, it is not part of normal monthly rate of pay of an identifiable subgroup of similarly situated members within a group or class of employment.

TABLE B: VENTURA REGIONAL SANITATION DISTRICT (VRSD)

EARNINGS CODE	EARNINGS CODE DESCRIPTION	VCERA ANALYSIS
CAFFIN	Hourly	Excluded as employer-provided allowance -- sec.7522.34, subd. (c)(7)
CAFFIU	Hourly	Excluded as employer-provided allowance -- sec.7522.34, subd. (c)(7)
CAFFSE	Hourly	Excluded as employer-provided allowance -- sec.7522.34, subd. (c)(7)
CLASS	Hourly	Payment for temporary assignments. Thus, the payment is by definition not for regularly assigned normal or essential job functions, nor is it available to all similarly situated members of the same group or class of employment.
R-CLS	Hourly	Payment for temporary assignments. Thus, the payment is by definition not for regularly assigned normal or essential job functions, nor is it available to all similarly situated members of the same group or class of employment.

EXHIBIT 7: RECOMMEND CONTINUED EXCLUSION

(COUNTY & VRSD FEEDBACK: AGREE; STAKEHOLDER FEEDBACK: DISAGREE ON CERTAIN)

TABLE A: COUNTY OF VENTURA

EARNINGS CODE	EARNINGS CODE DESCRIPTION	VCERA ANALYSIS
A48	PP 4850 Hours Only Adjustment	No cash value - hours adjustment code.
BHA	Bank Holiday Adjustment	No cash value - hours adjustment code.
CBA	Comp Balance Adjustment	No cash value - hours adjustment code.
ELA	Education Leave Hrs Adjustment	No cash value - hours adjustment code.
FHA	Floating Holiday Adjustment	No cash value - hours adjustment code.
FLA	Family Medical Leave Adj	No cash value - hours adjustment code.
FSA	Family Sick Leave Adjustment	No cash value - hours adjustment code.
H1S	Pandemic Sick Leave Adjustment	No cash value - hours adjustment code.
H1V	Pandemic Vacation Adjustment	No cash value - hours adjustment code.
HMB	Holiday Bank Management	No cash value - hours adjustment code.
NEF	Non Emergency Fire Mgmt 120hrs	No cash value - hours reporting code.
OAH	PP OT Hours Only Adjustment	No cash value - hours adjustment code.
PDC	Per Diem Charge Nurse Premium	Payment is to provided only to employees participating in the County's Safe Harbor retirement plan who are not eligible for the VCERA plan.
RAH	PP Hours Only Adjustment	No cash value - hours adjustment code.
RMA	Risk Management Adjustment	Severance or any other payment granted. To the extent payment is a retroactive payment for services rendered, the payment should be made under a different paycode.
SLA	Sick Leave Adjustment	No cash value - hours adjustment code.
SLB	Sick Leave Benefit Accruals	No cash value - hours adjustment code.
SOJ	Sick Other Hours Adjustment	No cash value - hours adjustment code.
VFA	Vacation Advance Hrs Adj	No cash value - hours adjustment code.
VLA	Vacation Hours Adjustment	No cash value - hours adjustment code.
VLB	Vacation Benefit Accruals	No cash value - hours adjustment code.
VOJ	Vacation Other Hrs Adjustment	No cash value - hours adjustment code.
VAF	Voluntary Adj Furlough Hours	No cash value - hours adjustment code.
COF	Call Back Overtime FCW	Compensation for overtime worked.
COS	Contract Straight Time Overtime	Compensation for overtime worked.
COT	Contract Overtime	Compensation for overtime worked.
HDO	Holiday on Scheduled Day Off	No cash value - hours adjustment code.
HPD	Hol Wrk CNA Per Diem 0.5	Payment is provided only to employees participating in the County's Safe Harbor retirement plan who are not eligible for the VCERA plan. Also, compensation for overtime worked.
NRF	Non-Retirement FLSA OT	Compensation for overtime worked.
O29	Overtime Issue 29 Pay	Compensation for overtime worked.
O30	Overtime Issue 30 Pay	Compensation for overtime worked.
OAJ	PP Overtime Adjustment (NR)	Compensation for overtime worked.
OFC	Overtime FLSA Contract	Compensation for overtime worked.
OTP	Overtime	Compensation for overtime worked.
OTS	Straight Time Overtime	Compensation for overtime worked.

EARNINGS CODE	EARNINGS CODE DESCRIPTION	VCERA ANALYSIS
POT	Premium Overtime	Compensation for overtime worked.
ROT	Retro Overtime Pay	Compensation for overtime worked.
RSO	Retro Overtime 1.0x	Compensation for overtime worked.
ZFO	FLSA Comp Bank Adjustment OT	Compensation for overtime worked.
ZNO	NFLSA Comp Bank Adjustment OT	Compensation for overtime worked.
301	30 Yr Retirement Incentive 1%	PEPRA membership begin date is 1/1/13, therefore PEPRA members are ineligible
30C	30Year Retirement CJAAVC	PEPRA membership begin date is 1/1/13, therefore PEPRA members are ineligible
30M	30 Year Retirement Inc MGMT	PEPRA membership begin date is 1/1/13, therefore PEPRA members are ineligible
30R	30 Year Retirement Mgmt Safety	No cessation of retirement contributions after 30 years for PEPRA members.
30S	30 Year Retirement Inc VCDSA	No cessation of retirement contributions after 30 years for PEPRA members.
30T	30 Year Retirement Inc 4/2	No cessation of retirement contributions after 30 years for PEPRA members.
30V	30 Yr Retirement Incentive 1%	PEPRA membership begin date is 1/1/13, therefore PEPRA members are ineligible
30X	30 Year Retirement Courts Mgmt	PEPRA membership begin date is 1/1/13, therefore PEPRA members are ineligible
AD1	Associate's Degree - MGMT	Payment is restricted to employees who possess a degree that is not required to perform regularly assigned normal or essential job functions of any identifiable subgroup of similarly situated members within a group or class of employment.
AD2	Associate's Degree	Payment is restricted to employees who possess a degree that is not required to perform regularly assigned normal or essential job function of any identifiable subgroup of similarly situated members within a group or class of employment.
AD3	Associate's Degree VCPFA Line	Payment is restricted to employees who possess a degree that is not required to perform regularly assigned normal or essential job functions of any identifiable subgroup of similarly situated members within a group or class of employment.
AD4	Associate's - Line Batt Chiefs	Payment is restricted to employees who possess a degree that is not required to perform regularly assigned normal or essential job functions of any identifiable subgroup of similarly situated members within a group or class of employment.
AD5	AA Degree Shf 4/2	Payment is restricted to employees who possess a degree that is not required to perform regularly assigned normal or essential job functions of any identifiable subgroup of similarly situated members within a group or class of employment.

EARNINGS CODE	EARNINGS CODE DESCRIPTION	VCERA ANALYSIS
ANM	Animal Regulation Differential	Payment is not for regularly assigned normal or essential job functions of any identifyable subgroup of similarly situated members within a group or class of employement. Payments is also sporadic and ad hoc and for services rendered outside of normal working hours.
AP1	4/2 Sheriff Advanced Post-Sgt	Payment is restricted to employees who possess a certificate that is not required to perform regularly assigned normal or essential job functions of any identifiable subgroup of similarly situated members within a group or class of employment.
AP2	4/2 Sheriff Advance Post-DEP	Payment is restricted to employees who possess a certificate that is not required to perform regularly assigned normal or essential job functions of any identifiable subgroup of similarly situated members within a group or class of employment.
AP3	4/2 Sheriff Adv Post-S DEP-	Payment is restricted to employees who possess a certificate that is not required to perform regularly assigned normal or essential job functions of any identifiable subgroup of similarly situated members within a group or class of employment.
APC	Advanced POST Cert SGT	Payment is restricted to employees who possess a certificate that is not required to perform regularly assigned normal or essential job functions of any identifiable subgroup of similarly situated members within a group or class of employment.
APD	Advanced POST Cert Deputy	Payment is restricted to employees who possess a certificate that is not required to perform regularly assigned normal or essential job functions of any identifiable subgroup of similarly situated members within a group or class of employment.
ARM	Animal Range Master (FIC)	Only available to one employee in the class. Payment is based on temporary or ad hoc appointments and thus is not for regularly assigned normal or essential job functions of an identifiable subgroup of similarly situated members within a group or class of employment.
AS1	ASE/CFMA Cert Level I IUOE	Payment is restricted to employees who possess a certificate that is not required to perform regularly assigned normal or essential job functions of any identifiable subgroup of similarly situated members within a group or class of employment.

EARNINGS CODE	EARNINGS CODE DESCRIPTION	VCERA ANALYSIS
AS2	ASE/CFMA Cert Level II IUOE	Payment is restricted to employees who possess a certificate that is not required to perform regularly assigned normal or essential job functions of any identifiable subgroup of similarly situated members within a group or class of employment.
AS3	ASE/CFMA Cert Level III IUOE	Payment is restricted to employees who possess a certificate that is not required to perform regularly assigned normal or essential job functions of any identifiable subgroup of similarly situated members within a group or class of employment.
ASD	Advanced POST Cert Sr. Deputy	Payment is restricted to employees who possess a certificate that is not required to perform regularly assigned normal or essential job functions of any identifiable subgroup of similarly situated members within a group or class of employment.
BD1	Bachelor's Degree - MGMT	Payment is restricted to employees who possess a degree that is not required to perform regularly assigned normal or essential job functions of any identifiable subgroup of similarly situated members within a group or class of employment.
BD2	Bachelor's Degree	Payment is restricted to employees who possess a degree that is not required to perform regularly assigned normal or essential job functions of any identifiable subgroup of similarly situated members within a group or class of employment.
BD3	Bachelor's Degree VCPFA Line	Payment is restricted to employees who possess a degree that is not required to perform regularly assigned normal or essential job functions of any identifiable subgroup of similarly situated members within a group or class of employment.
BD4	Bachelor's - Line Batt Chiefs	Payment is restricted to employees who possess a degree that is not required to perform regularly assigned normal or essential job functions of any identifiable subgroup of similarly situated members within a group or class of employment.
BD5	Bachelor's Degree Shf 4/2	Payment is restricted to employees who possess a degree that is not required to perform regularly assigned normal or essential job functions of any identifiable subgroup of similarly situated members within a group or class of employment.
BDP	Bachelor Degree Per Diem CNA	Payment is to provided only to employees participating in the County's Safe Harbor retirement plan who are not eligible for the VCERA plan.
GDP	Graduate Degree Per Diem CNA	Payment is to provided only to employees participating in the County's Safe Harbor retirement plan who are not eligible for the VCERA plan.

EARNINGS CODE	EARNINGS CODE DESCRIPTION	VCERA ANALYSIS
PC1	Certification Pay 1 PerDiemCNA	Payment is to provided only to employees participating in the County's Safe Harbor retirement plan who are not eligible for the VCERA plan.
PC2	Certification Pay 2 PerDiemCNA	Payment is provided only to employees participating in the County's Safe Harbor retirement plan who are not eligible for the VCERA plan.
PC3	Certification Pay 3 PerDiemCNA	Payment is provided only to employees participating in the County's Safe Harbor retirement plan who are not eligible for the VCERA plan.
DTR	DTR Prem 1.5% Per Diem CNA	Payment is provided only to employees participating in the County's Safe Harbor retirement plan who are not eligible for the VCERA plan.
BHI	Behavioral Health Intern Diff	Payment made to Behavioral Health Interns - Excluded members.
C15	Court Time 1.5x	Payment is for additional services rendered outside of normal working hours.
CAM	Cert Public Accountant MGMT	Payment is restricted to employees who possess an accredidation that is not required to perform regularly assigned normal or essential job functions of any identifiable subgroup of similarly situated members within a group or class of employment.
CBK	Cash Back Flex Credit No Pay	No cash value.
CEB	VCERA CEBS Certification	Payment is restricted to employees who possess a certification that is not required to perform regularly assigned normal or essential job functions of any identifiable subgroup of similarly situated members within a group or class of employment.
CFA	VCERA CFA Certification	Payment is restricted to employees who possess a certification that is not required to perform regularly assigned normal or essential job functions of any identifiable subgroup of similarly situated members within a group or class of employment.
CPA	Certified Public Accountant	Payment is restricted to employees who possess an accredidation that is not required to perform regularly assigned normal or essential job functions of any identifiable subgroup of similarly situated members within a group or class of employment.
CPI	Certified Psychologist - MGMT	Payment is restricted to employees who possess a certification that is not required to perform regularly assigned normal or essential job functions of any identifiable subgroup of similarly situated members within a group or class of employment.

EARNINGS CODE	EARNINGS CODE DESCRIPTION	VCERA ANALYSIS
CPM	Certified Psychiatrist - MGMT	Payment is restricted to employees who possess a certification that is not required to perform regularly assigned normal or essential job functions of any identifiable subgroup of similarly situated members within a group or class of employment.
CPY	Certified Psychiatrist - SEIU	Payment is restricted to employees who possess a certification that is not required to perform regularly assigned normal or essential job functions of any identifiable subgroup of similarly situated members within a group or class of employment.
CRN	Truck Crane Assignment Pay	Payment is restricted to employees who possess a certification that is not required to perform regularly assigned normal or essential job functions of any identifiable subgroup of similarly situated members within a group or class of employment.
CRR	Certified Realtime Reporters	Payment is restricted to employees who are Certified Realtime Reporters from the National Court Reporters Association. Such certification is not required to perform regularly assigned normal or essential job functions of any identifiable subgroup of similarly situated members within a group or class of employment.
DFT	Float Nurse Premium Pay	Payment is for any hours worked in a unit other than regular assignment or home unit. Thus, payment is not for regularly assigned normal or essential job functions of an identifiable subgroup of similarly situated members within a group or class of employment.
DTN	Dispatcher Training Bonus	Payment is restricted to individuals designated as Training Officers for each shift in which a Trainee is assigned to them. Thus, payment is not for regularly assigned normal or essential job functions of an identifiable subgroup of similarly situated members within a group or class of employment.
EAF	Employee Assistance Program	Payment for unused vacation hours.
EAT	Sheriff Meal Pay 4/2 Schedule	Obsolete code, not yet inactivated.
EMP	Battalion Chiefs EMT Prem Pay	Payment is restricted to employees who possess a certification that is not required to perform regularly assigned normal or essential job functions of any identifiable subgroup of similarly situated members within a group or class of employment.
F01	Ed Inc AA Fire Captain	Payment is restricted to employees who possess a degree that is not required to perform regularly assigned normal or essential job functions of any identifiable subgroup of similarly situated members within a group or class of employment.

EARNINGS CODE	EARNINGS CODE DESCRIPTION	VCERA ANALYSIS
F02	Ed Inc AA Fire Crew Supervisor	Payment is restricted to employees who possess a degree that is not required to perform regularly assigned normal or essential job functions of any identifiable subgroup of similarly situated members within a group or class of employment.
F03	Ed Inc AA Fire Engineer	Payment is restricted to employees who possess a degree that is not required to perform regularly assigned normal or essential job functions of any identifiable subgroup of similarly situated members within a group or class of employment.
F04	Ed Inc AA Firefighter	Payment is restricted to employees who possess a degree that is not required to perform regularly assigned normal or essential job functions of any identifiable subgroup of similarly situated members within a group or class of employment.
F05	Ed Inc AA Fire Equipment Oper	Payment is restricted to employees who possess a degree that is not required to perform regularly assigned normal or essential job functions of any identifiable subgroup of similarly situated members within a group or class of employment.
F06	Ed Inc AA Fire Inspector	Payment is restricted to employees who possess a degree that is not required to perform regularly assigned normal or essential job functions of any identifiable subgroup of similarly situated members within a group or class of employment.
F07	Ed Inc AA Fire Investigtn Spec	Payment is restricted to employees who possess a degree that is not required to perform regularly assigned normal or essential job functions of any identifiable subgroup of similarly situated members within a group or class of employment.
F08	Ed Inc AA Fire Prevention Off	Payment is restricted to employees who possess a degree that is not required to perform regularly assigned normal or essential job functions of any identifiable subgroup of similarly situated members within a group or class of employment.
F09	Ed Inc AA Fire Specialist	Payment is restricted to employees who possess a degree that is not required to perform regularly assigned normal or essential job functions of any identifiable subgroup of similarly situated members within a group or class of employment.
F10	Ed Inc AA Fire System Engineer	Payment is restricted to employees who possess a degree that is not required to perform regularly assigned normal or essential job functions of any identifiable subgroup of similarly situated members within a group or class of employment.
F11	Ed Inc AA HazMat Specialist	Payment is restricted to employees who possess a degree that is not required to perform regularly assigned normal or essential job functions of any identifiable subgroup of similarly situated members within a group or class of employment.

EARNINGS CODE	EARNINGS CODE DESCRIPTION	VCERA ANALYSIS
F12	Ed Inc AA Sr Fire Inspector	Payment is restricted to employees who possess a degree that is not required to perform regularly assigned normal or essential job functions of any identifiable subgroup of similarly situated members within a group or class of employment.
F13	Ed Inc AA Wildland Fire Off	Payment is restricted to employees who possess a degree that is not required to perform regularly assigned normal or essential job functions of any identifiable subgroup of similarly situated members within a group or class of employment.
F14	Ed Inc AA Fire Preven III <94	Payment is restricted to employees who possess a degree that is not required to perform regularly assigned normal or essential job functions of any identifiable subgroup of similarly situated members within a group or class of employment.
F15	Ed Inc BA Fire Captain	Payment is restricted to employees who possess a degree that is not required to perform regularly assigned normal or essential job functions of any identifiable subgroup of similarly situated members within a group or class of employment.
F16	Ed Inc BA Fire Crew Supervisor	Payment is restricted to employees who possess a degree that is not required to perform regularly assigned normal or essential job functions of any identifiable subgroup of similarly situated members within a group or class of employment.
F17	Ed Inc BA Fire Engineer	Payment is restricted to employees who possess a degree that is not required to perform regularly assigned normal or essential job functions of any identifiable subgroup of similarly situated members within a group or class of employment.
F18	Ed Inc BA Firefighter	Payment is restricted to employees who possess a degree that is not required to perform regularly assigned normal or essential job functions of any identifiable subgroup of similarly situated members within a group or class of employment.
F19	Ed Inc BA Fire Equipment Oper	Payment is restricted to employees who possess a degree that is not required to perform regularly assigned normal or essential job functions of any identifiable subgroup of similarly situated members within a group or class of employment.
F20	Ed Inc BA Fire Inspector	Payment is restricted to employees who possess a degree that is not required to perform regularly assigned normal or essential job functions of any identifiable subgroup of similarly situated members within a group or class of employment.
F21	Ed Inc BA Fire Investigtn Spec	Payment is restricted to employees who possess a degree that is not required to perform regularly assigned normal or essential job functions of any identifiable subgroup of similarly situated members within a group or class of employment.

EARNINGS CODE	EARNINGS CODE DESCRIPTION	VCERA ANALYSIS
F22	Ed Inc BA Fire Prevention Off	Payment is restricted to employees who possess a degree that is not required to perform regularly assigned normal or essential job functions of any identifiable subgroup of similarly situated members within a group or class of employment.
F23	Ed Inc BA Fire Specialist	Payment is restricted to employees who possess a degree that is not required to perform regularly assigned normal or essential job functions of any identifiable subgroup of similarly situated members within a group or class of employment.
F24	Ed Inc BA Fire System Engineer	Payment is restricted to employees who possess a degree that is not required to perform regularly assigned normal or essential job functions of any identifiable subgroup of similarly situated members within a group or class of employment.
F25	Ed Inc BA HazMat Specialist	Payment is restricted to employees who possess a degree that is not required to perform regularly assigned normal or essential job functions of any identifiable subgroup of similarly situated members within a group or class of employment.
F26	Ed Inc BA Sr Fire Inspector	Payment is restricted to employees who possess a degree that is not required to perform regularly assigned normal or essential job functions of any identifiable subgroup of similarly situated members within a group or class of employment.
F27	Ed Inc BA Wildland Fire Off	Payment is restricted to employees who possess a degree that is not required to perform regularly assigned normal or essential job functions of any identifiable subgroup of similarly situated members within a group or class of employment.
F28	Ed Inc BA Fire Preven II <94	Payment is restricted to employees who possess a degree that is not required to perform regularly assigned normal or essential job functions of any identifiable subgroup of similarly situated members within a group or class of employment.
F30	30-Year Retirement VCPFA Line	No cessation of retirement contributions after 30 years for PEPRA members.
F31	30-Year Ret MGMT Fire-Line	No cessation of retirement contributions after 30 years for PEPRA members.
F32	30-Year Retirement VCPFA Staff	No cessation of retirement contributions after 30 years for PEPRA members.
FAH	PP Furlough Hours Adjustment	No cash value - hours adjustment code.
FM1	Fire Science 1 - BC	Payment is restricted to employees who have completed classes that are not required to perform regularly assigned normal or essential job functions of any identifiable subgroup of similarly situated members within a group or class of employment.

EARNINGS CODE	EARNINGS CODE DESCRIPTION	VCERA ANALYSIS
FM2	Fire Science 2 - BC	Payment is restricted to employees who have completed classes that are not required to perform regularly assigned normal or essential job functions of any identifiable subgroup of similarly situated members within a group or class of employment.
FM3	Fire Science 3 - BC	Payment is restricted to employees who have completed classes that are not required to perform regularly assigned normal or essential job functions of any identifiable subgroup of similarly situated members within a group or class of employment.
FS1	Fire Science 1 - VCPFA	Payment is restricted to employees who have completed classes that are not required to perform regularly assigned normal or essential job functions of any identifiable subgroup of similarly situated members within a group or class of employment.
FS2	Fire Science 2 - VCPFA	Payment is restricted to employees who have completed classes that are not required to perform regularly assigned normal or essential job functions of any identifiable subgroup of similarly situated members within a group or class of employment.
FS3	Fire Science 3 - VCPFA	Payment is restricted to employees who have completed classes that are not required to perform regularly assigned normal or essential job functions of any identifiable subgroup of similarly situated members within a group or class of employment.
FTO	Field Training Officer Bonus	Payment is restricted to Deputies designated as Field Training Officers for each shift in which a Trainee is assigned to them. Thus, payment is not for regularly assigned normal or essential job functions of an identifiable subgroup of similarly situated members within a group or class of employment.
GD1	Graduate Degree - MGMT	Payment is restricted to employees who possess a degree that is not required to perform regularly assigned normal or essential job functions of any identifiable subgroup of similarly situated members within a group or class of employment.
GD2	Graduate Degree	Payment is restricted to employees who possess a degree that is not required to perform regularly assigned normal or essential job functions of any identifiable subgroup of similarly situated members within a group or class of employment.
GD3	Graduate Degree VCPFA Line	Payment is restricted to employees who possess a degree that is not required to perform regularly assigned normal or essential job functions of any identifiable subgroup of similarly situated members within a group or class of employment.

EARNINGS CODE	EARNINGS CODE DESCRIPTION	VCERA ANALYSIS
GD4	Graduate Deg Line Batt Chiefs	Payment is restricted to employees who possess a degree that is not required to perform regularly assigned normal or essential job functions of any identifiable subgroup of similarly situated members within a group or class of employment.
GD5	Graduate Degree Shf 4/2	Payment is restricted to employees who possess a degree that is not required to perform regularly assigned normal or essential job functions of any identifiable subgroup of similarly situated members within a group or class of employment.
HPP	HIRT Pool Premium Pay VCPFA	Payment is restricted to employees who possess a certification that is not required to perform regularly assigned normal or essential job functions of any identifiable subgroup of similarly situated members within a group or class of employment.
HSP	House Supervisor Pay VCMC	Payment is for any hours worked as VCMC relief "House Supervisor". This payment is only for temporary assignments. Thus, the payment is by definition not for regularly assigned normal or essential job functions, nor is there an identifyable subgroup of employees who are regularly eligible for it.
HWP	Hol Wrk CNA Per Diem Contract	Payment is provided only to employees participating in the County's Safe Harbor retirement plan who are not eligible for the VCERA plan.
IHA	In-House Prior PP Adjustment	Payments permit employees to "voluntarily work extra hours." Thus, the payments are for additional services rendered outside of normal working hours. They are not part of base pay or normal monthly rate of pay, and they are ad hoc.
IHM	In-House Registry >40 PM	Payments permit employees to "voluntarily work extra hours." Thus, the payments are for additional services rendered outside of normal working hours. They are not part of base pay or normal monthly rate of pay, and they are ad hoc.
IHN	In-House Registry <40 NOC	Payments permit employees to "voluntarily work extra hours." Thus, the payments are for additional services rendered outside of normal working hours. They are not part of base pay or normal monthly rate of pay, and they are ad hoc.
IHO	In-House Registry >40 Hours	Payments permit employees to "voluntarily work extra hours." Thus, the payments are for additional services rendered outside of normal working hours. They are not part of base pay or normal monthly rate of pay, and they are ad hoc.
IHP	In-House Registry <40 PM	Payments permit employees to "voluntarily work extra hours." Thus, the payments are for additional services rendered outside of normal working hours. They are not part of base pay or normal monthly rate of pay, and they are ad hoc.

EARNINGS CODE	EARNINGS CODE DESCRIPTION	VCERA ANALYSIS
IHR	In-House Registry <40 Hours	Payments permit employees to "voluntarily work extra hours." Thus, the payments are for additional services rendered outside of normal working hours. They are not part of base pay or normal monthly rate of pay, and they are ad hoc.
IHX	In-House Registry >40 NOC	Payments permit employees to "voluntarily work extra hours." Thus, the payments are for additional services rendered outside of normal working hours. They are not part of base pay or normal monthly rate of pay, and they are ad hoc.
IP1	4/2 Sheriff Interm Post-SGT	Payment is restricted to employees who possess a certificate that is not required to perform regularly assigned normal or essential job functions of any identifiable subgroup of similarly situated members within a group or class of employment.
IP2	4/2 Sheriff Interm Post-DEP	Payment is restricted to employees who possess a certificate that is not required to perform regularly assigned normal or essential job functions of any identifiable subgroup of similarly situated members within a group or class of employment.
IP3	4/2 Sheriff Interm Post-S DEP	Payment is restricted to employees who possess a certificate that is not required to perform regularly assigned normal or essential job functions of any identifiable subgroup of similarly situated members within a group or class of employment.
IPC	Intermediate POST Cert SGT	Payment is restricted to employees who possess a certificate that is not required to perform regularly assigned normal or essential job functions of any identifiable subgroup of similarly situated members within a group or class of employment.
IPD	Intermediate POST Cert Deputy	Payment is restricted to employees who possess a certificate that is not required to perform regularly assigned normal or essential job functions of any identifiable subgroup of similarly situated members within a group or class of employment.
ISD	Intermediate POST Cert Sr. Dep	Payment is restricted to employees who possess a certificate that is not required to perform regularly assigned normal or essential job functions of any identifiable subgroup of similarly situated members within a group or class of employment.
IUC	IUOE Qualified Cert 5%	Payment is restricted to employees who possess a certificate that is not required to perform regularly assigned normal or essential job functions of any identifiable subgroup of similarly situated members within a group or class of employment.

EARNINGS CODE	EARNINGS CODE DESCRIPTION	VCERA ANALYSIS
MA1	CFMA Cert Level II IUOE	Payment is restricted to employees who possess a certificate that is not required to perform regularly assigned normal or essential job functions of any identifiable subgroup of similarly situated members within a group or class of employment.
MA2	CFMA Cert Level IV IUOE	Payment is restricted to employees who possess a certificate that is not required to perform regularly assigned normal or essential job functions of any identifiable subgroup of similarly situated members within a group or class of employment.
ME1	Hospital Maint Eng CSHE MECH	Payment is restricted to employees who possess a certification that is not required to perform regularly assigned normal or essential job functions of any identifiable subgroup of similarly situated members within a group or class of employment.
ME2	Senior CSHE MECH Hos Maint Eng	Payment is restricted to employees who possess a certification that is not required to perform regularly assigned normal or essential job functions of any identifiable subgroup of similarly situated members within a group or class of employment.
MED	MEDI Pick-Up	Payment is restricted to VCDSA employees hired prior to 4/1/86 and thus are not PEPRA members. Also, this is an excluded in-kind conversion.
MHD	MH Inpatient Differential IUOE	Payment is not part of base pay or normal monthly rate of pay. The payment is only for temporary assignments in, including working more an one hour in, the Mental Health Acute Inpationt program. Thus, the payment is by definition not for regularly assigned normal or essential job functions, nor is there an identifyable subgroup of employees who are regularly eligible for it.
NAA	Nurses Ed Incentive AA/AS/RN	Payment is restricted to employees who possess a degree that is not required to perform regularly assigned normal or essential job functions of any identifiable subgroup of similarly situated members within a group or class of employment.
O10	Sheriff MGMT Contract Svcs 1x	Payment for services rendered outside of normal working hours.
O15	Sheriff Contract Services 1.5x	Compensation for overtime worked.
PCN	Psych Charge Nurse VCMC	Payment for a temporary assignment. Thus, the payment is by definition not for regularly assigned normal or essential job functions of an identifiable subgroup of similarly situated members within this group or class of employment.

EARNINGS CODE	EARNINGS CODE DESCRIPTION	VCERA ANALYSIS
PHN	Public Health Nurse Cert Prem	Payment is restricted to employees who possess a certificate that is not required to perform regularly assigned normal or essential job functions of any identifiable subgroup of similarly situated members within a group or class of employment.
PRC	Preceptor Pay RN VCMC	Incentive is for a temporary assignment. Thus, the payment is not for regularly assigned normal or essential job functions of an identifiable subgroup of similarly situated members within this group or class of employment.
PTS	P.O.S.T. Certificate SPOAVC	Payment is restricted to employees who possess a certificate that is not required to perform regularly assigned normal or essential job functions of any identifiable subgroup of similarly situated members within a group or class of employment.
R10	Retro Straight 1.0 COURTS	Compensation for overtime work.
R15	Retro Premium 1.5 COURTS	Compensation for overtime work.
R30	30-Year Retirement Incentive	PEPRA membership begin date is 1/1/13, therefore PEPRA members are ineligible
REM	Registered Engineer - MGMT	Payment is restricted to employees who possess a license that is not required to perform regularly assigned normal or essential job functions of any identifiable subgroup of similarly situated members within a group or class of employment.
RES	Registered Engineer - SEIU/VEA	Payment is restricted to employees who possess a license that is not required to perform regularly assigned normal or essential job functions of any identifiable subgroup of similarly situated members within a group or class of employment.
RWD	Referral Reward	One-time ad-hoc payment.
SAA	Sheriff/Fire Mgmt Ed Inc AA/AS	Payment is restricted to employees who possess a degree that is not required to perform regularly assigned normal or essential job functions of any identifiable subgroup of similarly situated members within a group or class of employment.
SBA	Sheriff/Fire Mgmt Ed Inc BA/BS	Payment is restricted to employees who possess a degree that is not required to perform regularly assigned normal or essential job functions of any identifiable subgroup of similarly situated members within a group or class of employment.
SBI	POST- Specialized Basic Invest	Payment is restricted to employees who possess a certificate that is not required to perform regularly assigned normal or essential job functions of any identifiable subgroup of similarly situated members within a group or class of employment.
SBP	Stand By Pay	Payment for services rendered outside of normal working hours.
SMA	Sheriff/Fire Mgmt Ed Inc Grad	Payment for services rendered outside of normal working hours.

EARNINGS CODE	EARNINGS CODE DESCRIPTION	VCERA ANALYSIS
SSB	Sheriff Standby Pay	Payment for services rendered outside of normal working hours.
TAP	Temporary Assignment Premium	Payment for temporary promotion/assignment. Thus, the payment is by definition not for regularly assigned normal or essential job functions.
UST	Underground Storage Tank Cert	Employees are only eligible when assigned to the Hazardous Materials Program and also have an Inspector certification issued by the ICC. Thus, the payment is not for regularly assigned normal or essential job functions of an identifiable subgroup of similarly situated members within this group or class of employment, nor is it for a required certification.
VET	Accredited Veterinarian	Only one employee is receiving this pay. Thus, the payment is, by definition, not made to identifiable subgroup of similarly situated members within a group or class of employment,
WKV	Weekend Worked-VCPPOA	No employees in the same classification are regularly eligible for the incentive.
EEF	EE Assistance Donation	Payment used for unused vacation.
EEP	EE Assist Donation (Grossup)	Payment used for unused vacation.
RBD	Retro Vacation Buydown	Payment used for unused vacation.
RSV	Retro Sick & Vac Payoff	Payment used for unused vacation and sick.
S25	Sick Leave Payoff 25%	Payment used for unused sick leave.
S50	Sick Leave Payoff 50%	Payment used for unused sick leave.
S75	Sick Leave Payoff 75%	Payment used for unused sick leave.
SAL	Sick Leave Payoff 100%	Payment used for unused sick leave.
SLP	Sick Leave Paydown 25%	Payment used for unused sick leave.
SVB	Vacation Buydown - VCDSA	Payment used for unused vacation.
VAB	Vacation Buydown (Grossup)	Payment used for unused vacation.
VAP	Vacation Payoff	Payment used for unused vacation.
VBD	Vacation Buydown	Payment used for unused vacation.
VPD	Vacation Paydown - VCPFA	Payment used for unused vacation.
CAP	Comp Time Automatic Paydown	Compensation for unused compensatory time off.
CBC	Call Back Contract Overtime	Compensation for overtime worked.
CBO	Call Back Overtime 1.5x	Compensation for overtime worked.
CBP	Comp Balance Payoff Term	Compensation for unused compensatory time off.
CPO	Comp Time Cashout	Compensation for unused compensatory time off.
OTC	Sheriff Overtime Comp Bank	Compensation for unused compensatory time off.
RCP	Retro Comp & Call Back Pay	Compensation for overtime worked.
RCT	Retro Comp Termination Payoff	Compensation for unused compensatory time off.
RBP	Replacement Benefit Plan	Used to compensate over the 415 limits for retirees.
CF1	Courts Flex SEIU p/t	In-kind conversion and excluded allowance
CF2	Courts Flex SEIU f/t	In-kind conversion and excluded allowance
CF3	Courts Flex CJAAVC P/T	In-kind conversion and excluded allowance
CF4	Courts Flex CJAAVC F/T	In-kind conversion and excluded allowance
CF5	Courts Flex MGMT p/t	In-kind conversion and excluded allowance
CF6	Courts Flex MGMT4 f/t	In-kind conversion and excluded allowance
CF7	Courts Flex MGMT3 f/t	In-kind conversion and excluded allowance

EARNINGS CODE	EARNINGS CODE DESCRIPTION	VCERA ANALYSIS
CF8	Courts Flex MGMT	In-kind conversion and excluded allowance
FC	Flex Credit Adjustment	In-kind conversion and excluded allowance
FC1	Flex Credit	In-kind conversion and excluded allowance
FC2	Flex Credit	In-kind conversion and excluded allowance
FC3	Flex Credit Part Time	In-kind conversion and excluded allowance
FC4	Flex Credit Full Time $260	In-kind conversion and excluded allowance
FC5	FLex Credit	In-kind conversion and excluded allowance
FC6	Flex Credit - Part Time	In-kind conversion and excluded allowance
FC7	Flex Credit MGMT	In-kind conversion and excluded allowance
FC8	Flex Credit $272	In-kind conversion and excluded allowance
FC9	Flex Credit MGMT Part-time	In-kind conversion and excluded allowance
FCC	Flex Credit VCSCOA	In-kind conversion and excluded allowance
FCF	Flex Credit Full Time	In-kind conversion and excluded allowance
FCP	Flex Credit Part Time - $184	In-kind conversion and excluded allowance
RFC	Retro Flex Credit	In-kind conversion and excluded allowance
UFM	Uniform Allowance	Excluded employer-provided allowance
ADP	Advanced Disability Pension	Advanced Disability Pension
STU	Student Loan Payment	Excluded employer-provided allowance/reimbursement
MOV	Moving Expense Reimbursement	Excluded employer-provided reimbursement
MSC	Other Compensation	Miscellaneous ad hoc compensation
ELC	Election Worker Pay	Election Worker Stipend paid in addition to base pay. The payment is not for regularly assigned normal or essential job functions of an identifiable subgroup of similarly situated members within this group or class of employment.
AUT	Auto Allowance	Excluded employer-provided allowance
TMR	Taxable Meal Reimbursement	Excluded employer-provided reimbursement
$AC	All ERN Codes -System CD - Adl	Placeholder code.
$NA	N/A - Retro Place Holder - JOB	Placeholder code.
AAC	Advanced Appraiser Cert	Payment is restricted to employees who possess a certificate that is not required to perform regularly assigned normal or essential job functions of any identifiable subgroup of similarly situated members within a group or class of employment.
ADH	Acting Department Head Pay	This payment is only for temporary, "acting," assignments. Thus, the payment is by definition not for regularly assigned normal or essential job functions, nor is there an identifyable subgroup of employees who are regularly eligible for it.
AUN	Auto Allowance NO PAY	No cash value.
CFO	Comp Time FLSA Cash Pay	Compensation for overtime worked.
CNV	CONVERSION BALANCES	Hours Only - No cash value.
CRH	PP CNA Call Back Hrs Ret Adj	Hours only adjustment code.
DAF	DA On-Call Flex Time Bank	Hours Only - No cash value.
DAJ	DA On-Call Flex Bal Adjustment	Hours Only - No cash value.
DSA	VCDSA 2017 Comp Adj	No cash value - hours adjustment code.
MLE	Mileage Pymt Board/Commissions	Mileage Reimbursement

EARNINGS CODE	EARNINGS CODE DESCRIPTION	VCERA ANALYSIS
NCR	Non-Certified Realtime Reportr	Payment is restricted to employees who possess a certificate that is not required to perform regularly assigned normal or essential job functions of any identifiable subgroup of similarly situated members within a group or class of employment.
OC4	Overtime Contract Rate 4 Hrs	Compensation for overtime worked.
OCR	Overtime Contract Rate	Compensation for overtime worked.
RSP	Retro Sick Paydown	Included in normal monthly rate of pay.
RTH	Retirement Hours Only - No Pay	Hours Only - No cash value.
STP	Board/Commission Stipend Pymt	Stipend payments are paid to non-members only.
TSC	Supplemental Comp Attorney	Miscellaneous ad hoc compensation
VMB	Vacation Mgmt/CJ Buydown Base	Payment for unused vacation hours.
VMP	Vacation Mgmt Payoff (4_6_11)	Payment for unused vacation hours.
VSI	Court Voluntary Separation Inc	One-time ad-hoc payment.
WCP	Watch Commander Premium 5%	The payment is not for regularly assigned normal or essential job functions of an identifiable subgroup of similarly situated members within this group or class of employment.
X80	Adjustment CSH & Accrual Hours	Hours Only - No cash value.
XBS	VCDSA 11% Base Salary PEPRA	This short-term payment is not part of normal monthly rate of pay. Employer payment of employee contributions also prohibited by PEPRA.
Y01	Tier 1 Retirement Offset 1	Payment restricted to classic members only.
Y02	Tier 1 Retirement Offset 2	Payment restricted to classic members only.
Y03	Tier 1 Retirement Offset 3	Payment restricted to classic members only.
Y04	Tier 1 Retirement Offset 4	Payment restricted to classic members only.
Y05	Tier 1 Retirement Offset 5	Payment restricted to classic members only.
Y06	Tier 1 Retirement Offset 6	Payment restricted to classic members only.
Y07	Tier 1 Retirement Offset 7	Payment restricted to classic members only.
Y08	Tier 1 Retirement Offset 8	Payment restricted to classic members only.
Y09	Tier 1 Retirement Offset 9	Payment restricted to classic members only.
Y10	Tier 1 Retirement Offset 10	Payment restricted to classic members only.
Y11	Tier 1 Retirement Offset 11	Payment restricted to classic members only.
Y12	Tier 1 Retirement Offset 12	Payment restricted to classic members only.
Y13	Tier 1 Assign Age SEIU 1	Payment restricted to classic members only.
Y14	Tier 1 Assign Age SEIU 2	Payment restricted to classic members only.
Y15	Tier 1 Assign Age MGMT	Payment restricted to classic members only.
Y16	Retirement Supp (RSO)	Payment restricted to classic members only.
Y17	Retirement Supp (RSO) Tier 1	Payment restricted to classic members only.
Y18	Retirement Offset Spec Contrib	Payment restricted to classic members only.
ZZZ	Ben Admin NO PAY	No cash value.
48X	4850 Taxable Adjustment	Tax Adjustment Code
CEO	Comp Time Earned	No cash value - hours overtime code.
L80	Limit 80 hours -NO PAY	No cash value - hours only code.
SRP	SRP PenAdmin Null Earnings	Used one-time for data conversion only.
LEAVE WITHOUT PAY CODES		
FML	Family Med Leave Unpaid Hourly	SEE ENDNOTE
FMS	Family Med Leave Unpaid Salary	SEE ENDNOTE

EARNINGS CODE	EARNINGS CODE DESCRIPTION	VCERA ANALYSIS
INH	LWOP Industrial Hourly	SEE ENDNOTE
INS	LWOP Industrial Salary	SEE ENDNOTE
LNP	Leave Without Pay Hourly	SEE ENDNOTE
LNS	Leave Without Pay Salary	SEE ENDNOTE
MLU	Military Leave Unpaid Hourly	SEE ENDNOTE
MUS	Military Leave Unpaid Salary	SEE ENDNOTE
FWH	Furlough No Pay Hourly	SEE ENDNOTE
FWS	Furlough No Pay Salary	SEE ENDNOTE
FAJ	PP Furlough Adjustments	SEE ENDNOTE

ENDNOTE: Retirement system contributions are not paid for periods during which an employee is on leave without pay, and thus retirement system service credit is not provided for those periods; however, subdivision (c) of Government Code section 31462 provides for imputing of the pensionable compensation of the position held by the member immediately prior to any such absences when determining final compensation if the absence occurs during a member's final compensation period.

TABLE B: VENTURA REGIONAL SANITATION DISTRICT (VRSD)

EARNINGS CODE	EARNINGS CODE DESCRIPTION	STAFF ANALYSIS
01OVER	(R) Overtime	Compensation for non-FLSA overtime worked. Also, not base pay or normal monthly rate of pay.
01XTRA	(R)Extra Hours - Billable Only	Neither base pay nor normal monthly rate of pay
02OVER	(R) Overtime-Night Shift	Compensation for non-FLSA overtime worked. Also, not base pay or normal monthly rate of pay.
CLASSO	(R) Out of Class OT	Compensation for non-FLSA overtime worked. Also, not base pay or normal monthly rate of pay. Payment for also for temporary assignments. Thus, the payment is by definition not for regularly assigned normal or essential job functions, nor is it available to all similarly situated members of the same group or class of employment.
FLOATE	(R) Floating Holiday Earned	Hours only code
HOLE	(R) Holiday Worked - EXEMPT EE	Hours only code
HOLWKD	(R) Holiday Worked Time	Compensation for non-FLSA overtime worked. Also, note base pay or normal monthly rate of pay.
INCENT	(R) Incentive Award	Excluded as bonus paid in addition to the compensation described in subdivison (a) of 7522.34
OVER-S	(R) Straight OT	Compensation for non-FLSA overtime worked.
R-01OT	(A) Retro-Overtime	Compensation for non-FLSA overtime worked.
SSTAND	(R) Stand By-SEIU	Payment for additional services rendered outside normal working hours. Excluded by section 7522(c)(6).
STNDHL	(R) Standby Holiday	Payment for additional services rendered outside normal working hours. Excluded by section 7522(c)(6).
STNDWD	(R) Stand by Week Day	Payment for additional services rendered outside normal working hours. Excluded by section 7522(c)(6).

EARNINGS CODE	EARNINGS CODE DESCRIPTION	STAFF ANALYSIS
STNDWE	(R) Standby Week End	Payment for additional services rendered outside normal working hours. Excluded by section 7522(c)(6).
SVRNCE	(R) Severance Pay	Payment for severance. Excluded by section 7522(c)(4).
VAC-PO	(R) CAL-Termination Pay Out	Severance and/or leave cash out. Excluded by section 7522(c)(4) and (5).
VACBUY	(R) CAL Buy Out	Severance and/or leave cash out. Excluded by section 7522(c)(4) and (5).
R-02OT	(A) Retro-Overtime-Night Shift	Compensation for non-FLSA overtime worked. Also, not base pay or normal monthly rate of pay.
R-CLSO	(A) Retro-Out of Class OT	Compensation for non-FLSA overtime worked. Also, not base pay or normal monthly rate of pay. Payment for also for temporary assignments. Thus, the payment is by definition not for regularly assigned normal or essential job functions, nor is it available to all similarly situated members of the same group or class of employment.
R-FLTE	(A) Retro-Floating Holiday Earned	Hours only code
R-HOLE	(A) Retro-Holiday Worked - EXEMPT EE	Hours only code
R-HOLW	(A) Retro-Holiday Worked Time	Compensation for non-FLSA overtime worked. Also, note base pay or normal monthly rate of pay.
R-STOT	(A) Retro-Straight OT	Compensation for non-FLSA overtime worked.
R-SBSU	(A) Retro-Stand By-SEIU	Payment for additional services rendered outside normal working hours. Excluded by section 7522(c)(6).
R-SBHL	(A) Retro-Standby Holiday	Payment for additional services rendered outside normal working hours. Excluded by section 7522(c)(6).
R-SBWD	(A) Retro-Stand by Week Day	Payment for additional services rendered outside normal working hours. Excluded by section 7522(c)(6).
R-SBWE	(A) Retro-Standby Week End	Payment for additional services rendered outside normal working hours. Excluded by section 7522(c)(6).
LEAVE WITHOUT PAY CODES		
FMLA-L	(R) FMLA Leave Without Pay	SEE ENDNOTE
IND-L	(R) Industrial LWOP	SEE ENDNOTE
LWOP	(R) Leave W/Out Pay	SEE ENDNOTE
MED-L	(R) Medical LWOP	SEE ENDNOTE
R-MEDL	(A) Retro-Med LWOP	SEE ENDNOTE
R-FMLL	(A) Retro-FMLA LWOP	SEE ENDNOTE
R-INDL	(A) Industrial LWOP	SEE ENDNOTE
R-LWOP	(A) Retro-Leave W/Out Pay	SEE ENDNOTE

ENDNOTE: Retirement system contributions are not paid for periods during which an employee is on leave without pay, and thus retirement system service credit is not provided for those periods; however, subdivision (c) of Government Code section 31462 provides for imputing of the pensionable compensation of the position held by the

member immediately prior to any such absences when determining final compensation if the absence occurs during a member's final compensation period.

EXHIBIT 8: INACTIVE CODES

The following codes are currently inactive as of October 19, 2015. The Exhibit column indicates each code's corresponding exhibit, if activated in the future.

TABLE A: COUNTY OF VENTURA

EARNINGS CODE	EXHIBIT	EARNINGS CODE DESCRIPTION	VCERA ANALYSIS
NFO	7	4850 27-Day FLSA Premium <7/02	Earnings code is obsolete and inactive.
48P	7	PP 4850 Adjustment Pre 7/1/02	Earnings code is obsolete and inactive.
SBH	7	4850 Safety Hourly Pre 7/01/02	Earnings code is obsolete and inactive.
SBS	7	4850 Safety Salary Pre 7/01/02	Earnings code is obsolete and inactive.
NAANNL	1	Annual Compensation	Earnings code is obsolete and inactive.
PRENG	2	Principal Maintenance Engineer	Earnings code is obsolete and inactive.
PTAIDE	2	Physical Therapy Aide Premium Pay	Earnings code is obsolete and inactive.
ACTDEP	2	Acting Department Incentive	Earnings code is obsolete and inactive.
IAT	5	PP Incentives Adjustment (R2)	Earnings code is obsolete and inactive.
PBL	4	Paramedic Level B VCPFA Line	Earnings code is obsolete and inactive.
PPB	4	Paramedic Premium Pay Level B	Earnings code is obsolete and inactive.
NBO	7	4850 Before July 2002 4hr OT	Earnings code is obsolete and inactive.

TABLE B: VENTURA REGIONAL SANITATION DISTRICT (VRSD)

EARNINGS CODE	EXHIBIT	EARNINGS CODE DESCRIPTION	VCERA ANALYSIS
R-SBP	5	(A) Retro Skill-Based Pay	Earnings code is obsolete and inactive.
RETROO	7	(A) Retro Overtime	Earnings code is obsolete and inactive.
RETROR	1	(A) Retro Regular	Earnings code is obsolete and inactive.
RMED-C	1	(A) Retro Med-C	Earnings code is obsolete and inactive.

NOSSAMAN LLP

ATTORNEYS AT LAW

50 California Street
34th Floor
San Francisco, CA 94111
T 415.398.3600
F 415.398.2438

Ashley K. Dunning
D 415.438.7228
adunning@nossaman.com

Refer To File #: -501702-0001

October 15, 2015

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

Re: *Potential Board Actions Regarding Recommended Inclusions and Exclusions Under the VCERA Pensionable Compensation Resolution of November 2014*

Dear Members of the Board:

As requested by your Retirement Administrator Linda Webb, this letter identifies next steps to implement the Resolution of the Board of Retirement of Ventura County Employees' Retirement Association (VCERA) Regarding Pensionable Compensation Determinations ("VCERA Pensionable Compensation Resolution" or "Resolution"), which the VCERA Board of Retirement ("Board") adopted on November 17, 2014.

We outline these steps in seven (7), or possibly more, potential Board action items described and explained in the "Analysis" portion of this letter below.

Brief Background

In the VCERA Pensionable Compensation Resolution, the Board invoked its authority and responsibility to interpret and apply Government Code section[1] 7522.34's provisions regarding items that are to be included in, and excluded from, "pensionable compensation" used to calculate retirement allowances for "new members" under section 7522.04(f) of the Public Employees' Pension Reform Act of 2013 (secs. 7522, et seq.), enacted by Assembly Bill 340 (regular session 2011-2012), effective January 1, 2013 ("PEPRA").

In particular, while section 7522.34, subdivision (a), provides the minimum standards for inclusions in pensionable compensation, and subdivision (c)(2)-(9) provide specific mandated exclusions from pensionable compensation, the Legislature provided the VCERA Board, and all

1 All statutory references hereinafter are to provisions of the California Government Code unless otherwise stated.

other public retirement boards who administer PEPRA, specific authority under section 7522.34, subdivision (c)[2], paragraphs (1), (10), (11), and (12), respectively to exercise their discretion to *exclude* from pensionable compensation additional pay items even if they otherwise met all of the required minimum standards under subdivision (a), as follows (numbered as set forth in that subdivision):

(1) Any compensation determined by the board to have been paid to increase a member's retirement benefit under that system.

(10) Any bonus paid in addition to the compensation described in subdivision (a).

(11) Any other form of compensation a public retirement board determines is inconsistent with the requirements of subdivision (a).

(12) Any other form of compensation a public retirement board determines should not be pensionable compensation.

The referenced specific mandated exclusions from pensionable compensation set forth in subdivision (c) pertinent to the Board's current considerations[3] are as follows (numbered as set forth in that subdivision):

(3) Any one-time or ad hoc payments made to a member.

(5) Payments for unused vacation, annual leave, personal leave, sick leave, or compensatory time off, however denominated, whether paid in a lump sum or otherwise, regardless of when reported or paid.

(6) Payments for additional services rendered outside of normal working hours, whether paid in a lump sum or otherwise.

(8) Compensation for overtime work, other than as defined in Section 207(k) of Title 29 of the United States Code [i.e., FLSA time].

The Board does not have the authority or discretion to include within pensionable compensation those pay items that it reasonably deems to fall within the foregoing mandated exclusions.

---

2 All references to a "subdivision" hereinafter are to subdivisions of Government Code section 7522.34, defining pensionable compensation.

3 The other mandatory exclusions that are not listed here are: (c) (2) (previous in kind benefits), (c) (4) (severance or separation pay), (c) (7) (allowances and expense reimbursements), and (c) (9) (employer contributions to deferred compensation or defined contribution plans). These items have not so far provided a source of disagreement.

The Board's discretion lies in the interplay between inclusions of items that meet the minimum standards in subdivision (a)[4] and are not mandatorily excluded by subdivision (c) paragraphs (2)-(9), and those that may fall into one of the potential additional exclusions under subdivision (c), paragraphs (1), (10), (11) and (12). The Board exercised that discretion in its adoption of standards set forth in the VCERA Pensionable Compensation Resolution.

And, in accordance with numbered paragraph 5 of the VCERA Pensionable Compensation Resolution, the VCERA Retirement Administrator with the assistance of selected staff under her direction has analyzed more than 500 pay codes created by VCERA's plan sponsors, the County of Ventura ("County") and the Ventura Regional Sanitation District ('VRSD"), to determine whether or not they constitute pensionable compensation under that Resolution. The recommendations arising out of that review are set forth both here and in the Retirement Administrator's accompanying memorandum.

It is important to note, however, the distinct roles of Board counsel and the VCERA Retirement Administrator on this topic. Our role as counsel is to analyze and advise staff and the Board regarding the range within which the Board may, in our judgment, legally exercise its discretion to interpret and construe the applicable statutes. The Retirement Administrator's role is to assess and make recommendations, within the range of acceptable legal alternatives provided, regarding her view of the best course of action for VCERA from a policy perspective.

In addition, it is important to note that by providing direction regarding, and then adopting, the Resolution, the Board already has exercised its discretion in important ways regarding its interpretation and construction of the pensionable compensation statute. The Retirement Administrator's recommendations recited in her accompanying memorandum, which we endorse from a legal perspective, seek fairly to implement the balanced and nuanced policy choices that the Board already has articulated in the Resolution.

Potential Board Actions to Implement VCERA Pensionable Compensation Resolution

Regular Salary and FLSA

First, the review concluded that the seventy-three (73) County pay codes included on Exhibit 1, Table A – County and twenty-one (21) VRSD pay codes included on Exhibit 1, Table B – VRSD, of the Retirement Administrator's accompanying memorandum already have been coded by the County or the VRSD, respectively, as included for purposes of pensionable compensation.

---

4 The referenced "subdivision (a)" describes pensionable compensation as "the normal monthly rate of pay or base pay of the member paid in cash to similarly situated members of the same group or class of employment for services rendered on a full-time basis during normal working hours, pursuant to publicly available pay schedules, subject to the limitations of subdivision (c)."

We believe that all of those items reasonably fall within the pay types set forth for inclusion in numbered paragraph 2(a) and (b) of the Resolution (i.e., regular salary, including scheduled step increases, and FLSA premium pay for law enforcement and fire protection as defined in Section 207(k) of Title 29 of the United States Code).

Potential Action No. 1 – Recommended Continued Inclusion re Regular Salary and FLSA:

We recommend that the Board vote to ratify the inclusion of the pay codes listed in said Exhibit 1, both Table A and Table B, in pensionable compensation, effective January 1, 2013.

MBPP

Second, regarding pay codes for "Market Based Premium Pay" and "Hard to recruit pay range extension" (collectively "MBPP") that the County also has included in its reporting of pensionable compensation, VCERA staff and we preliminarily concluded that they should be excluded.

The MBPP is reflected in the ten (10) pay codes listed in Exhibit 2, Table A -- County to the Retirement Administrator's memorandum. The recommended exclusion of MBPP was based on paragraph 3(h) of the Resolution, which was adopted under the discretionary authority of section 7522.34, subdiv. (c) paragraph (10), as well as paragraphs (1), (11) and (12) of that subdivision. Paragraph 3(h) of the Resolution provides as follows:

> 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).

In response to that recommendation, Service Employees International Union, Local 721 ("SEIU, Local 721") submitted a Position Statement dated October 2, 2015, and a supporting Declaration, seeking to refute VCERA staff's understanding that the MBPP was either "ad hoc" or a "bonus," and asserting that it is paid to similarly situated employees in the same group or class, though it concedes the possibility that the MBPP may be reduced or discontinued for individuals based upon market conditions without any change in job functions. SEIU Local 721 notes some historical discrepancies in the manner in which the MBPP was paid vis-à-vis across-the-board salary adjustments and also concedes that the SEIU Local 721/County MOU "inaptly refers to the MBPP in one sentence as a recruitment and retention bonus," and it then seeks to explain why the payment is "not a 'bonus' in the typical sense," but rather is a "premium pay adjustment."

In its original letter to VCERA dated April 15, 2013, as well as it October 13, 2015 letter to the Board in anticipation of the October 19 Board meeting, the County continues to assert that

MBPP are "part of an employee's base pay and are routinely treated by the County as base pay in all payroll functions." The County also asserts that "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."

On the other hand, when VCERA staff ran payroll queries of MBPPs, they found inconsistent application of that pay code among similarly situated members hired on or about the same date that continues to support the conclusion that it does not meet the standard for inclusion provided in paragraph 3(h) of the Resolution.

Notwithstanding the arguments of counsel for various VCERA member organizations ("stakeholders") and the County for inclusion, we continue to believe that the VCERA Board has the legal authority and discretion under, among other provisions, paragraphs (10), (11) and (12) of section 7522.34, subdivision (c), to require that MBPP be excluded from pensionable compensation.

We do not believe, however, that exclusion is absolutely mandated by PEPRA subdivision (c) paragraph (10) or otherwise, because the additional information provided by the SEIU Local 721 letter regarding the consistency with which they claim it is paid may indicate that, despite the pay item's formal label as a "discretionary" "market-based premium," the County is not likely to exercise its formal reserved discretion to discontinue the MBPP either discretionarily for only some members of the similarly situated group, or for the entire group for a market-based reason unrelated to job functions.

Under these circumstances we believe the Board could reasonably exercise its discretion to determine either that the MBPP should be excluded as VCERA staff continues to recommend, or included as stakeholders and the County propose, in pensionable compensation.

In either event, the decision should be effective January 1, 2013.[5]

Potential Action No. 2(A) – VCERA Staff Recommends Exclusion of MBPP, with Correction As County Currently Reports Such Pay Items to VCERA as Included:

The Board should take action on MBPP either to exclude it from[6], or to include it in, pensionable compensation effective January 1, 2013[7]. The MBPP items are listed in Exhibit 2, Table (A) -- County to the Retirement Administrator's memorandum.

---

5 If the pay items are excluded they should never have been reported as included in the first place; if they are included and the Board deems them to have been in the nature of "regular salary" for a similarly situated group since PEPRA's adoption then there would be no reason not to include them effective January 1, 2013)

6 Exclusions are presented here for specific Board action only if staff is requesting Board authorization to inform a plan sponsor that it has incorrectly reported an item as pensionable compensation and thus contributions need to be adjusted as provided by law. Otherwise, Board action has been

Y-Rate

Another pay item that the County has included in its reporting of pensionable compensation, and that VCERA staff preliminarily concluded should be excluded, is the "Y-Rate Differential." Regarding the Y-Rate Differential, VCERA staff noted in the preliminary summary analysis:

> Payment is a temporary adjustment based on individual circumstances. Thus, the payment is, by definition, not for regularly assigned normal or essential job functions, nor is it available to similarly situated members of the same group or class of employment.

The County stated in its April 15, 2013 letter and reasserts in its October 13, 2015 letter that it believes the "Y-Rate Differential" should be included in pensionable compensation" because it is "base pay," that is "not susceptible to pension spiking as they do not represent any increase to pay and the circumstances surrounding this form of pay are rare." The County also asserts that it "does not agree that [assessment of whether similarly situated members receive the pay] is an appropriate basis on which to exclude this form of base pay from pensionable compensation."

Base pay, however, is also subject to the same limitations in the statutory definition of pensionable compensation in subdivision (a) of section 7522.34, that is, it must be paid "to similarly situated members of the same group or class of employment for services rendered on a full-time basis . . .," among other criteria. The Y-Rate Differential, by its terms of payment, appears not to meet this criterion because, by definition, it is *not* paid to others in the same group or class. Rather, it is paid to a particular individual because he or she *previously* served in a classification with a higher pay rate and has been moved to a classification with lower compensation provided to others who perform the same job duties.

Potential Action No. 2(B) -- Recommended Exclusion, With Correction As County Currently Reports Pay Items to VCERA as Included:

As with MBPP, the Board should take action on Y-Rate either to exclude it from, or include it in, pensionable compensation effective January 1, 2013. The Y-Rate items are listed in Exhibit 2, Table (B) -- County to the Retirement Administrator's memorandum.

---

recommended only as a method to provide for additional *inclusions* in pensionable compensation, as provided by the Resolution.

7 As this pay item has been reported by the County as pensionable compensation since January 1, 2013, if the Board decides that it is proper to include the item, then we believe it should be deemed included as of that date rather than applying a prospective effective date.

Third, under the authority that the Board reserved to itself in paragraph 5 of the VCERA Pensionable Compensation Resolution, the Board should also act to determine, based on the information available to it, whether any additional pay items should be included in pensionable compensation prospectively.[8]

We view this topic as demanding that the Board exercise its discretion to interpret the statutory directive that the minimum standards in subdivision (a), and exclusions in subdivision (c) paragraphs (10) and (11), for pensionable compensation (i) include only those payments that are made for services rendered on a full-time basis, during normal working hours, in cash, pursuant to publicly available pay schedules, and not only to the member but also "*to similarly situated members of the same group or class of employment*" (subject to the specific additional mandated exclusions); and (ii) exclude any and all additional items that the board "determines should not be pensionable compensation" under subparagraph (c)(12), which determination should be made on a rational basis.

Rationales that are reflected in PEPRA that support the discretionary *exclusion* of particular pay codes, or types of pay codes, under subdivision (c) paragraph (12) include that a particular type of pay (1) is too readily able to be manipulated for purpose of enhancing a retirement benefit during a final compensation period, or was paid in connection with or in anticipation of a separation from employment; (2) is not in fact deemed to be paid for full-time service of similarly situated members because it is provided for a skill or certificate that is not part of the normal or regular duties of any particular subgroup within a particular group or class of employment; (3) is sufficiently similar to a type of pay that the statute requires be excluded, such as leave cash outs or payments for services rendered outside of normal working hours, that it warrants exclusion under the Board's authority in subdivision (c)(12); and/or (4) another strong policy reason expressed in the definition of pensionable compensation, as determined by the VCERA Board, supports exclusion of it.

A rationale that also is reflected in PEPRA that supports the discretionary *inclusion* of particular pay codes, or types of pay codes, is that the minimum requirements in the definition of pensionable compensation in subdivision (a) do not require that *all* members in a particular grade or class of employment receive the pay for inclusion. so long as there exists an identifiable similarly situated group or subgroup for whom the items function as base pay or normal monthly rate of pay, and no mandatory or discretionary exclusions apply.

The pay codes that currently are being excluded from pensionable compensation, but that both VCERA staff and the County agree should be included prospectively are listed on Exhibit 3 to the Retirement Administrator's memorandum.

---

8 If the Board includes additional items in pensionable compensation prospectively, staff recommends that the inclusion date be set on and after January 3, 2016, which is the first day of the first pay period of the next calendar year and thus administratively more practicable than an earlier date, and the Board would reserve the right to revisit and change any inclusions if either a change in applicable facts, the law, or policy determinations warranted a different conclusion by the Board in the future.

The items on Table A of Exhibit 3 include (1) the base pay portion of holiday pay (HWP); and (2) FLSA pay (ROS). Provided those pay codes are as staff understands them to be, they reflect Regular Salary and FLSA pay that the Board already has deemed are to be included in pensionable compensation under the Resolution, though the County has reported them as excluded. The County has advised VCERA staff, however, that it agrees such items should be included in pensionable compensation.

The items on Table B of Exhibit 3 include longevity pay. This pay is provided uniformly to similarly situated members based upon their years of performing their job duties, and we believe that pay may reasonably be deemed pensionable compensation prospectively as similar to step increases, should the Board so choose. The County and stakeholders also agree with this approach. On the other hand the Board could also choose not to include such pay if it determined that longevity pay was a bonus unrelated to the job duties and hence not paid to others similarly situated in the same group or class of employment.

Potential Action Nos. 3(A) & 3(B) – Recommended Inclusion, With Different Effective Dates, and Correction as to Two Pay Codes that County Currently Reports as Excluded

If the Board determines that the items listed on Exhibit 3, Table A, should be included in pensionable compensation, we recommend that the Board determination be effective January 1, 2013 as those pay items already appear to be covered by paragraphs 2(a) and (b) of the Resolution (p. 3). Of note, additional contributions would need to be collected from members and the County on those pay items for the period from January 1, 2013 to such Board action.

If the Board determines that the items listed on Exhibit 3, Table B, should be included in pensionable compensation, we recommend that the Board determination be effective January 3, 2016, as an item added to pensionable compensation under paragraph 2(c) of the Resolution.

Fourth, the Board should exercise its discretion regarding the provision of the VCERA Pensionable Compensation Resolution that permits additional "premium pay" inclusions in pensionable compensation, but places parameters around those inclusions that require a direct relationship between the payment and an individual's regular job duties in order for such a payment to be deemed pensionable compensation. These parameters reflect the Board's determination that only under such circumstances are these payments in fact part of the "regular monthly pay" of the individual and other "similarly situated" members of the same group or class of employment (and does not determine who is in the "similarly situated" subgroup simply by their receipt of the payment for a reason that is not directly tied to their normal and regular job duties). Under the Resolution, the Board has exercised its broad authority under subdivision c, paragraphs (10), (11) and (12), to exclude such payments when the relationship between the individual's *regular* job duties and that payment is only *indirect* and/or *irregular*. These premium pay items have sparked the widest disagreement with the County generally supporting wholesale exclusion and the stakeholders generally supporting wholesale inclusion. The Board Resolution struck a more nuanced middle road that the staff and counsel have attempted to fairly implement in these recommendations.

The process of acting on particular pay codes regarding this topic is complicated by the fact that a number of the County's current pay codes are used both when there is a *direct* relationship between the payment and the individual's *regular* job duties, and when that relationship is only *indirect* and/or the duties are *irregular*.

An "indirect" relationship would be characterized by a payment for a skill that may be deemed objectively valuable and is compensated by the employer, such as a skill in bilingualism regarding a language that is used on the job only occasionally and is not required to hold the position, or an advanced degree that is not tied to the position the individual holds and is not a payment that others performing the same job duties in the position or classification receive.

An "irregular," or non-"normal" payment would be one that is made for occasional services provided, but is not regularly part of a member's normal monthly rate of pay or base pay for an identifiable similarly situated group or class, such as payments for working on weekends or holidays from time to time, particularly if individuals in the same group or class are not all ***required*** to work the same number of weekends or holidays during a given period. If that payment were deemed by the Board to be an "additional payment for services rendered outside of normal working hours," it would be excluded under section 7522.34, subdivision (c), paragraph (6). If that payment were determined not part of the "base pay," or "normal monthly rate of pay" under subdivision (a) because it was sporadic, it should be excluded under section 7522.34, subdivision (c), paragraphs (10), (11) or (12). Or, if the payment were in fact a payment of compensated time off, then it would be excluded under section 7522.34, subdivision (c), paragraph (5).

The County has asserted that none of the additional premium pay items listed in Exhibits 4 and 5 should be included in pensionable compensation and has explained that position in its October 13, 2015 letter to the Board.

SEIU, Local 721, on the other hand, has asserted that *all* bilingual pay should be included in pensionable compensation, regardless of whether the bilingual pay is provided to a subgroup of similarly situated members whose job duties normally require bilingualism in the particular language. SEIU, Local 721 also has asserted that shift differential pay always should be included, even if it is not provided to particular members as a regular part of their normal job duties or schedule.

The Ventura County Deputy Sheriffs Association (VCDSA), Ventura County Professional Firefighters Association (VCPFA) and Ventura County Professional Peace Officers Association (VCPPOA) (collectively, "Safety Member unions") have asserted that all educational incentive pay provided to members for having obtained advanced degrees and otherwise, even if not directly related to their particular job (such as an Associate's or Bachelor's Degree), all certification-based pay, including those paid for certifications that are not required of any subgroup within a grade or class (such as "HIRT pool premium pay VCPFA" and "P.O.S.T. Certificate SPOAVC"), and all bilingual pay, even if use of another language is not a

job duty requirement of any subgroup in a members' group or class (collectively, "Premiums Not Directly Related to Job Duties") should be included in pensionable compensation.

The Safety Member unions also object to the proposed exclusion from pensionable compensation of additional non-FLSA premium pay in addition to salary for services rendered on holidays, which is discussed separately in connection with "*proposed action no. 6*" on pages 12-14 below.

The California Nurses Association (CNA) has asserted that its members are "required as [a] condition of employment to have and maintain valid certifications and licenses." VCERA's staff has recommended that such certifications be included in pensionable compensation to the extent that the certification "is required to perform regularly assigned normal or essential job functions of any identifiable subgroup of similarly situated members within a group or class." The difference in language reflects the fact that some, but by no means all, certifications and licenses are, in fact, required to fill various nursing positions and staff's recommendations reflect that distinction. (Apparently in response, the County noted in its October 15, 2015 letter to the Board that it "intends to begin working with our labor partners to further evaluate job classifications with regard to nursing certification."[9]) The CNA also seeks inclusion in pensionable compensation of Education Incentive Pay, Educational Achievement Pay, Public Health Nurses Cert Premium, Longevity Pay for 7-12 and 17 years, Nurse Specialty Pay, Nurse Certification Bonus 1-2-3-4-5, NOCS Hospital 15%, Bilingual Pay and Weekend Worked. Some, but not all, of those items already have been recommended for inclusion (e.g., longevity pay). Finally, the CNA also seeks inclusion of "pay in lieu for holidays when our members are normally scheduled to work as required by their job."

As noted, the Board's VCERA Pensionable Compensation Resolution provides that payments for certain assignments and for possessing specified certificates or licenses may be included in pensionable compensation "only if the assignment, certification or license is a part of a member's regularly assigned responsibilities on a matter that is a normal or essential function of the job and is not performed or received solely during the final average compensation period, and is part of the regular assignment of other similarly situated members in the same group or class."

The thirty (30) pay codes listed in Exhibit 4 of Retirement Administrator's memorandum are those currently existing pay codes that we believe best reflect the Board's determination as reflected in the Resolution of those additional items that should be included in pensionable compensation prospectively, subject to our observation regarding the Board's continuing

---

9 The County also states there, "As we hope you will agree, it is the Board of Supervisors' responsibility to change classifications if they determine that education-based incentives should be included in base pay." Certainly, it is the Board of Supervisors' responsibility to change classifications as appropriate; the responsibility regarding the pensionability determination under section 7522.34, however, remains with the Board.

authority under section 7522.34 discussed after the "Potential Action No. 4" paragraph immediately below.

Potential Action No. 4: Recommended Prospective Inclusion

If the Board agrees that the pay items listed in Exhibit 4 should be included in pensionable compensation, then VCERA staff recommends the Board make that determination, effective January 3, 2016, reserving, as with other determinations under the Resolution, the Board's right to revisit that determination subsequently should any change in pertinent facts, law, or practical application of the pay items, warrant further action on any of the pay codes.

At this juncture, however, we wish to reiterate that while the Board already has exercised its discretion in the Resolution to determine the types of compensation that "should not be pensionable compensation," as explicitly permitted by section (c), paragraph (12), that policy choice is not the only choice legally available to the Board, as described at some length in our original letters to the Board regarding pensionable compensation, dated October 28, 2014 and November 10, 2014 respectively.

For example, should the Board now determine based on additional information provided and further consideration that it does not believe *any* "special assignment" payments, "differentials," or payments for possessing specified certificates and licenses should be included in pensionable compensation, because of the policy reasons described above supporting exclusion or other similar rationale, then the Board could determine that none of the pay codes in Exhibit 4 should be included in pensionable compensation and refrain from acting to include them.

On the other hand, should the Board instead determine based on the additional information provided and further consideration that it does *not* wish to limit pensionable compensation under the discretionary authority provided by section 7522.34, subdivision (c), paragraphs (1), (10), (11) and/or (12), then it could determine that assignments, specified certificates and licenses may be included in pensionable compensation, even if they are only indirectly related to a member's normal job duties. That determination would require VCERA staff to return to the Board with a list of additional pay items to be included in pensionable compensation. In the meantime, however, the Board may nevertheless act to include the pay items listed in Exhibit 4 in pensionable compensation.

Fifth, depending upon the Board's actions with respect to the additional pay items discussed above, it should next address the pay codes that VCERA's staff has identified as "situational." The pay codes identified as "situational" are included in Exhibit 5 – County of the Retirement Administrator's memorandum.

Potential Action No. 5: Recommended Exclusion in Absence of Pay Code Distinctions

If the Board determines that "situational" pay items should be included in pensionable compensation on the terms VCERA staff recommends, then the plan sponsors would need to create new pay codes to distinguish between premiums that are directly tied to job duties of a subgroup within a particular grade or class and that are normally paid to those in that subgroup, and those that are only indirectly tied to any job duties of the members or that are not normally paid to members.

In that event, either the Board would determine now that such new pay codes reflecting "normal and regular" job duties of an identifiable similarly situated group or class are to be included effective January 3, 2016 once they have been created, or the Board would require VCERA staff to return to the Board to act on their prospective inclusion at the later creation date for each item.

As an alternative to requiring that new pay codes be created, the Board could potentially determine that no such "situational" compensation should be included in pensionable compensation for one or more, or additional, policy reasons set forth above, including the lack of an identifiable similarly situated group or class receiving the pay.

As a different alternative to requiring that new pay codes be created as to an identifiable subgroup of those for whom the pay was directly related to their job duties, the Board could potentially determine that *all* such compensation is at least indirectly tied to job duties and so long as is not paid to enhance a retirement benefit during a member's final compensation period, it would be included in pensionable compensation.

Exclusion of Items Currently Incorrectly Reported by Plan Sponsors As Included in Pensionable Compensation

As part of VCERA staff's review of both the County's and VRSD's reporting of pay as pensionable compensation, staff also determined that certain other pay items had been included in reporting of pensionable compensation that appear to be required to be excluded by one or more of the following mandatory statutory exclusions (recited here by their numbered paragraphs in subdivision (c) of section 7522.34:

(3) Any one-time or ad hoc payments made to a member.

(5) Payments for unused vacation, annual leave, personal leave, sick leave, or compensatory time off, however denominated, whether paid in a lump sum or otherwise, regardless off when reported or paid.

(6) Payments for additional services rendered outside of normal working hours, whether paid in a lump sum or otherwise.

(8) Compensation for overtime work, other than as defined in Section 207(k) of Title 29 of the United States Code [i.e., FLSA time].

Those payments are listed in Exhibit 6 to the Retirement Administrator's memorandum.

With respect to the demand of the Safety Members' unions and the CNA that all "holiday pay" be included in retirement allowance calculations, to the extent that pay is in fact a payment for unused compensatory time off that is provided in addition to regular salary, then it must be excluded under section 7522.34, subdivision (c), paragraph (5) quoted above. (*See generally, City of Fremont v. Board of Administration* (1989) 214 Cal.App.3d 1026, 1034 (upheld CalPERS' Board's inclusion of holiday pay in compensation earnable as a "year end cash out of *unused holiday compensatory time off*" (emphasis added)). Further, to the extent the "holiday pay" is in fact compensation for *non-FLSA* overtime work, as several of the pay codes in question specifically state that it is, then it must be excluded under subdivision (c), paragraph (8) quoted above. Finally, to the extent that the Board deems that "holiday pay" is in fact a premium for *additional services* that are being rendered *outside the normal working hours*, as those normal working hours are defined by regularly scheduled shifts of members in a particular grade or class, and is not FLSA time, then it also must be excluded under subdivision (c), paragraph (6) quoted above.

Finally, with respect to Sheriff Court Time, which the Safety Member unions demand be included, the payment appears to be excluded by section 7522.34, subdivision (c), paragraph (6) as a payment for additional services rendered outside of normal working hours. Indeed, the MOU applicable to this pay item specifically provides that it apply as to subject employees who are required, "while off duty, to attend court or any other official proceeding in response to a subpoena in connection with a matter arising out of and during the course and scope of that individual's employment as a peace officer." (VCDSA MOU, Sec. 804, emphasis added).

The same exclusion requires that any "on call," "stand-by" or "call-back" pay be excluded from pensionable compensation.[10]

---

10 In its October 13, 2015 letter, the County includes "call back pay" among those pay items that the County notes it will be reviewing to determine "whether the pay is for required work or whether it is for time worked on a discretionary or ad hoc basis." While that analysis is important with respect to "night shifts" and non-overtime "holiday pay" referenced in that the letter, payments for "call back," time, as well as for stand-by and on call time, are subject to mandatory statutory exclusions in subdivision (c) paragraph (6) as "additional pay for services rendered outside of normal working hours, whether paid in a lump sum or otherwise," as recently explained in *City of Pleasanton v. Board of Administration* (2012) 211 Cal. App. 4th 522.

Potential Action No. 6: Recommended Exclusion, With Board Authorized Correction, As County and VRSD Currently Report as Included:

If the Board agrees that the items listed on Exhibit 6, Table A for the County and Table B for the VRSD, should not have been reported to VCERA as pensionable compensation, then it should authorize VCERA staff to so inform the respective plan sponsors, such that adjustments may be made regarding any erroneously collected contributions on those pay items.

Finally, for the Board's reference but not necessarily action, Exhibit 7 to the Retirement Administrator's memorandum includes all of the remaining County and VRSD pay codes that have been analyzed with respect to this project that we do not currently recommend for inclusion in pensionable compensation for contribution collection purposes.

With respect to the latter point, it should be noted that retirement system contributions are not paid for periods during which an employee is on leave without pay, and thus retirement system credit is not provided for those periods and thus for administrative purposes they may be characterized as "excluded". However, for the Board's information, subdivision (c) of section 31462.05 in the County Employees Retirement Law of 1937 ("CERL") provides for imputing of the pensionable compensation of the position held by the member immediately prior to any such absences when determining final compensation if the absence occurs during a member's final compensation period. Accordingly, VCERA staff, of course, intends to handle calculations of final compensation with respect to any such absences as provided by the CERL notwithstanding the exclusion of such unpaid leave from pensionable compensation for all other purposes.

Thank you for the opportunity to advise the Board and staff on these important topics. I look forward to meeting with the Board on October 19, 2015 to discuss further.

Sincerely,

Ashley K. Dunning
of Nossaman LLP

cc: Linda Webb, Retirement Administrator

SILVER, HADDEN, SILVER & LEVINE
A PROFESSIONAL LAW CORPORATION

STEPHEN H. SILVER
WILLIAM J. HADDEN
SUSAN SILVER
RICHARD A. LEVINE
KEN YUWILER
ELIZABETH SILVER TOURGEMAN
HOWARD A. LIBERMAN
JACOB A. KALINSKI
SUSAN R. JERICH
BRIAN P. ROSS
STEVEN N. WELCH
LEROY C. WU

1428 SECOND STREET
SUITE 200
SANTA MONICA, CALIFORNIA 90401-2367

MAILING ADDRESS
POST OFFICE BOX 2161
SANTA MONICA, CALIFORNIA 90407-2161
TELEPHONE (310) 393-1486
FACSIMILE (310) 395-5801

September 10, 2015

Via email and U.S. Mail

Linda Webb, Retirement Administrator
Ventura County Employees' Retirement Association
1190 South Victoria Avenue, Suite 200
Ventura, CA 93003-6572

Re: ***PEPRA Pensionable Compensation***

Dear Ms. Webb:

I am writing on behalf of the Ventura County Deputy Sheriffs Association (VCDSA), Ventura County Professional Firefighters Association (VCPFA) and the Ventura County Professional Peace Officers Association (VCPPOA) in response to your communication to the members of the Board of Retirement dated July 20, 2015 regarding which items of compensation you are recommending being included in and excluded from "pensionable compensation" with respect to "new members" as defined in California Government Code Section 7522.04(f), which appears in the Public Employees Pension Reform Act (PEPRA). My clients and I take issue with several of the items of proposed action set forth in the spreadsheet that accompanied your communication.

Initially, we strongly disagree with the portion of the VCERA Resolution adopted November 7, 2014 that accompanied your communication that purports to define what items of pay must be included in and excluded from pensionable compensation with respect to those new members in accordance with California Government Code Section 7522.34 that also appears in the PEPRA. On page 3 of the Resolution, in paragraph 2c), the Resolution specifies 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 . . . ." (Emphasis in original.)

These restrictions do not appear anywhere in Section 7522.34 of the California Government Code. Subsection (a) of that provision defines "pensionable compensation" as meaning ". . . the normal monthly **rate of pay** or base pay of the member paid in cash to similarly

situated members of the same group or class of employment for services rendered on a full-time basis during normal working hours. . . ." (Emphasis added.) Nothing in that subsection restricts compensation that is part of the individual's "normal monthly rate of pay" to forms of pay that are "part of a member's regularly assigned responsibilities on a matter that is a normal or essential function of the job" as VCERA appears to contend. Likewise, none of the exclusions set forth in subsection (c) of Section 7522.34 would require or produce the result being advocated by VCERA.

Accordingly, it is our position that all items of pay that fit that description, such as POST Incentive Pay, Education Incentive Pay, EMT Certificate Pay and Education Achievement Pay, have been and appear to continue to be improperly excluded from pensionable compensation.

VCDSA and I appreciate the fact that you have decided to include earnings code 42P (4/2 Sheriff Patrol Bonus). However, you have apprised VCDSA that you will not be including this bonus with respect to individuals who are being re-assigned from patrol to detention services pursuant to a recent Amendment to the Memorandum of Agreement (MOA) between VCDSA and the County. The apparent basis for your decision not to include this bonus for those reassigned individuals was that it was not being provided to all employees assigned to detention functions. However, it is our position that it is being provided to "similarly situated members of a group or class of employment" (*i.e.* employees re-assigned from patrol to detention services) and, therefore, satisfies the definition of pensionable compensation set forth in Government Code Section 7522.34(a).

It also is our position that the recommendation to exclude various forms of pay in lieu of holidays is contrary to the provisions of Government Code Section 7522.34. For employees who are normally required to work on an approved holiday because they work in positions that require scheduled staffing without regard to holidays, this compensation is part of their normal monthly rate of pay. Moreover, it does not fall within any of the exclusions set forth in of subsection (c). Interestingly, while subparagraph (5) of subsection (c) excludes payments for various forms of paid leaves, it conspicuously omits holiday leaves.

Finally, it is difficult to tell what is being recommended with regard to various forms of bilingual pay. However, my clients strongly believe that this pay should be treated as

pensionable compensation because it is part of their normal monthly rate of pay. Moreover, even if we were to adopt the aforementioned definition that we assert is improperly being employed by VCERA, this pay would be for a certification that is part of a member's regularly assigned responsibilities on a matter that is a normal or essential function of the job. The only possible reason for the County of Ventura to provide the premium compensation for bilingual skills is because those skills benefit the County by enabling the recipient to more effectively perform his/her job.

I plan to attend your meeting on September 16, 2015 to elaborate in greater detail on these matters. In the meantime, if any representative of VCERA, including you and Ms. Dunning, has any questions or concerns regarding the contents of this communication, please feel free to contact me.

Sincerely,

SILVER, HADDEN, SILVER + LEVINE

STEPHEN H. SILVER

cc: Ventura County Deputy Sheriffs' Association
Ventura County Professional Firefighters Association
Ventura County Professional Peace Officers Association

SHS:llh

VCDSA/VCPFA VRSD PAY CODES

AD3	Associate's Degree VCPFA Line
AD4	Associate's - Line Batt Chiefs
AD5	AA Degree Shf 4/2
AP1	4/2 Sheriff Advanced Post-Sgt
AP2	4/2 Sheriff Advance Post-DEP
AP3	4/2 Sheriff Adv Post-S DEP-
APC	Advanced POST Cert SGT
APD	Advanced POST Cert Deputy
ASD	Advanced POST Cert Sr. Deputy
BD3	Bachelor's Degree VCPFA Line
BD5	Bachelors's Degree Shf 4/2
F01	Ed Inc AA Fire Captain
F02	Ed Inc AA Fire Crew Supervisor
F03	Ed Inc AA Fire Engineer
F04	Ed Inc AA Firefighter
F05	Ed Inc AA Fire Equipment Oper
F06	Ed Inc AA Fire Inspector
F07	Ed Inc AA Fire Investigtn Spec
F08	Ed Inc AA Fire Prevention Off
F09	Ed Inc AA Fire Specialist
F10	Ed Inc AA Fire System Engineer
F11	Ed Inc AA HazMat Specialist
F12	Ed Inc AA Sr Fire Inspector
F13	Ed Inc AA Wildland Fire Off
F14	Ed Inc AA Fire Preven III <94
F15	Ed Inc BA Fire Captain
F16	Ed Inc BA Fire Crew Supervisor
F17	Ed Inc BA Fire Engineer
F18	Ed Inc BA Firefighter
F19	Ed Inc BA Fire Equipment Oper
F20	Ed Inc BA Fire Inspector
F21	Ed Inc BA Fire Investigtn Spec
F22	Ed Inc BA Fire Prevention Off
F23	Ed Inc BA Fire Specialist
F24	Ed Inc BA Fire System Engineer
F25	Ed Inc BA HazMat Specialist
F26	Ed Inc BA Sr Fire Inspector
F27	Ed Inc BA Wildland Fire Off
F28	Ed Inc BA Fire Preven II <94
FS1	Fire Science 1 – VCPFA

FS2	Fire Science 2 – VCPFA
FS3	Fire Science 3 – VCPFA
FTO	Field Training Officer Bonus
GD3	Graduate Degree VCPFA Line
GD5	Graduate Degree Shf 4/2
HPP	HIRT Pool Premium Pay VCPFA
IP1	4/2 Sheriff Interm Post-SGT
IP2	4/2 Sheriff Interm Post-DEP
IP3	4/2 Sheriff Interm Post-S DEP
IPC	Intermediate POST Cert SGT
IPD	Intermediate POST Cert Deputy
ISD	Intermediate POST Cert Sr. Dep
PTS	P.O.S.T. Certificate SPOAVC
HWK	Holiday Worked 4&2_Sheriff 1.0
HWN	Holiday Worked 1.5 Non-FLSA
HWO	Holiday Worked 1.5x
PHO	PDP Holiday Worked 0.5
RHO	Retro Holiday Overtime 1.5x
RHW	Retro Holiday Pay 1.0x
RHX	Retro Holiday Worked 1.5x
CRT	Sheriff Court Time
SPVDIF	Supervisory Differential
42B	4/2 Bilingual Level 2
B1C	Bilingual Level 1
B1S	Bilingual Level 1 - VCDSA
B3S	Bilingual Level 3 - VCDSA
BIL	Bilingual Pay -VCPFA 80
BPF	Bilingual Pay VCPFA Line
EMT0	EMT Premium Pay

STEWART WEINBERG
DAVID A. ROSENFELD
WILLIAM A. SOKOL
BLYTHE MICKELSON
BARRY E. HINKLE
JAMES J. WESSER
ANTONIO RUIZ
MATTHEW J. GAUGER
ASHLEY K. IKEDA •
LINDA BALDWIN JONES
PATRICIA A. DAVIS
ALAN G. CROWLEY
KRISTINA L. HILLMAN ••
EMILY P. RICH
BRUCE A. HARLAND
CONCEPCIÓN E. LOZANO-BATISTA
CAREN P. SENCER
ANNE I. YEN
KRISTINA M. ZINNEN
JANNAH V. MANANSALA
MANUEL A. BOÍGUES •••
KERIANNE R. STEELE ••
GARY P. PROVENCHER
EZEKIEL D. CARDER ••••
MONICA T. GUIZAR
SHARON A. SEIDENSTEIN
LISL R. SOTO

WEINBERG, ROGER & ROSENFELD
A Professional Corporation
1001 Marina Village Parkway, Suite 200
Alameda, CA 94501
TELEPHONE (510) 337-1001
FAX (510) 337-1023

JACOB J. WHITE
SEAN D. GRAHAM
JOLENE KRAMER
STEPHANIE L. MARN•
ANTHONY J. TUCCI
ROBERT E. SZYKOWNY
MICHAEL D. BURSTEIN
ALEJANDRO F. DELGADO
MINSU D. LONGIARU •••••
CAROLINE N. COHEN
BENJAMIN K. TARZYNSKI
XOCHITL A. LOPEZ

VINCENT A. HARRINGTON, Of Counsel
PATRICIA M. GATES, Of Counsel
ROBERTA D. PERKINS, Of Counsel
NINA FENDEL, Of Counsel
TRACY L. MAINGUY, Of Counsel
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.)

//
//
//
//

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.

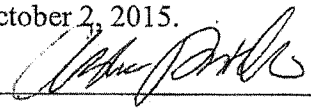
9. The MBPP functions to effectively bring wages of the classifications outlined in section 622 of the MOU to market levels. Per Section 622 of the MOU: "Employees receiving a MBPP shall be excluded from the MBA [Market Based Adjustment] studies set forth in Section 502B [of the MOU] and shall not be 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	Pay Group:	SH1-Sun-Sat Holiday	Business Unit: HCAVC
AUDITOR-CONTROLLER	Pay Begin Date:	08/30/2015	Check #: 000003000977549
COUNTY OF VENTURA	Pay End Date:	09/12/2015	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

Webb, Linda

From: Tina Grieger <TGrieger@CalNurses.Org>
Sent: Friday, October 02, 2015 10:53 AM
To: Webb, Linda
Cc: Nunna, Shalini; McCormick, Deanna; mccormickforensics@gmail.com
Subject: CNA Letter Regarding PEPRA Compensation

October 2, 2015

SENDING VIA EMAIL AND US MAIL

Linda Webb, Retirement Administrator
Ventura County Employee's Retirement Association
1190 South Victoria, Suite 200
Ventura, CA 93003-6572

RE: PEPRA PENSIONABLE COMPENSATION

Dear Ms. Webb,

I am writing on behalf of the California Nurses Association in response to your communication for the Board of Retirement dated July 20, 2015 regarding the items of compensation your are recommending be excluded and included from our memberships "pensionable compensation" as well as our new members as defined in California Government Code Section 7522.34 that appears in the Public Employees Pension Reform Act (PEPRA).

As the exclusive representative for the Registered Nurses, Licensed Vocational Nurses, Nurse Practitioners, Physician Assistants, and Psychiatric Technicians we take issue with several of the items you have proposed to exclude.

The VCERA Resolution adopted on November 7, 2014 which defines what items of pay must be included in and excluded from pensionable compensation to those new members in accordance with California Government Code Section 7522.35 also appears in PEPRA. On page 3 of the Resolution, paragraph 2c. The Resolution specifies that "special 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 normal or essential functions of the job…" **Our membership is required as condition of employment to have and maintain valid certifications and licenses.**

CNA also objects to the elimination of Education Incentive Pay, Educational Achievement Pay, Public Health Nurses Cert Premium, Longevity Pay for 7-12 and 17 years, Nurse Specialty Pay, Nurse Certification Bonus 1-2-3-4-5, NOCS Hospital 15% , Bilingual Pay and Weekend Worked from compensational earnings. These pay practices are essential to the county's ability to retain and recruit Registered Nurses.

Upon reviewing the California Government Code Section 7522.34 it does not reflect the restrictions as presented under the VCERA Resolution. In fact Section 7522.34, Subsection (a) of the provision defines

"pensionable compensation" as meaning "…the normal monthly rate of pay or base of the member paid in cash to similarly situated members of the same group or class of employment for services rendered on a full time basis during normal working hours….". Also there is nothing in that subsection that restricts compensation that is part of the individual's "normal monthly rate of pay" to forms of pay that are "part of member's regularly assigned responsibilities on a matter that is a normal or essential function of the job" which is the position VCERA continues to contest.

We also take the position that Section 7522.34 does not exclude the various forms of pay in lieu for holidays when our members are normally scheduled to work as required by their job. Our membership is "required" to work holidays as a condition of their employment.

We hope that you and VCERA will take our concerns under advisement and reclassify the various regularly compensated items.

Thank you,

Tina Grieger
California Nurses Association
Labor Representative
Tina Grieger
Labor Representative
CNA, NNOC - NNU

Support Single-Payer Universal Healthcare
http://www.GuaranteedHealthcare.org

This message (including any attachments) contains confidential information intended for a specific individual and purpose, and is protected by law. If you are not the intended recipient, you should delete this message. If you are not the intended recipient, any disclosure, copying, or distribution of this message, or the taking of any action based on it, is strictly prohibited.

Webb, Linda

From: Tina Grieger <TGrieger@CalNurses.Org>
Sent: Friday, October 02, 2015 12:17 PM
To: Webb, Linda
Cc: Nunna, Shalini; McCormick, Deanna; mccormickforensics@gmail.com
Subject: RE: CNA Letter Regarding PEPRA Compensation

Importance: High

Ms. Webb,

In addition to the objections already stated, we also want to voice our objection to any and all Market Based Premiums being excluded from VCERA. These premiums are also a regular part of an employees base rate of pay.

I will make the necessary adjustments to the hard copy letter being sent my US Mail.

Thank you,
Tina Grieger
Labor Representative
CNA, NNOC - NNU

Support Single-Payer Universal Healthcare
http://www.GuaranteedHealthcare.org

This message (including any attachments) contains confidential information intended for a specific individual and purpose, and is protected by law. If you are not the intended recipient, you should delete this message. If you are not the intended recipient, any disclosure, copying, or distribution of this message, or the taking of any action based on it, is strictly prohibited.

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.

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

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

October 19, 2015

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

SUBJECT: CONTINUED ENGAGEMENT OF HANSON BRIDGETT FOR TAX COMPLIANCE COUNSEL AND FILING OF CYCLE E TAX DETERMINATION LETTER

Dear Board Members:

Background: History and Current Status
In 2010, VCERA engaged Hanson Bridgett LLP to provide legal services and to provide advice and counsel on tax compliance issues in connection with any potential filing for a determination letter application with the Internal Revenue Service. With Hanson Bridgett's help, VCERA filed an application with the IRS for plan tax determination in January 2011, and was provided a favorable determination letter in January 2014.

In addition to filing for tax determination, VCERA also applied to participate in the IRS' Voluntary Compliance Program (VCP), which permits pension plans to proactively propose revisions or corrections to plan documents and/or procedures to maintain favorable tax determination. As part of the favorable ruling letter, the IRS identified areas of non-compliance. In October 2014, Interim Retirement Administrator Tim Thonis presented the Board with proposed corrections for the Board's consideration and indicated that VCERA would need to adopt certain Model Regulations in the future to demonstrate its diligence in maintaining tax-favored status. Staff will complete its review and bring these Model Regulations to the Board for adoption at the November 16, 2015 business meeting.

Hanson Bridgett has provided guidance and advice on these matters, and since October 2014, has also assisted VCERA on the system requirements for the new pension administration system related to implementation of the Model Regulations.

The original engagement with Hanson Bridgett in 2010, also included with the agenda materials, had a "not to exceed" amount of $50,000. This amount was recently reached during the work with staff on the pension administration system discussions, and in fact exceeded that original amount by $2,953.20.

New IRS Qualification Filing
In addition, Hanson Bridgett recommends VCERA file for IRS Qualification under Cycle E, which has a due date of January 31, 2016. Staff and Board Counsel support this recommendation. Though the IRS may potentially suspend or modify the periodic determination letter filing process (every 5 years), all tax-qualified plans will still need to comply with any tax changes

made during each year. Without the current 5-year filing cycles, this may mean that any changes would have to be adopted each year, with no 5-year "grace period" to adopt required changes as is available under the current 5-year determination letter filing process.

As a practical matter, if such changes in the determination letter process occur, in any future audit of VCERA, the IRS would be able to challenge provisions of VCERA affecting its tax-qualified status back to the date of the last determination letter. So, to the extent VCERA can be covered through another IRS cycle, it would provide protection to IRS challenge for a longer period of time. In addition, since this filing will cover the PEPRA changes, it would cover changes in the state law that made significant changes to VCERA's plan. Finally, in this Cycle E filing, VCERA will be reporting on the actions it has taken to correct areas covered in the voluntary compliance program (VCP) compliance statement that VCERA received at the same time it received its last favorable determination letter. By filing in Cycle E, VCERA also will have submitted proof of its corrections to the IRS which also can be provided to the IRS auditor if VCERA were audited in the future.

Attached for Board review and consideration is a timeline provided by Hanson Bridgett to reflect the proposed steps leading ultimately to filing with Cycle E, as well as an engagement letter to set rates for the continued engagement. The estimated amount for the timeline items is $25,000 for Hanson Bridgett's services; however, this amount would increase by another $25,000 if the VCERA errors detected warrant a VCP filing – which Hanson Bridgett believes to be highly unlikely given the work already done in this area and the pending adoption of Model Regulations. In addition, the IRS requires a mandatory fee of $2500 for filing.

RECOMMENDATION #1: AUTHORIZE RETIREMENT ADMINISTRATOR TO ISSUE PAYMENT FOR $ 2,953.20 IN EXCESS OF THE 2010 HANSON BRIDGETT AGREEMENT, TO CONCLUDE ORIGINAL ENGAGEMENT.

RECOMMENDATION #2: AUTHORIZE RETIREMENT ADMINISTRATOR TO ENGAGE HANSON BRIDGETT, LLP FOR TAX-RELATED LEGAL SERVICES AND ASSISTANCE IN IRS QUALIFICATION FILING, AND TO EXECUTE HANSON BRIDGETT ENGAGEMENT LETTER DATED OCTOBER 14, 2015 FOR AN AMOUNT NOT TO EXCEED $50,000.

Sincerely,

Linda Webb
Retirement Administrator

JUDITH W. BOYETTE
PARTNER
DIRECT DIAL 415 995 5115
DIRECT FAX 415 995 3577
E-MAIL jboyette@hansonbridgett.com

HansonBridgett

July 20, 2010

RECEIVED
JUL 21 2010
VENTURA COUNTY EMPLOYEES' RETIREMENT ASSOCIATION

VIA E-MAIL AND OVERNIGHT

Tim Thonis
Retirement Administrator
Ventura County Employees' Retirement Association
1190 S. Victoria Ave., Suite 200
Ventura, CA 93003-6572

Re: Engagement Letter

Dear Tim:

As I discussed previously with Lori Nemiroff and you, the Ventura County Employees' Retirement Association may want to file for a determination letter with the Internal Revenue Service. This letter will confirm your engagement of Hanson Bridgett LLP to provide legal services to the Ventura County Employees' Retirement Association. Our engagement will involve providing advice and counsel on tax compliance issues in connection with any potential filing for a determination letter application with the Internal Revenue Service. We look forward to working with you in pursuing these legal objectives.

Conflicts Review

We have performed a computerized check of potential conflicts of interest that might have prevented us from providing representation in this matter. Based on information provided by you, as well as the information available in our files, we are not aware of any conflicts of interest at this time. If you later learn of any additional parties with an interest in this matter, you should notify us immediately so that we can be certain that they create no problem with our representation of Ventura County Employees' Retirement Association. We will conduct a similar search with respect to each new matter you may refer to the firm.

Fees and Billing Practices

We have learned from experience that the attorney-client relationship works best when clients receive a full explanation at the outset about fees and payment terms. California law requires written fee agreements in many cases, and we have found that our clients prefer to have them even when not legally required. The attached "Billing Policy Summary" sets forth the principles underlying our fees and other charges. Please review it and let me know if you have any questions about our billing policies. In addition, you should direct any future questions about our billing practices or any particular invoices to me.

Bob Blum and I will be the attorneys responsible for this matter. The billing rates for the attorneys in our Employee Benefits Group who may assist on these matters are listed on Attachment A to this letter. When appropriate, we use attorneys, paralegals, and legal research assistants at lower hourly rates to handle work commensurate with their experience and expertise. Attorneys with special expertise in a given area may become involved in your representation from time to time. Bob Blum will oversee the entire attorney-client relationship, but I will be available in the event he is not available and you need assistance.

Our invoices contain a detailed narrative of the services rendered, together with the name of the attorney or paralegal involved, the time spent, and the amount charged. On matters of a sensitive nature that are subject to the attorney-client privilege, we recommend that you treat our invoices as confidential documents and safeguard them appropriately.

The maximum amount payable pursuant to this agreement will not exceed Fifty Thousand Dollars ($50,000) without further approval from the Ventura County Employees' Retirement Association.

Cooperation

To perform our services effectively, we require the full cooperation and support of each client. You can assist us by keeping us fully informed as to facts and developments relevant to our representation of the Ventura County Employees' Retirement Association and to each matter assigned. It is essential that each client (as well as any employees or representatives) provide us with accurate and complete information, including written materials when requested, and that each client make its personnel available to the extent required. Failure to assist in this way may affect our ability to represent a client adequately, and could result in our withdrawal as legal counsel.

No Warranty of Result

Although we believe that we can assist the Ventura County Employees' Retirement Association in reaching its legal goals, we cannot predict or represent that a particular result can be obtained within a specified time. We can make no promises or guarantees regarding the outcome of the matter or matters that are the subject of our services.

Return and Disposition of Files

After our services conclude, we will, upon your request, deliver to you the files that we created in providing representation to you, along with any funds or property of yours in our possession. If you do not request the files, we will retain them for a period of five years after the matter is closed. At the end of the five-year period, we will have no further obligation to retain the files, and may, at our discretion, destroy them without further notice to you.

Insurance

We will secure and maintain throughout the term of this engagement the following types of insurance with limits as shown:

1. Workers' Compensation. A program of Workers' Compensation insurance or state-approved Self-Insurance Program in an amount and form to meet all applicable requirements of the California Labor Code covering all employees and partners providing services on behalf of the firm to the Ventura County Employees' Retirement Association.

2. Commercial General Liability Insurance. Combined single limits of no less than $1,000,000 per occurrence for bodily injury, personal injury, and property damage.

3. Professional Liability. Professional liability insurance with limits of at least $1,000,000 per claim or occurrence.

Proof of Insurance Coverage. Upon request, we will furnish certificates of insurance to you evidencing the insurance coverage specified above, and we will maintain such insurance from the time we commence performance of services under this agreement until the completion of our services to you. We will notify you within 10 days of any cancellation of any of the required coverage specified above.

Entire Agreement

This letter and the attachments represent our entire agreement, which will be effective on the date of the signature by the appropriate person representing the Ventura County Employees' Retirement Association. It supersedes all prior agreements, statements, or promises made before this time. To signify the Ventura County Employees' Retirement Association's agreement with the terms of this letter, please have the original executed and retain it for your files. You should have the enclosed copy executed and return it to us for our files. I am enclosing a pre-addressed envelope for your convenience. Of course, the Ventura County Employees' Retirement Association has the right to seek the opinion of independent legal counsel or any other advisors, if it wishes to do so, in order to determine whether each and every aspect of this agreement is in its best interests and is acceptable as drafted.

We consider you a valued client and look forward to continuing to assist in the achievement of your objectives.

Sincerely,

Judith W. Boyette

JWB:js

Enclosures

cc: Lori Nemiroff, Assistant County Counsel
Robert A. Blum

I have read and understand this engagement letter/fee agreement and the attachments. I hereby confirm the engagement of Hanson Bridgett LLP to represent the Ventura County Employees' Retirement Association in accordance with its terms.

Ventura County Employees' Retirement Association

By: _____

Title: Vice Chairman

Date: 19 July 2010

I have read and understand this engagement letter/fee agreement and the attachments. I hereby confirm the engagement of Hanson Bridgett LLP to represent the Ventura County Employees' Retirement Association in accordance with its terms.

Ventura County Employees' Retirement Association

By: _____

Title: Administrator

Date: July 29, 2010

HansonBridgett

HANSON BRIDGETT LLP

Billing Policy Summary

1. **Fees**. Except as otherwise agreed with a client, we bill for our services on an hourly basis. We account for our time in tenth-of-an-hour increments, and calculate fees by applying hourly rates assigned to attorneys and other staff to the time spent on a matter. On occasion, we may utilize contract employees to assist in providing legal or paralegal services, working under our direct supervision. In such cases the client is billed at an appropriate hourly rate commensurate with that of our professional staff with equal experience and expertise. All billing rates are reviewed annually and may be adjusted periodically.

2. **Other Charges**. Depending on the matter, we may have to use various in-office support systems and outside services. Therefore, you may incur and be billed for costs in addition to professional fees, subject only to written policies regarding the billing of disbursements that a client may provide to us. Usually we bill such charges to a client's account at the time that they are incurred. Examples include photocopying, telecopying (i.e., faxing), overnight delivery, messenger services, long distance telephone calls, computer research, special word processing, travel expenses, court filings, court reporting, and expert witnesses. In some cases, we may request that a client pay the invoice of an outside vendor directly.

3. **Fee Estimates**. From time to time, we may be asked to provide estimates of anticipated fees. Although we will make every effort to do so in a manner appropriate to the circumstances, these estimates may be subject to uncertainties beyond our control. Under no circumstances are such estimates to be viewed as a maximum or minimum fee quotation, unless we expressly say so.

4. **Billing Procedures**. Ordinarily, we will bill clients on a monthly basis. Each invoice will separately state the amount of fees and costs. Unless otherwise specified, each represents fees and disbursements charged to the client through the end of the preceding month. The full amount of each invoice is due upon receipt by the client. Although we seek to include all fees and charges for a billing period, certain time and cost items from a billing period may not appear in the invoice for that period. Instead, they may be included in a later invoice. Matters such as probate, bankruptcy, and trust services and certain financial transactions may involve billing at specified times other than monthly, as mutually agreed upon by the client and the firm, or as required by the court.

5. **Payment Terms**. Payment is due upon presentation of the invoice. Invoices that remain unpaid after thirty (30) days from the invoice date are subject to a late payment charge of ten percent (10%) per year. Payments that are made "on account" and not identified with a specific invoice will be credited to outstanding invoices chronologically, first to costs and then to fees.

6. **Termination**. Clients may terminate our legal services at any time effective upon delivery of written notice to the firm. In this event, we will be entitled to receive all fees and costs incurred up to the date of termination. Unless we specifically agree to do so, we will provide no further services and advance no further costs on the matter after we receive notice of termination. Our right to terminate services to a client is subject to certain Rules of Professional Conduct that (a) require us to take reasonable steps to avoid foreseeable prejudice to the client from our withdrawal, and (b) establish standards for mandatory and permissive withdrawal under certain circumstances. Failure by a client to pay our bills in full, and on a timely basis, can constitute adequate grounds for us to withdraw. If we are attorney of record in any proceeding at the time we receive a termination notice, you will be required to execute and return a Substitution of Attorney consent immediately upon receipt, regardless of who initiates the termination.

HansonBridgett

ATTACHMENT A

HANSON BRIDGETT LLP

Employee Benefits Group Hourly Billing Rates (with approved discount for Ventura County Employees' Retirement Association)
Effective January 1, 2010[1]

Name	Proposed Rates
Bob Blum / Partner	$463.50
Judy Boyette / Partner	$441.00
Marcus Wu / Partner	$382.50
Carol Collins / Partner	$351.00
Anne Hydorn / Associate	$292.50
Ed Bernard / Associate	$279.00
Wendy Tauriainen / Associate	$252.00
Nancy Hilu / Associate	$211.50
Seong Kim / Associate	$202.50
Stephanie McCasey / Paralegal	$117.00

[1] Rates are subject to adjustment annually, except as otherwise agreed upon.

JUDITH W. BOYETTE
PARTNER
DIRECT DIAL 415 995 5115
DIRECT FAX 415 995 3577
E-MAIL jboyette@hansonbridgett.com

HansonBridgett

October 14, 2015

VIA E-MAIL

Linda Webb
Retirement Administrator
Ventura County Employees' Retirement Association
1190 S. Victoria Ave., Suite 200
Ventura, CA 93003-6572

Re: Engagement Letter for Tax Counsel Services

Dear Linda:

This letter will confirm your continued engagement of Hanson Bridgett LLP to provide tax counsel legal services to the Ventura County Employees' Retirement Association ("VCERA"). Our engagement will involve providing advice and counsel on tax compliance issues, including in connection with any filing for a determination letter application with the Internal Revenue Service. We look forward to continuing to work with you on VCERA's tax compliance issues.

Please refer to the attached Billing and Policy Summary for details as to our representation.

I will be the attorney responsible for tax compliance services provided to VCERA. The billing rates for the attorneys in our Employee Benefits Group who may assist on these matters are listed on Attachment A to this letter. When appropriate, we use attorneys, paralegals, and legal research assistants at lower hourly rates to handle work commensurate with their experience and expertise. Attorneys with special expertise in a given area may become involved in your representation from time to time, with VCERA's approval.

Our invoices contain a detailed narrative of the services rendered, together with the name of the attorney or paralegal involved, the time spent, and the amount charged. On matters of a sensitive nature that are subject to the attorney-client privilege, we recommend that you treat our invoices as confidential documents and safeguard them appropriately. I will review your invoices for accuracy and maintain responsibility for the attorney-client relationship with VCERA.

Maximum Amount Payable Under Agreement

The maximum amount payable pursuant to this agreement will not exceed Fifty Thousand Dollars ($50,000) without further approval from VCERA.

Insurance

We will secure and maintain throughout the term of this engagement the following types of insurance with limits as shown:

1. Workers' Compensation. A program of Workers' Compensation insurance or state-approved Self-Insurance Program in an amount and form to meet all applicable requirements of the California Labor Code covering all employees and partners providing services on behalf of the firm to VCERA.

2. Commercial General Liability Insurance. Combined single limits of no less than $1,000,000 per occurrence for bodily injury, personal injury, and property damage.

3. Professional Liability. Professional liability insurance with limits of at least $1,000,000 per claim or occurrence.

Proof of Insurance Coverage

Upon request, we will furnish certificates of insurance to you evidencing the insurance coverage specified above, and we will maintain such insurance from the time we commence performance of services under this agreement until the completion of our services to you. We will notify you within 10 days of any cancellation of any of the required coverage specified above.

To indicate VCERA's agreement with the terms of this letter, please execute the agreement below and retain this letter for your files. You also will need to provide us a copy of the executed agreement. You may either return an executed copy in the enclosed pre-addressed envelope or you may scan a copy to me by email if that is easier for you. .

Sincerely,

Judy W. Boyette/aw

Judith W. Boyette

Attachments

cc: Lori Nemiroff, Assistant County Counsel

I have read and understand this engagement letter/fee agreement and the attachments. I hereby confirm the engagement of Hanson Bridgett LLP to represent VCERA in accordance with its terms.

Ventura County Employees' Retirement Association

By: _____

Title: _____

Date: _____

HansonBridgett

Billing and Policy Summary

1. **Billing Practices.** We have learned from experience that the attorney-client relationship works best when clients receive a full explanation at the outset about fees and payment terms. California law requires written fee agreements in many cases, and we have found that our clients prefer to have them even when not legally required. This "Billing and Policy Summary" sets forth the principles underlying our fees and other charges. Please review it and let me know if you have any questions about our billing policies. In addition, you should direct any future questions about our billing practices or any particular invoices to me.

2. **Fees.** Except as otherwise agreed with a client, we bill for our services on an hourly basis. We account for our time in tenth-of-an-hour increments, and calculate fees by applying hourly rates assigned to attorneys and other staff to the time spent on a matter. On occasion, we may utilize contract employees to assist in providing legal or paralegal services, working under our direct supervision. In such cases the client is billed at an appropriate hourly rate commensurate with that of our professional staff with equal experience and expertise. All billing rates are reviewed annually and may be adjusted periodically.

3. **Other Charges.** Depending on the matter, we may have to use various in-office support systems and outside services. Therefore, you may incur and be billed for costs in addition to professional fees, subject only to written policies regarding the billing of disbursements that a client may provide to us in advance of the engagement. Usually we bill such charges to a client's account at the time they are incurred. Examples include photocopying, overnight delivery, messenger services, computer research, travel expenses, court filings, court reporting, management of electronically stored information, and expert witnesses. In some cases, we may request that a client pay the invoice of an outside vendor directly. These expenses are billed at the actual cost with no additional mark up to you.

4. **Fee Estimates.** From time to time, we may be asked to provide estimates of anticipated fees. Although we will make every effort to do so in a manner appropriate to the circumstances, these estimates may be subject to uncertainties beyond our control. Such estimates should not be viewed as a maximum or minimum fee quotation, unless we expressly confirm so in writing.

5. **Billing Procedures.** Ordinarily, we will bill clients on a monthly basis. Each invoice will separately state the amount of fees and costs. Unless otherwise specified, each represents fees and disbursements charged to the client through the end of the preceding month. The full amount of each invoice is due upon receipt by the client. Although we seek to include all fees and charges for a billing period, certain time and cost items from a billing period may not appear in the invoice for that period. Instead, they may be included in a later invoice. Matters such as probate, bankruptcy, and trust services and certain financial transactions may involve billing at specified times other than monthly, as mutually agreed upon by the client and the firm, or as required by the court.

6. **Payment Terms.** Payment is due upon presentation of the invoice. Invoices that remain unpaid after thirty (30) days from the invoice date are subject to a late payment charge of ten percent (10%) per year. Payments that are made "on account" and not identified with a specific invoice will be credited to outstanding invoices chronologically, first to costs and then to fees.

7. **Credit Report.** By executing this engagement letter, you agree that we have the right to obtain a consumer report from a recognized credit reporting agency. Should we choose to

obtain such a report, it would be for the purposes of extending credit to you or to review or collect a past due account.

8. **Insurer's Role.** If you are insured for all or part of the costs of our representation, we will work with you to provide the insurer with the necessary information regarding the claim. However, insurers frequently assert, rightly or wrongly, that they are not obligated to pay for all fees and costs or to pay them on a current basis. For this reason, our fees and costs will be billed to you and payment will be due from you on a current basis, irrespective of any eventual reimbursement of a portion of your fees and costs by your insurer.

9. **Preservation of Electronic Discovery.** If your engagement includes a litigation matter, it is possible that it will involve electronic discovery. Under California and federal law, the obligation to provide discovery of electronic information carries with it the obligation to preserve such information. Failure to preserve all electronic and paper information that is later determined to be of potential importance to pending or threatened litigation can result in a range of sanctions, including, in extreme cases, the sanction of an adverse judgment. This evidence may also turn out to be critical to your ability to prove facts that support your position in the case, or disprove facts that the opposing party offers. Many electronic document storage systems contain programs that automatically overwrite or delete data. It is therefore important that you take appropriate steps to ensure that all information and electronic data that may be relevant is not lost, deleted, or destroyed. As such, we recommend that normal document management policies, or automatic purging of electronic records, be suspended as to the matters at issue in any pending or threatened litigation until the matter is concluded. Please contact me for our fee schedule for assistance with collecting and processing electronically stored information as needed in your matter.

10. **Conflicts Review.** We have performed a computerized check of potential conflicts of interest that might have prevented us from providing representation in this matter. Based on information provided by you, as well as the information available in our files, we are not aware of any conflicts of interest at this time. If you later learn of any additional parties with an interest in this matter, you should notify us immediately so that we can be certain that they create no problem with this representation. We will conduct a similar search with respect to each new matter you may refer to the firm.

11. **Non-Representation of Subsidiaries.** Our engagement is with the entity to whom this letter is addressed. Unless otherwise agreed to in writing, we do not represent your parent, subsidiary, affiliate, directors, officers, or other related entity as a client. We do not regard a representation adverse to a parent, subsidiary, affiliate, director, officer, or other related entity as being adverse to you.

12. **Advance Waiver.** Given the scope of our firm wide business and client representations, it is possible that some of our present or future clients have or will have matters adverse to you while we are representing you. We understand that you have no objection to our representation of parties with interests adverse to you, and waive any actual or potential conflict of interest as long as those other engagements are not substantially related to our services to you.

We agree, however, that your consent to, and waiver of such representation shall not apply in any instance where, as a result of our representation of you, we have obtained proprietary or other confidential information of a non-public nature, that, if known to such other client, could be used in any such other matter by such client to your material disadvantage or potential material disadvantage. By agreeing to this waiver of any claim of conflicts as to matters unrelated to the

subject matter of our services to you, you also agree that we are not obliged to notify you when we undertake such a matter that may be adverse to you.

Similarly, new lawyers frequently join our firm. These lawyers may have represented parties adverse to you while employed by other law firms or organizations. We assume, unless you notify us otherwise and consistent with our ethical standards, that by this waiver, you have no objection to our continuing representation of you notwithstanding our lawyers' prior professional relationships and that we have no obligation to notify you of any such potential conflicts should they arise.

13. Cooperation. To perform our services effectively, we require the support of each client. You can assist us by keeping us fully informed as to facts and developments relevant to our representation of you and to each matter assigned. It is essential that each client (as well as any employees or representatives) provide us with accurate and complete information, including written materials when requested, and that each client make its personnel available to the extent required. Failure to assist in this way may affect our ability to represent a client adequately, and could result in our withdrawal as legal counsel.

14. No Warranty of Result. We cannot predict or represent that a particular result can be obtained within a specified time. We can make no promises or guarantees regarding the outcome of the matter or matters that are the subject of our services.

15. Return and Disposition of Files. After our services conclude, we will, upon your request, deliver to you the files that we created in providing representation to you, along with any funds or property of yours in our possession. If you do not request the files, we will retain them for a period of five years after the matter is closed. At the end of the five-year period, we will have no further obligation to retain the files.

16. Arbitration of Disputes. While we certainly do not anticipate conflict between us, in the event of any material dispute regarding the services provided or fees charged by the firm which cannot be settled amicably, we both agree that such dispute shall be submitted, as soon as practicable, to final and binding arbitration in San Francisco in accordance with the rules and procedures of JAMS Inc., a private mediation and arbitration facilitator. Any dispute shall be strictly confidential between us and, except for our own representatives, will not be disclosed to any other person or entity.

17. Internal Firm Communications. In the course of your representation, it may become necessary for our lawyers to analyze or address their or the firm's professional duties or responsibility regarding an issue in your matter by consulting the firm's General Counsel. We believe that the ability of our lawyers to consult on such issues as needed benefits the firm and our clients and is part of our efforts to maintain our high standards of ethics and professionalism. You will not be charged for such consultations if they occur. It is possible that a conflict of interest might be deemed to exist as between our lawyers and the firm on the one hand and you or your company on the other hand, arising out of these communications. As a condition of this engagement, you consent to waive any claim of conflict of interest that might be deemed to arise out of any such communications. You further agree and acknowledge that these are our attorney-client communications protected from disclosure to you or anyone else and that you will not seek to discover or inquire into them and may not be advised that they are occurring. Before agreeing to this waiver, we encourage you to seek independent counsel regarding the import of this consent. Of course, nothing in the foregoing shall diminish or otherwise affect our obligations to keep you informed of all material developments in your

representation, including any conclusions arising out of such internal communications to the extent that they affect your interests. Your execution of our Engagement Letter confirms your agreement to this provision.

18. Termination. Clients may terminate our legal services at any time effective upon delivery of written notice to the firm. In this event, we will be entitled to receive all fees and costs incurred up to the date of termination. Unless we specifically agree to do so, we will provide no further services and advance no further costs on the matter after we receive notice of termination. Our right to terminate services to a client is subject to certain Rules of Professional Conduct that (a) require us to take reasonable steps to avoid foreseeable prejudice to the client from our withdrawal, and (b) establish standards for mandatory and permissive withdrawal under certain circumstances. Failure by a client to pay our bills in full, and on a timely basis, can constitute adequate grounds for us to withdraw. If we are attorney of record in any proceeding at the time we receive a termination notice, you will be required to execute and return a Substitution of Attorney consent immediately upon receipt, regardless of who initiates the termination.

19. Entire Agreement. This attached letter and this Billing and Policy Summary represent our entire agreement, which will be effective on the date of your signature. It supersedes all prior agreements, statements, or guarantees made before this time. To signify your agreement with the terms of this letter, please sign the original and retain it for your files. You should sign a copy of the letter and return it to us for our files. If mailed, I am enclosing a pre-addressed envelope for your convenience. Of course, you have the right to seek the opinion of independent legal counsel or any other advisors, if you wish to do so, in order to determine whether each and every aspect of this agreement is in your best interests and is acceptable as drafted.

ATTACHMENT A

HANSON BRIDGETT LLP

Employee Benefits Group Hourly Billing Rates (with approved discount for Ventura County Employees' Retirement Association)
Effective July 1, 2015[1]

Name	Proposed Rates
Judy Boyette/ Partner	$499.50
Alison Wright/ Partner	$490.00
Ed Bernard/ Partner	$445.00
Anne Hydorn/ Partner	$445.00
Christopher Karachale/ Senior Counsel	$435.00
Nancy Hilu/ Senior Counsel	$369.00
Liz Masson/ Associate	$356.00
Eorl Carlson/ Associate	$256.00

[1] Rates are subject to adjustment annually, except as otherwise agreed upon.

Hanson Bridgett Estimated Timeline and Budget for IRS Application and Submission Under Cycle E

Task	Responsibility	Estimated Due Date	Budget Estimate
1. Hanson Bridgett provides VCERA with template determination letter format and request for additional information required (e.g., VCERA regulations and resolutions and County actions taken since last determination letter filing)	Hanson Bridgett	10/20/15	2-4 hours
2. Hanson Bridgett provides VCERA with "short form" check-list of operational issues to review	Hanson Bridgett	10/20/15	1-2 hours
3. VCERA gathers materials needed for IRS plan document changes submission as part of determination letter application and returns to Hanson Bridgett	VCERA	11/5/15	VCERA tasks
4. VCERA reviews and determines any operational issues for further discussion and provides summary of issues to Hanson Bridgett	VCERA	11/5/15	VCERA tasks
5. Hanson Bridgett reviews and analyzes information regarding plan documents that VCERA provides; determines if there are any plan document issues requiring VCP filing; returns first draft of IRS filing materials to VCERA	Hanson Bridgett	11/18/15	10-15 hours
6. Hanson Bridgett reviews and analyzes information (if any) regarding operational errors that VCERA provides; determines if any of the errors require VCP filing; if so, return draft of VCP proposed correction and additions to filing to VCERA for review.	Hanson Bridgett	11/18/15	2-5 hours
7. VCERA reviews first draft of determination letter filing and VCP filing (if any) and provides comments to Hanson Bridgett	VCERA	12/4/15	VCERA tasks
8. Hanson Bridgett incorporates any suggested revisions and provides final version of filing materials to VCERA	Hanson Bridgett	12/14/15	5-10 hours
9. VCERA does final review and has signed IRS forms and check(s) made payable to United States Treasury delivered to Hanson Bridgett.	VCERA	12/23/15	$2500 check for determination letter; VCP filing fee (very unlikely to be a VCP filing) $25,000
11.Hanson Bridgett files determination letter (and VCP if necessary) package with IRS	Hanson Bridgett	12/31/15	2-4 hours
12.Hanson Bridgett interacts with IRS as necessary on questions in filing; reviews with VCERA and responds to questions from IRS	Hanson Bridgett	Spring/Summer/ Fall 2016?	2-10 hours
13.Receive IRS favorable letter; review and assess with counsel any required actions	VCERA/ Hanson Bridgett	Spring/Summer/ Fall 2016?	2-10 hours
			Total Estimated Budget $12,000-$25,000 plus filing fees of $2500 (and $25,000 if VCP filing—VCERA very unlikely to need a VCP filing)

Ventura County Employees' Retirement Information System
Project Status Report
Month Ending: August 2015

Reporting to: Board of Retirement | Report Date: 09/11/15
Written by: Brian Colker

PROJECT STATUS SUMMARY

Actual Percentage Complete: 82.65%*
Planned Percentage Complete: 82.65%*

**Note: The updated Sprint Schedule went into effect with the approval of the change orders presented to the Board 01/05/2015. The completion percentages have been adjusted to take into account the updates and changes per the new sprint schedule.*

Scope	Schedule	Cost	Risks	Quality

The project remains on track for the April 2016 go-live for rollout #1 (the main pension administration system). All system functionality is still on track to be delivered by October of 2015, training to take place November and December of 2015, and User Acceptance Testing to be completed January – March 2016.

Risks

- Plan sponsor payroll transmittal – Auditor-Controller provided the final parallel test file on 8/28/15 as scheduled. The project team continues to analyze the file and work with Auditor-Controller to resolve issues.

KEY ACCOMPLISHMENTS LAST MONTH

- Delivered additional functionality in:
  - Disability
  - Active Death Processing
  - Retired Death Processing
  - DRO Processing – Alt Payee
  - Member Correspondence
  - Accounting and Reporting
  - Board Reporting
- Received Data Conversion Cycle 13 extracts and loaded into V3.
- Executed 115 tests. There have been 3,620 tests executed to date and there are currently 417 defects in an open status – 33 high priority, 314 medium priority, 70 low priority.

Ventura County Employees' Retirement Information System
Project Status Report
Month Ending: September 2015

Reporting to: Board of Retirement | Report Date: 10/12/15
Written by: Brian Colker

PROJECT STATUS SUMMARY

Actual Percentage Complete: 85.20%*
Planned Percentage Complete: 85.20%*

***Note: The updated Sprint Schedule went into effect with the approval of the change orders presented to the Board 01/05/2015. The completion percentages have been adjusted to take into account the updates and changes per the new sprint schedule.*

Scope	Schedule	Cost	Risks	Quality

The project remains on track for the April 2016 go-live for rollout #1 (the main pension administration system). All system design has been completed and all system functionality is still on track to be delivered by October of 2015.

Risks

- Plan sponsor payroll transmittal – The project team completed their review of the final parallel test file and found no significant issues. Per the project schedule, the project team assessed the readiness of the transmittal files to meet the scheduled go-live date in order to make the official "go/no-go" decision. Based on the progress made in developing the files to meet requirements and the quality of the test data that had been submitted to date, VCERA determined that the transmittal files were sufficiently ready to meet the scheduled go-live date and communicated that decision to the Auditor-Controller and VRSD. The project team will continue to test files submitted by plan sponsors to ensure as many payroll scenarios as possible have been thoroughly tested.

KEY ACCOMPLISHMENTS LAST MONTH

- Delivered additional functionality in:
  - Disability
  - Active Death Processing
  - Retired Death Processing
  - DRO Processing – Alt Payee
  - Member Correspondence
  - Accounting and Reporting
  - Board Reporting
  - User Security and System Admin
  - Technical Specifications
- Executed 128 tests. There have been 3,748 tests executed to date and there are currently 416 defects in an open status – 79 high priority, 148 medium priority, 189 low priority. As of this month, there has been a change in the method for assigning priority. VCERA and Vitech agreed to 'freeze' the system, meaning make no further changes, as of 11/20/15. This will represent the User Acceptance Testing (UAT) environment. The

project team asked VCERA to identify those defects that they would prefer to be remediated prior to the system freeze date. All of these defects, regardless of the previous priority level, were then designated "high priority". Some of the items may previously have been low or medium priority based on the original definition. This explains why the number of high priority items increased from 33 in August to 79 in September.

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

October 19, 2015

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

SUBJECT: AUTHORIZATION FOR TRUSTEE MCCORMICK TO ATTEND THE 2015 CORPaTH SUMMIT, DECEMBER 15-16, 2015 IN LAS VEGAS, NV

Dear Board Members:

Staff recommends authorization for Trustee McCormick to attend the CORPaTH Summit in Las Vegas, NV, December 15-16, 2015. The cost to attend is approximately $1,000, including registration, airfare, lodging and other related expenses.

VCERA staff will be pleased to respond to any questions you may have on this matter at October 19, 2015 business meeting.

Sincerely,

Linda Webb
Retirement Administrator

Attachment

CORPaTH
International Pension Alliance

CORPaTH Summit and Crystal Globe Awards
Dec. 15-16, 2015 Caesars Palace Las Vegas

Find us on the web:
CORPaTH.org
Pension Defenders
@CORPaTHNews

2015 CORPaTH Summit & Crystal Globe Awards

A stimulating event featuring thought leaders from different disciplines discussing the complex global challenges of protecting, promoting and perpetuating defined-benefit pensions (guaranteed lifetime income).

All events will be at Caesars Palace Las Vegas, Dec. 15-16, 2015

What is CORPaTH?

- CORPaTH is an international alliance of guaranteed retirement income pension stakeholders who believe working men and women earn and deserve secure retirement income.
- CORPaTH advocates public policy to ensure the long-term viability of defined-benefit pensions (guaranteed lifetime income) and safeguard the enormous economic contributions pensions make to global infrastructures and economies.
- We are committed to responsible investment strategies, social responsibility, stable financial markets, investor advocacy, solid corporate governance and consistency of meaningful investment returns.

Become a CORPaTH affiliate and enjoy unique opportunities to join a growing community of key decision-makers who oversee pension assets and are committed to protect, promote and perpetuate defined-benefit pensions around the world.

Visit CORPaTH.org/affiliates for more information.

CORPaTH is a proud Network Supporter of

PRI Principles for Responsible Investment
Official Network Supporter of the United Nations' Principles for Responsible Investment

Preparing for Tomorrow

Half the battle is in the message

It's time to reshape the conversation about defined-benefit pensions (guaranteed lifetime income).

CORPaTH produces content like the article at right to address the issues confronted by retirees and pre-retirees every day. This content may be repurposed by any labor organization, asset manager or trustee to help educate members and the public on the importance of guaranteed lifetime income.

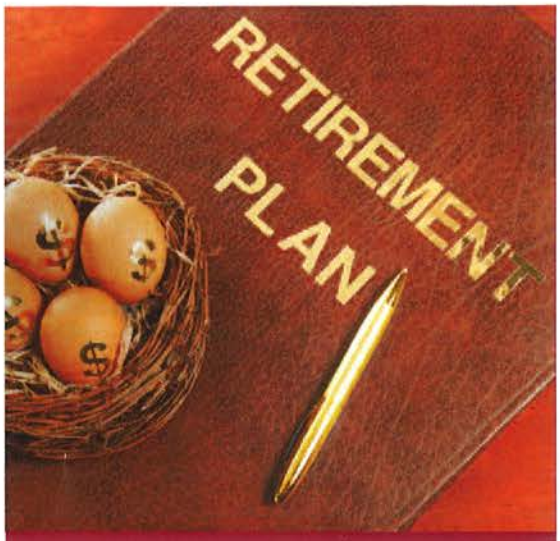
Working people earn and deserve dignified retirement income. CORPaTH is dedicated to educating the public on this vital issue.

Spreading the Message

CORPaTH can help workers understand the critical value of guaranteed lifetime income so they can live with dignity in retirement. We can help pension funds spread the message and it will be branded by each organization. We design handouts, coordinate print runs and mailings and the funds are recognized as advocates for strong pensions.

CORPaTH customizes and personalizes programs to educate plan participants as well as trustees.

CORPaTH.org • info@CORPaTH.org



Here's Why 401(k)s Shouldn't Replace Pensions

Saving for tomorrow can be a scary concept. Unless you're a financial advisor, chances are you don't know the difference between 401(k)s and defined-benefit pensions and how it can affect your retirement.

Today, nearly a generation has grown up thinking 401(k)s are the only retirement option. Millennials entering the job market are sometimes wooed to join a company solely on the merits of its 401(k) plan, even though the best ones cannot compare to a defined-benefit pension.

Defined-benefit pensions are better: they guarantee lifetime income

A defined-benefit pension means exactly what it says: it defines the benefit you get. It doesn't matter if the financial market is experiencing a down year or an up year — you will receive the payout promised to you, month after month, year after year, and usually for the rest of your days.

In a defined-contribution plan, an employee invests from funds contributed by his or her employer, plus self-contributions. The most common kind of defined-contribution plan is a 401(k), in which investment risks are managed by the employee.

In a defined-benefit pension, investments are managed by experienced trustees who consult with advisors, actuaries and other professionals to reduce risks and maximize outcomes. The hazards of investment are reduced because risks are spread out among many participants, often at more than one company or industry.

MEMORANDUM

TO: MS. LINDA WEBB, VCERA
FROM: MR. TOM IANNUCCI, CORTEX
SUBJECT: PROPOSAL – ORGANIZATIONAL STRUCTURE & PERFORMANCE EVALUATION
DATE: OCTOBER 15, 2015

As per our recent discussions and correspondence, I have prepared the following proposal to assist VCERA in assessing its senior executive organizational structure and developing performance evaluation policies and tools in connection with the senior positions. As requested, we have split the assignment into separate phases with separate fee estimates for each.

PHASE I – ANALYSIS & RECOMMENDATIONS ON REPORTING RELATIONSHIPS

In phase I, Cortex would analyze the current and alternative reporting structures for the five top executive positions (RA, CIO, General Counsel, CFO, and COO) and provide recommendations reflecting VCERA's specific needs and circumstances. Specific steps involved in Phase I include:

a) Telephone interviews with at least a few board members, but probably all of them in order to ensure everyone's input has been considered (estimated 11 interviews @ 30-45 minutes each).
b) Telephone interviews with the 5 senior executives involved (30-60 minutes each). The initial proposal had assumed only 3 executives.
c) Our analysis of the interview findings.
d) Preparation of a written report and recommendations reflecting a tailored solution for VCERA (a PowerPoint presentation would probably be most effective).
e) Presentation to the Board on the above (the presentation and facilitated discussions with the Board would be as long as necessary).

Estimated professional fees for phase I (all fees in $US):

Assuming presentation is delivered on-site: $17,000.00
Assuming presentation is delivered by telephone: $10,000.00

PHASE II – PROCESS/TIMELINE FOR EVALUATION OF SENIOR EXECUTIVE POSITIONS

In Phase II, Cortex would develop and recommend a performance evaluation policy and process for the 5 senior executives. Evaluation of these parties would probably follow the same basic process, but would be tailored to reflect differences in reporting structure, as determined in Phase I. Our previous proposal had assumed the policy would address only 3 executives.

Professional fees in connection with Phase II are estimated at $4,000.00:

PHASE III – DEVELOPMENT OF EVALUATION TOOLS

In Phase III, Cortex would work with VCERA to develop 5 tools to support the performance evaluations of the 5 senior executives. The tools would likely take the form of survey instruments, tailored to each executive position. Our previous proposal had assumed 3 tools.

Professional fees in connection with Phase III are estimated at $5,000.00

COMBINED FEES

Should VCERA wish to undertake all three phases collectively, combined professional fees would be $23,000.00 assuming one on-site presentation ($16,000.00 if the presentation is delivered by telephone).

OTHER FEES

In addition to the above professional fees, Cortex would invoice VCERA for all out-of-pocket expenses including external printing and courier costs and travel-related costs. Only Phase I contains an optional on-site presentation, which would entail travel costs. Phases II and III would not involve travel. We typically provide all deliverables electronically, which would result in no external printing or courier costs.

I trust this information is helpful. If you have any questions, please do not hesitate to contact me at (416) 967-0252 ext. 223 or at tiannucci@cortexconsulting.com. We look forward to working with you and the Board on this interesting assignment.

THOMAS W. TEMPLE
3015 Seaview Avenue · Ventura, California 93001
805.901.7007 · twtemple@gmail.com

September 28, 2015

Edward B. Reitkopp
Atkinson, Andelson, Loya, Ruud & Romo
12800 Center Court Dr., Ste. 300
Cerritos, CA 90703
ereitkopp@aalrr.com

Via electronic mail and first-class mail

Re: Costs in *Lanquist v. VCERA*, Ventura County Superior Court Case No. 56-2011-404515

Dear Mr. Reitkopp:

I write to demand payment of plaintiffs' costs in the above-named case. As you know, Plaintiffs' costs in this matter, shown in the enclosed cost memoranda for both the trial court and appellate proceedings, are now final and form part of the judgment. (Code Civ. Proc. § 685.090(a)(2), (b); California Rules of Court, Rule 3.1700.) The Memorandum of Costs on Appeal ($2089.55) became final on July 3, 2015, and the Memorandum of Costs ($1553.94) became final on July 29, 2015, for a total of $3643.49.

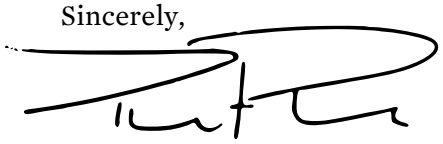
VCERA has already sent a check for $1838.57, representing half the costs plus interest through August 31, 2015. According to Ms. Nemiroff (who is copied here), VCERA has paid half, based on the belief that the County would pay the remainder directly to me. I ask you to please confirm whether the County will, indeed, pay the remainder. VCERA and the County are jointly and severally liable for the costs, so any assistance you can provide the County in meeting its obligation will be most welcome.

Interest at the 7% annual rate applicable to public entities will continue to accrue on the remainder of the costs at the rate of $.36 per day (nearly $11 per month). With interest accrued through October, the remainder now totals $1860.19. I therefore request that the County pay a total of $1860.19, via check sent to my attention, payable to both Thomas W. Temple and Timothy S. Lanquist, no later than October 30, 2015. Please note that if the check is received after October 30, but before November 30, 2015, the payoff amount will be $1870.92.

I will appreciate your courtesy in processing this request. I note that VCERA (both Ms. Nemiroff and VCERA staff) has acted with remarkable speed and courtesy in resolving

this matter, and I would expect nothing different from the County, to which Mr. Lanquist and I have now rendered a combined 28 years of effective service. Please do not hesitate to contact me, should you have any questions. I'll look forward to your reply.

Sincerely,



Thomas W. Temple

Enclosures:

1.! Memorandum of Costs on Appeal, filed 15 Jun 15
2.! Memorandum of Costs, filed 9 Jul 15
3.! Demand letter to VCERA, 18 Aug 15

cc: Timothy S. Lanquist
Lori A. Nemiroff

ATTORNEY OR PARTY WITHOUT ATTORNEY *(Name, state bar number, and address):*

Thomas W. Temple, SBN 184949
3015 Seaview Avenue
Ventura, California 93001
805.901.7007
twtemple@gmail.com
Plaintiff, *in propria persona*

Timothy S. Lanquist
13867 Bear Fence Court
Moorpark, California 93021
805.953.3166
tslanquist@hotmail.com
Plaintiff, *in propria persona*

FOR COURT USE ONLY

VENTURA
SUPERIOR COURT
FILED
JUN 15 2015
MICHAEL D. PLANET
Executive Officer and Clerk
BY: C. RIOS Deputy

SUPERIOR COURT OF CALIFORNIA, COUNTY OF Ventura
STREET ADDRESS: 800 South Victoria Avenue
MAILING ADDRESS:
CITY AND ZIP CODE: Ventura, California 93009
BRANCH NAME:

PLAINTIFF: Timothy S. Lanquist, et al.,
v.
DEFENDANT: Ventura County Employees' Retirement Association

MEMORANDUM OF COSTS ON APPEAL

CASE NUMBER:
56-2011-404515-CU-WM-VTA

Prevailing party *(name):* Timothy S. Lanquist and Thomas W. Temple
claims from *(name):* Ventura County Employees Retirement Association
the following costs on appeal:

		TOTALS
1. Filing fees	1. $	875.00
2. Preparation of clerk's transcript	2. $	845.00
3. Preparation of reporter's transcript	3. $	180.50
4. Printing of briefs	4. $	181.21
5. Production of additional evidence	5. $	
6. Notary fees	6. $	
7. Expenses of service	7. $	7.84
8. Transmission and filing of record, briefs, and other papers	8. $	
9. Premium on any surety bond on appeal	9. $	
10. Other expenses reasonably necessary to secure surety bond	10. $	
11. Other: ..... *(specify authority):*	11. $	
TOTAL COSTS	$	**2,089.55**

I am [X] the party [ ] counsel for the party [ ] agent for the party who claims the costs listed above. To the best of my knowledge, the items of cost are correct and were necessarily incurred in this case on appeal.

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

Date: 6/15/15 6/15/15

Timothy S. Lanquist Thomas W. Temple
(TYPE OR PRINT NAME)

(SIGNATURE OF DECLARANT)

Form Adopted for Mandatory Use
Judicial Council of California
MC-013 [Rev. January 1, 2007]

Code of Civil Procedure, § 1034(b);
Cal. Rules of Court, rule 8.272
www.courtinfo.ca.gov

SHORT TITLE:	CASE NUMBER:
Lanquist v. Ventura County Employees' Retirement Association	56-2011-404515-CU-WM-VTA

PROOF OF SERVICE

☒ Mail ☐ Personal Service

1. At the time of service I was at least 18 years of age and **not a party to this legal action.**

2. My residence or business address is *(specify):*
   3015 Seaview Ave.
   Ventura, CA 93001

3. I mailed or personally delivered a copy of the *Memorandum of Costs on Appeal* as follows *(complete either a or b):*
   a. ☒ **Mail.** I am a resident of or employed in the county where the mailing occurred.
      (1) I enclosed a copy in an envelope **and**
         (a) ☒ **deposited** the sealed envelope with the United States Postal Service, with the postage fully prepaid.
         (b) ☐ **placed** the envelope for collection and mailing on the date and at the place shown in items below, following our ordinary business practices. I am readily familiar with this business's practice for collecting and processing correspondence for mailing. On the same day that correspondence is placed for collection and mailing, it is deposited in the ordinary course of business with the United States Postal Service, in a sealed envelope with postage fully prepaid.
      (2) The envelope was addressed and mailed as follows:

(a) Name of person served:	Lori A. Nemiroff	Edward B. Reitkopp
(b) Address on envelope:	Office of County Counsel 800 S. Victoria Ave. Ventura, CA 93009	Atkinson, Andelson, Loya, Ruud & Romo 12800 Center Court Dr., Ste. 300 Cerritos, CA 90703
(c) Date of mailing:		
(d) Place of mailing *(city and state):*	Ventura, CA	Ventura, CA

   b. ☐ **Personal delivery.** I personally delivered a copy as follows:
      (1) Name of person served:
      (2) Address where delivered:

      (3) Date delivered:
      (4) Time delivered:

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

Date: 6/15/15

Cheryl M. Temple
(TYPE OR PRINT NAME)

(SIGNATURE OF DECLARANT)

ATTORNEY OR PARTY WITHOUT ATTORNEY (Name, state bar number, and address):	FOR COURT USE ONLY
Thomas W. Temple, SBN 184949 3015 Seaview Avenue Ventura, California 93001 805.901.7007 twtemple@gmail.com Plaintiff, *in propria persona* Timothy S. Lanquist 13867 Bear Fence Court Moorpark, California 93021 805.953.3166 tslanquist@hotmail.com Plaintiff, *in propria persona*	VENTURA SUPERIOR COURT FILED JUL 09 2015 MICHAEL D. PLANET Executive Officer and Clerk BY: _____, Deputy LYDIA GONZALEZ
ATTORNEY FOR (Name):	
INSERT NAME OF COURT, JUDICIAL DISTRICT, AND BRANCH COURT, IF ANY: Ventura County Superior Court	
PLAINTIFF: Timothy S. Lanquist, et al., v. DEFENDANT: Ventura County Employees' Retirement Association	
MEMORANDUM OF COSTS (SUMMARY)	CASE NUMBER: 56-2011-404515-CU-WM-VTA

The following costs are requested: **TOTALS**

1. Filing and motion fees	1. $	455.00
2. Jury fees	2. $	
3. Jury food and lodging	3. $	
4. Deposition costs	4. $	
5. Service of process	5. $	50.00
6. Attachment expenses	6. $	
7. Surety bond premiums	7. $	
8. Witness fees	8. $	
9. Court-ordered transcripts	9. $	
10. Attorney fees *(enter here if contractual or statutory fees are fixed without necessity of a court determination; otherwise a noticed motion is required)*	10. $	
11. Models, blowups, and photocopies of exhibits	11. $	703.32
12. Court reporter fees as established by statute	12. $	75.00
13. Other Transcript and recording of administrative hearing	13. $	270.62
TOTAL COSTS	$	1,553.94

I am the attorney, agent, or party who claims these costs. To the best of my knowledge and belief this memorandum of costs is correct and these costs were necessarily incurred in this case.

Date: 7/8/15

Timothy S. Lanquist Thomas W. Temple
(TYPE OR PRINT NAME)

(SIGNATURE)

(Proof of service on reverse)

SHORT TITLE: Lanquist v. Ventura County Employees' Retirement Association	CASE NUMBER: 56-2011-404515-CU-WM-VTA

PROOF OF [X] MAILING [ ] PERSONAL DELIVERY

1. At the time of mailing or personal delivery, I was at least 18 years of age and **not a party** to this legal action.
2. My residence or business address is *(specify)*:

   3015 Seaview Ave.
   Ventura, CA 93001

3. I mailed or personally delivered a copy of the *Memorandum of Costs (Summary)* as follows *(complete either a or b)*:
   a. [X] **Mail.** I am a resident of or employed in the county where the mailing occurred.
      (1) I enclosed a copy in an envelope AND
         (a) [X] **deposited** the sealed envelope with the United States Postal Service with the postage fully prepaid.
         (b) [ ] **placed** the envelope for collection and mailing on the date and at the place shown in items below following our ordinary business practices. I am readily familiar with this business' practice for collecting and processing correspondence for mailing. On the same day that correspondence is placed for collection and mailing, it is deposited in the ordinary course of business with the United States Postal Service in a sealed envelope with postage fully prepaid.
      (2) The envelope was addressed and mailed as follows:

(a) Name of person served:	Lori A. Nemiroff	Edward B. Reitkopp
(b) Address on envelope:	Office of County Counsel 800 S. Victoria Ave. Ventura, CA 93009	Atkinson, Andelson, Loya, Ruud & Romo 12800 Center Court Dr., Ste. 300 Cerritos, CA 90703
(c) Date of mailing:	7/9/15	
(d) Place of mailing *(city and state)*:	Ventura, CA	Ventura, CA

   b. [ ] **Personal delivery.** I personally delivered a copy as follows:
      (1) Name of person served:
      (2) Address where delivered:

      (3) Date delivered:
      (4) Time delivered:

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

Date: 7/9/15

Cheryl M. Temple
(TYPE OR PRINT NAME)

(SIGNATURE OF DECLARANT)

THOMAS W. TEMPLE
3015 Seaview Avenue · Ventura, California 93001
805.901.7007 · twtemple@gmail.com

August 18, 2015

Lori A. Nemiroff
Office of County Counsel
800 S. Victoria Ave., No. 1830
Ventura, CA 93009
Lori.Nemiroff@ventura.org

Via electronic mail and first-class mail

Re: Costs in *Lanquist v. VCERA*, Ventura County Superior Court Case No. 56-2011-404515

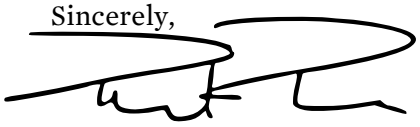
Dear Ms. Nemiroff:

I write to demand payment of plaintiffs' costs in the above-named case. As you know, Mr. Lanquist and I jointly filed cost memoranda (enclosed) for both the trial court and appellate proceedings. Those costs are now final and therefore have become part of the judgment. (Code Civ. Proc. § 685.090(a)(2), (b); California Rules of Court, Rule 3.1700.) The Memorandum of Costs on Appeal ($2089.55) became final on July 3, 2015, and the Memorandum of Costs ($1553.94) became final on July 29, 2015, for a total of $3643.49.

Interest at the 7% annual rate applicable to public entities is now accruing on the sum of these costs at the rate of $.70 per day, starting on the dates each amount became final. I therefore request that VCERA pay a total of $3677.13 ($3643.49 principal plus $33.64 interest), via check payable to both Thomas W. Temple and Timothy S. Lanquist, no later than August 31, 2015. Please note that if the check is received after August 31, 2015, the payoff amount will be $3698.55.

I will appreciate your courtesy in processing this request. Please do not hesitate to contact me, should you have any questions.

Sincerely,



Thomas W. Temple

Enclosures:
1. Memorandum of Costs on Appeal, filed 15 Jun 15
2. Memorandum of Costs, filed 9 Jul 15

cc: Timothy S. Lanquist