

VENTURA COUNTY EMPLOYEES' RETIREMENT ASSOCIATION

BOARD OF RETIREMENT

DISABILITY MEETING

November 2, 2015

MINUTES

DIRECTORS Tracy Towner, Chair, Alternate Safety Employee Member
PRESENT: William W. Wilson, Vice Chair, Public Member
Steven Hintz, Treasurer-Tax Collector
Mike Sedell, Public Member
Joseph Henderson, 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 Peter C. Foy, Public Member
ABSENT:

STAFF Linda Webb, Retirement Administrator
PRESENT: Henry Solis, Chief Financial Officer
Lori Nemiroff, Assistant County Counsel
Dan Gallagher, Chief Investment Officer
Julie Stallings, Chief Operations 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 November 2, 2015, to order at 9:00 a.m.

II. APPROVAL OF AGENDA

Chair Towner noted that the minutes from the previous meeting of October 19, 2015 would be included for approval on the November 16, 2015 meeting agenda.

MOTION: Approve the agenda.

Moved by Henderson, seconded by Johnston.

Vote: Motion carried

Yes: Hintz, Goulet, Sedell, Henderson, Johnston, Winter, McCormick, Wilson

No: -

Absent: Foy

III. RECEIVE AND FILE PENDING DISABILITY APPLICATION STATUS REPORT

MOTION: Approve.

Moved by Henderson, seconded by Johnston.

Vote: Motion carried

Yes: Hintz, Goulet, Sedell, Henderson, Johnston, Winter, McCormick, Wilson

No: -

Absent: Foy

IV. APPLICATIONS FOR DISABILITY RETIREMENT

A. Application for Non-Service Connected Disability Retirement, Nancy Bevans; Case No. 14-018

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

2. Hearing Notice served on October 21, 2015.

Paul Hilbun was present on behalf of County of Ventura Risk Management. The applicant, Nancy Bevans, was also present.

Both parties declined to make statements.

The following motion was made:

MOTION: Grant the applicant, Nancy Bevans, a non-service connected disability retirement.

Moved by Sedell, seconded by Wilson.

Vote: Motion carried

Yes: Hintz, Goulet, Sedell, Henderson, Johnston, Winter, McCormick,
Wilson

No: -

Absent: Foy

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

- B. Application for Service Connected Disability Retirement, Timothy Waite; Case No. 13-022.
1. Request from David G. Schumaker, Attorney at Law, dated October 22, 2015.
 2. Response from Carol A. Kempner, Attorney at Law, dated October 23, 2015.
 3. Hearing Notice served on October 21, 2015.

Carol A. Kempner, Attorney at Law, was present on behalf of County of Ventura Risk Management. David G. Schumaker, Attorney at Law, was present on behalf of the applicant. The applicant, Timothy Waite, was also present.

Mr. Schumaker requested that the Board mandate a February 2016 hearing date for this case, stating that he believed it would allow sufficient time for the parties to receive a transcript of a deposition scheduled for January 20, 2016.

Ms. Kempner opposed the request, stating that she believed that Risk Management would be ready to proceed in April 2016. Ms. Kempner stated that the scheduling of the hearing was a procedural issue that should be submitted to the hearing officer assigned to the case.

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

MOTION: Refer the matter to the assigned hearing officer to set the hearing at the earliest possible date, with an emphasis on March 2016.

Moved by Goulet, seconded by Winter.

Vote: Motion carried

Yes: Hintz, Goulet, Sedell, Henderson, Johnston, Winter, McCormick,
Wilson

No: -

Absent: Foy

V. OLD BUSINESS

A. Authorization for Retirement Administrator to Issue Payment to Conclude Original Hanson Bridgett Engagement

1. Staff Letter

Ms. Webb indicated that this recommendation on the October 19, 2015 meeting agenda was not voted on by the Board. Ms. Webb recommended that the Board authorize payment for work with staff on the pension administration system programming associated with implementation of the IRS model regulations to be adopted by the Board. Ms. Webb recommended approval of an amount up to \$5,000, which was increased to include the cost of services that will be necessary to modify the IRS model regulation corresponding to the tracking of 401(a)17 limits on a calendar year basis.

The following motion was made:

MOTION: Authorize Retirement Administrator to issue payment for up to \$5,000 in excess of the 2010 Hanson Bridgett agreement.

Moved by Henderson, seconded by McCormick.

Vote: Motion carried

Yes: Hintz, Goulet, Sedell, Henderson, Johnston, Winter, McCormick,
Wilson

No: -

Absent: Foy

Trustee Johnston requested that staff provide an update about changes to the VCP program, as soon as information is available.

VI. NEW BUSINESS

A. SACRS Dental Plan for Retirees

1. Staff Letter
2. Group Application

Ms. Webb informed the Board of the option for the Board to provide group dental insurance from CIGNA for county retirement system retirees and beneficiaries, contracted through SACRS.

Trustee Goulet stated that the notification letters to be sent to retirees regarding the dental program should be addressed from VCERA. Ms. Webb agreed to discuss the option with SACRS.

Trustee Sedell stated that the information provided to the Board did not address administrative costs to VCERA or specify that the program is entirely employee paid.

Ms. Nemiroff clarified that Article 8.11 of CERL states that a retired member who elects to participate in the program shall be solely responsible for the payment of premiums. Government Code Section 31452.5 authorizes VCERA to charge an administrative fee for the costs of administering payroll deductions.

Ms. Webb confirmed that administrative costs for deductions are expected to be minimal, as a process for payroll check deductions is already in place.

The following motion was made:

MOTION: 1) Authorize the Retirement Administrator to execute the Application for group insurance and related documents, subject to Counsel review and approval, and provide to SACRS the information necessary to allow VCERA retirees to enroll in the County Retirement System Dental Care Program, pursuant to Article 8.11 of CERL, and;

2) Authorize staff to give effect to written authorizations by retired members or beneficiaries to deduct from retirement allowances the premium on the group insurance offered through the County Retirement System Dental Care Program, pursuant to Government Code Section 31452.5.

Moved by Goulet, seconded by Sedell.

Vote: Motion carried

Yes: Hintz, Goulet, Sedell, Henderson, Johnston, Winter, McCormick,
Wilson

No: -

Absent: Foy

B. VCERA Monument Sign Allocation

1. Staff Letter
2. M.F. Daily Sign Proof

Ms. Webb informed the Board that the building landlord, M.F. Daily Corporation, offered to allocate space for VCERA on the sign outside of the building to VCERA for \$2500.

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

MOTION: Decline the allocation of sign space proposed by M.F. Daily Corporation.

Moved by Goulet, seconded by Henderson.

Vote: Motion carried

Yes: Hintz, Goulet, Sedell, Henderson, Johnston, Winter, McCormick,
Wilson

No: -

Absent: Foy

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

1. VCERIS Project Quarterly Status Update
RECOMMENDED ACTION: Receive and file.

Brian Colker of Linea Solutions provided a VCERIS project status update to the Board. Mr. Colker stated that the project was on track for the April 2016 deadline, design in the system was completed in October 2015, and development on the system will be completed by November 20, 2015. Mr. Colker spoke at length about the testing process and the tracking and classification of defects within the reports provided to the Board.

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

MOTION: Receive and file.

Moved by Goulet, seconded by McCormick.

Vote: Motion carried

Yes: Hintz, Goulet, Sedell, Henderson, Johnston, Winter, McCormick,
Wilson

No: -

Absent: Foy

2. Cost-Neutral Change Order for MBS
RECOMMENDED ACTION: Approve.

a. Staff Letter

b. MBS Change Order #3

Ms. Webb explained that the reason for the change order was to shift funds from the travel cost sub-category to the data conversion category, so as not to surpass the overall "not to exceed" amount outlined in the contract.

After discussion between the Board and Ms. Webb, Mr. Colker, and Hammad Zaigham of Vitech, the following motion was made:

MOTION: Approve.

Moved by Sedell, seconded by Henderson.

Vote: Motion carried

Yes: Hintz, Sedell, Henderson, Johnston, Winter, McCormick,
Wilson

No: Goulet

Absent: Foy

Trustee Goulet stated that he voted against the motion because of the "not to exceed" amount outlined in the contract.

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

The following motion was made:

MOTION: Approve.

Moved by Winter, seconded by Hintz.

Vote: Motion carried

Yes: Hintz, Goulet, Sedell, Henderson, Johnston, Winter, McCormick,
Wilson

No: -

Absent: Foy

- E. Quarterly Administrator Report for 3rd Quarter, 2015.

RECOMMENDED ACTION: Receive and file.

The following motion was made:

MOTION: Receive and file.

Moved by Henderson, seconded by Winter.

Vote: Motion carried

Yes: Hintz, Goulet, Sedell, Henderson, Johnston, Winter, McCormick,
Wilson

No: -

Absent: Foy

- F. Due Diligence Report, Dan Gallagher, Chief Investment Officer

RECOMMENDED ACTION: Receive and file.

The following motion was made:

MOTION: Receive and file.

Moved by Goulet, seconded by Winter.

Vote: Motion carried

Yes: Hintz, Goulet, Sedell, Henderson, Johnston, Winter, McCormick,
Wilson

No: -

Absent: Foy

- G. Consideration and Possible Approval of Merit Increase for Dan Gallagher,
Chief Investment Officer

This item was postponed until the end of the Closed Session. Upon returning
from Closed Session, the following motion was made:

MOTION: Approve merit increase of 5% for Chief Investment Officer Dan Gallagher.

Moved by McCormick, seconded by Henderson.

Vote: Motion carried

Yes: Hintz, Goulet, Sedell, Henderson, Johnston, Winter, McCormick,
Wilson

No: -

Absent: Foy

VII. CLOSED SESSION

A. PUBLIC EMPLOYEE PERFORMANCE EVALUATION

Title: Chief Investment Officer
(Government Code section 54957(b)(1))

Upon returning to open session, Ms. Nemiroff announced that the Board had taken no reportable action.

VIII. PUBLIC COMMENT

None.

IX. STAFF COMMENT

Ms. Webb informed the Board that VCERA staff will start training on the Ventura County Employees' Retirement Information System (VCERIS) on November 3, 2015.

X. BOARD MEMBER COMMENT

Trustee Hoag requested that the Board discuss the formation of an ad-hoc committee for organization issues and governance.

After discussion, Chair Towner requested that Ms. Webb provide information on committees in use by other boards, and schedule the discussion for an upcoming Board meeting agenda.

Trustee Goulet and Trustee Johnston asked Mr. Gallagher to report back on various strategies for portfolio rebalancing.

XI. ADJOURNMENT

The meeting was adjourned at 11:20 a.m.

Respectfully submitted,



LINDA WEBB, Retirement Administrator

Approved,



TRACY TOWNER, Chairman