

# VENTURA COUNTY EMPLOYEES' RETIREMENT ASSOCIATION

## BOARD OF RETIREMENT

### DISABILITY MEETING

September 12, 2016

### MINUTES

**DIRECTORS** Tracy Towner, Chair, Alternate Safety Employee Member  
**PRESENT:** William W. Wilson, Vice Chair, Public Member  
Mike Sedell, Public Member  
Chris Johnston, Safety Employee Member  
Craig Winter, General Employee Member  
Arthur E. Goulet, Retiree Member  
Robert Bianchi, Alternate Public Member

**DIRECTORS** Deanna McCormick, General Employee Member  
**ABSENT:** Will Hoag, Alternate Retiree Member

**STAFF** Lori Nemiroff, Assistant County Counsel  
**PRESENT:** Linda Webb, Retirement Administrator  
Henry Solis, Chief Financial Officer  
Julie Stallings, Chief Operations Officer  
Dan Gallagher, Chief Investment Officer  
Donna Edwards, Retirement Benefits Specialist  
Chantell Garcia, Retirement Benefits Specialist  
Nancy Jensen, Retirement Benefits Specialist  
Stephanie Caiazza, Retirement Benefits Specialist  
Chris Ayala, Program Assistant

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

**TIME:** 9:00 a.m.

**ITEM:**

**I. CALL TO ORDER**

Chair Towner called the Disability Meeting of September 12, 2016 to order at 9:00 a.m.

**II. APPROVAL OF AGENDA**

Trustee Goulet asked, in regard to staff positions pertaining to AB 1291, why the salary and benefits were shown in open session. Chair Towner and Board Counsel indicated salary discussions need to take place in open session, per the Brown Act.

**MOTION:** Approve.

Moved by Sedell, seconded by Bianchi

Vote: Motion carried

Yes: Bianchi, Goulet, Foy, Hintz, Johnston, Sedell, Winter, Wilson, Towner

No: -

Absent: McCormick

**III. APPROVAL OF MINUTES**

A. Business Meeting of July 18, 2016.

**MOTION:** Approve

Moved by Goulet, seconded by Wilson

Vote: Motion carried

Yes: Goulet, Foy, Hintz, Johnston, Winter, Wilson, Towner

No: -

Abstain: Sedell, Bianchi

Absent: McCormick

B. Special Meeting of July 21, 2016.

MOTION: Approve

Moved by Goulet, seconded by Wilson

Vote: Motion carried

Yes: Goulet, Foy, Hintz, Johnston, Winter, Wilson, Towner

No: -

Abstain: Sedell, Bianchi

Absent: McCormick

**IV. RECEIVE AND FILE PENDING DISABILITY APPLICATION STATUS REPORT**

Trustee Goulet commented that Rick Management was tardy on its reports in some Disability Retirement Applications.

MOTION: Approve

Moved by Goulet, seconded by Winter

Vote: Motion carried

Yes: Bianchi, Goulet, Foy, Hintz, Johnston, Sedell, Winter, Wilson, Towner

No: -

Absent: McCormick

**V. APPLICATIONS FOR DISABILITY RETIREMENT**

A. Application for Service Connected Disability Retirement,  
Hanson, Karen L.; Case No. 15-019

1. Application for Service Connected Disability Retirement
2. Medical Analysis and Recommendation by County of Ventura, Risk Management, to grant Application for Service Connected Disability Retirement and supporting documentation
3. Hearing Notice, dated August 26, 2016

Paul Hilbun, was present on behalf of County of Ventura Risk Management. The applicant, Karen L. Hanson, was also present.

Mr. Hilbun requested that the Board adopt Risk Management's recommendation and grant the applicant a service-connected disability retirement.

The applicant declined to make a statement.

The following motion was made:

MOTION: Grant the Applicant, Karen L. Hanson, a service connected disability retirement.

Moved by Wilson, seconded by Johnston

Vote: Motion carried

Yes: Bianchi, Goulet, Foy, Hintz, Johnston, Sedell, Winter, Wilson, Towner

No: -

Absent: McCormick

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

Following the vote on this item, the Board advanced to agenda item V.C., then returned to item V.B.

- B. Application for Service Connected Disability Retirement, Rawston, Ryann M.; Case No. 15-011
1. Application for Service Connected Disability Retirement
  2. Medical Analysis and Recommendation by County of Ventura, Risk Management, to grant Application for Service Connected Disability Retirement and supporting documentation
  3. Hearing Notice, dated August 15, 2016

Paul Hilbun, was present on behalf of County of Ventura Risk Management. The applicant, Ryann M. Rawston, was also present.

Mr. Hilbun requested that the Board adopt Risk Management's recommendation and grant the applicant a service-connected disability retirement.

The applicant declined to make a statement.

The following motion was made:

MOTION: Grant the Applicant, Ryann M. Rawston, a service connected disability retirement.

Moved by Foy, seconded by Bianchi

Vote: Motion carried

Yes: Bianchi, Goulet, Foy, Hintz, Johnston, Sedell, Winter, Wilson, Towner

No: -

Absent: McCormick

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

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

C. Application for Service Connected Disability Retirement, Hardy, Clifford S.;  
Case No. 16-006

1. Application for Service Connected Disability Retirement
2. Medical Analysis and Recommendation by County of Ventura, Risk Management, to grant Application for Service Connected Disability Retirement and supporting documentation
3. Hearing Notice, dated August 15, 2016

Paul Hilbun, was present on behalf of County of Ventura Risk Management. Derek Straatsma, Attorney at Law, was present as well as the applicant.

Mr. Hilbun requested that the Board adopt Risk Management's recommendation and grant the applicant a service connected disability retirement.

Mr. Straatsma and the applicant declined to make a statement.

The following motion was made:

MOTION: Grant the Applicant, Clifford S. Hardy, a service connected disability retirement.

Moved by Bianchi, seconded by Wilson

Vote: Motion carried

Yes: Bianchi, Goulet, Foy, Hintz, Johnston, Sedell, Winter, Wilson, Towner

No: -

Absent: McCormick

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

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

followed by item V.D.

D. Application for Non-Service Connected Disability Retirement, Lawson, Adria R.; Case No. 15-027

1. Application for Non-Service Connected Disability Retirement
2. Medical Analysis and Recommendation by County of Ventura, Risk Management, to grant Application for Non-Service Connected Disability Retirement and supporting documentation
3. Hearing Notice, dated September 1, 2016

Paul Hilbun, was present on behalf of County of Ventura Risk Management. The applicant, Adria R. Lawson, was also present.

Both parties declined to make statements.

The following motion was made:

MOTION: Grant the applicant, Adria R. Lawson, a non-service connected disability retirement.

Moved by Wilson, seconded by Johnston

Vote: Motion carried

Yes: Bianchi, Goulet, Foy, Hintz, Johnston, Sedell, Winter, Wilson, Towner

No: -

Absent: McCormick

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

Following the vote on this item, the Board advanced to agenda item V.F., then returned to item V.E.

E. Application for Service Connected Disability Retirement, Martinez, Michael S.; Case No. 14-015

1. Proposed Findings of Fact and Recommended Decision, dated May 28, 2016, by Nancy T. Beardsley, Hearing Officer
2. Applicant's Objection to Hearing Officer's Proposed Findings of Fact, Conclusions of Law and Recommended Decision received from David G. Schumaker, Attorney for Applicant, dated June 20, 2016

3. Response to Applicant's Hearing Officer's Proposed Findings of Fact, Conclusions of Law and Recommended Decision received from Carol A. Kempner, Attorney for County of Ventura, Risk Management, received June 27, 2016
4. Hearing Notice, dated June 29, 2016

Carol Kempner, Attorney at Law, was present on behalf of County of Ventura Risk Management. David G. Schumaker, Attorney at Law, was present to represent the applicant.

After statements from both the parties the following motion was made:

MOTION: Adopt the Hearing Officer's recommendation and deny the applicant, Michael S. Martinez, a service-connected disability retirement.

Moved by Foy, seconded by Wilson

Vote: Motion carried

Yes: Bianchi, Goulet, Foy, Sedell, Wilson

No: Johnston, Hintz, Towner

Abstain: Winter

Absent: McCormick

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

F. Application for Non-Service Connected Disability Retirement, Bollinger, Susan; Case No. 12-032

1. Summary of Evidence, Findings of Fact, Conclusions of Law and Recommendation, dated May 23, 2016, by Paul E. Crost, Hearing Officer
2. Letter from B. Derek Straatsma, Attorney for Risk Management, dated September 6, 2016.
3. Hearing Notice, dated June 29, 2016.

Derek Straatsma, Attorney at Law, was present on behalf of County of Ventura Risk Management. David G. Schumaker, Attorney at Law, was present for the applicant.

After statements from both the parties and Board discussion of its options the following motion was made:

MOTION: Adopt the Hearing Officer's recommendation and deny the

applicant, Susan Bollinger, a non-service-connected disability retirement.  
Moved by Wilson, seconded by Foy

Vote: Motion carried

Yes: Bianchi, Goulet, Foy, Hintz, Johnston, Sedell, Winter, Wilson, Towner

No: -

Absent: McCormick

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

**VI. OLD BUSINESS**

**A. Update on Resolution of Transmittal Processing Issues with County of Ventura Auditor-Controller**

Ms. Webb provided an update on the pending unresolved issues regarding payroll transmittal files since V3 Go-Live. She said that since she and Chair Towner had attended the County's IT Steering Committee meeting on July 21<sup>st</sup> there had been no formal response from the Auditor-Controller's (A-C) office. However, the A-C had indicated to her by phone that a response was being developed in coordination with the CEO's office in response to VCERA's request for read-only and query access to the VCHRP retirement tables for the audit and review of pay elements in the reporting of pensionable earnings. Ms. Webb also indicated that Operations had reported recent progress in resolving a number of transmittal errors on the bi-weekly payroll files from the County.

**B. IT Manager Position Update**

Ms. Webb reported that Vitech had been assisting in identifying a viable contract resources for I.T. support for the remainder of the fiscal year.

**C. Periodic Review of Board Policies:  
**RECOMMENDED ACTION: Approve****

**1. Letter from Trustee, Will Hoag**

Ms. Webb said that Trustees Hoag and McCormick, both of whom were unable to attend the meeting, had collaborated on some suggested cleanup edits to several of the Board's policies that were to be reviewed every three years. Of the 7 policies up for review, 3 had no suggested changes, and 4 had minor changes that were primarily due to pending appointments under AB 1291 or from other general organizational changes.



- a. Charter: Board of Retirement (Redline)
- b. Charter: Chair (Redline)
- c. Charter: Vice Chair (Redline- date change only)
- d. Charter: Retirement Administrator (Redline)
- e. Board Policy Development Process (Redline- date change only)
- f. Monitoring and Reporting (Redline)
- g. Service Provider Selection (Redline)

MOTION: Approve proposed updates to items VI.C.1.a – g.

Moved by Wilson, seconded by Bianchi

Vote: Motion carried

Yes: Bianchi, Goulet, Foy, Hintz, Johnston, Sedell, Winter, Wilson, Towner

No: -

Absent: McCormick

## VII. NEW BUSINESS

- A. Review and Approval of Amended Conflict of Interest Code  
**RECOMMENDED ACTION: Approve**

Ms. Webb said the provided Conflict of Interest Code was a biennial requirement, and that the only proposed changes were to reflect the legislative addition of an alternate appointed member to the VCERA Board.

1. Staff Letter
2. 2016 Proposed Conflict of Interest Code (Proposed changes highlighted)

MOTION: Approve.

Moved by Sedell, seconded by Winter

Vote: Motion carried

Yes: Bianchi, Goulet, Foy, Hintz, Johnston, Sedell, Winter, Wilson, Towner

No: -

Absent: McCormick

- B. Recommendations Regarding Appointments of Executives Under AB1291 including Proposed Salary and Benefits for Appointees, Chair Towner and Ashley Dunning of Nossaman LLP
1. Memorandum from Chair Towner and Ashley Dunning
  2. Proposed Revisions to Salary Ranges in Exhibit 1 to VCERA Management Employees Resolution

At this time, Ms. Nemiroff as well as staff members Ms. Webb, Mr. Solis, Mr. Gallagher and Ms. Stallings left the room.

The Board received public comment from Shawn Atin, Assistant CEO – Human Resources for the County of Ventura. Mr. Atin said he was there neither in support nor opposition to the item, but to provide clarification based on a reading of the material and information. He noted the proposed adjustment of base pay for appointees to reflect inclusion of previously separate pay items such as educational incentives; he said this approach was a philosophical one. He also provided clarification on the County's administration of the retiree health premium benefit.

Ms. Dunning provided legal background information to the Board on the items proposed in the posted recommendation, and explained the methodology used in the development of it. She indicated that there was a legal rationale for the effort made to identify similarly situated positions within the VCERA plan.

Chair Towner explained the rationale for proposed changes to salary ranges and other provisions.

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

MOTION: Reconsider the 50/50 pick-up of the normal cost of the retirement benefits that VCERA provides for the legacy members on the September 19, 2016 Business Meeting.

Moved by Sedell, seconded by Bianchi

Vote: Motion carried

Yes: Goulet, Foy, Hintz, Sedell, Winter, Wilson

No: Bianchi, Johnston, Towner

Absent: McCormick

MOTION: Approve the Retirement Administrator and Chief Investment Officer (PEPRA Members) proposed appointments.

Moved by Sedell, seconded by Bianchi

Vote: Motion carried

Yes: Bianchi, Goulet, Foy, Hintz, Johnston, Sedell, Winter, Wilson, Towner

No: -

Absent: McCormick

Ms. Webb, Ms. Nemiroff, Ms. Stallings, Mr. Solis and Mr. Gallagher returned to the room.

Ms. Dunning said that the record should reflect that the Board voted 9-0 to approve the appointment of the Retirement Administrator and Chief Investment Officer under the proposed terms, with the exception that the 100 hours of granted leave could not be cashed out within the first year of employment. She also indicated that the Board voted 6-3 to reconsider the 50/50 pickup provision in the VCERA Employees' Management Resolution.

3. Legal Memorandum to Ventura County Counsel from Steptoe and Johnson, LLP Re: Transition of VCERA Employees under AB1291

- C. Request for COO Julie Stallings and Benefits Manager Shalini Nunna to Attend Vitech Users Conference, November 2 – 4, 2016, Orlando FL  
**RECOMMENDED ACTION: Approve**

1. Staff Letter
2. Conference Agenda

Ms. Webb recommended that both Ms. Stallings and Ms. Nunna attend the Vitech Users Conference as key leaders for the project team. She also indicated that an unusually low airfare had been found to help with the approval of 2 staff members as opposed to 1.

MOTION: Approve.

Moved by Goulet, seconded by Wilson

Vote: Motion carried

Yes: Bianchi, Goulet, Foy, Hintz, Johnston, Sedell, Winter, Wilson, Towner

No: -

Absent: McCormick

- D. CIO Memo- Approval of Business Class Air Travel to Investment Manager Walter Scott for an Off-Site Due Diligence Visit and Investment Conference,

October 4 – 7, 2016, in Edinburgh, Scotland

The Board discussed the policy language regarding authorization of business class travel outside of North America every four years, as well as the estimated cost of travel for the Walter Scott due diligence and educational conference.

Trustee Wilson commented that he would not oppose approval, but was choosing not to attend because of his stance on international investments.

MOTION: Approve.

Moved by Wilson, seconded by Winter

Vote: Motion carried

Yes: Bianchi, Goulet, Hintz, Johnston, Winter, Wilson, Towner

No: Foy, Sedell

Absent: McCormick

E. Update on Due Diligence Visit to Adams Street and Parametric

Mr. Gallagher inquired whether trustees would like to attend in addition to trustee Bianchi and Winters. Chair Towner indicated that he would be willing to attend as a backup, should one of the other trustees decide not to attend.

F. Quarterly Administrator's Report for April – June, 2016

**RECOMMENDED ACTION: Receive and file.**

MOTION: Receive and file.

Moved by Hintz, seconded by Johnston

Vote: Motion carried

Yes: Bianchi, Goulet, Foy, Hintz, Johnston, Sedell, Winter, Wilson, Towner

No: -

Absent: McCormick

**VIII. BOARD RETREAT**

A. Board Books Demonstration and Training, Phil Sandusky, Diligent Technologies  
*To be provided at the meeting*

Ms. Webb introduced Phil Sandusky from Diligent Technologies. She reminded the Board of the approved allocation in the budget for updating

the Board software, and said Mr. Sandusky was going to give a brief overview of the software that had already been remotely installed on their individual Board devices.

Mr. Sandusky provided an overview and demonstration of the Board Books software.

B. Global Outlook and Investment Implications, Fred Post, Bridgewater

Trustee Goulet left the meeting at 1:10pm.  
Trustee Foy left the meeting at 1:55pm.  
Trustee Sedell left the meeting at 1:59pm.

C. Global Commodities, Jason Keller, Pinnacle

Trustee Hintz left the meeting at 2:15pm.  
Trustee Bianchi left the meeting after this presentation at 2:50pm\*

D. View of the Future, Mark Kvamme, Drive Capital  
*To be provided at the meeting*

E. Looking Ahead to 2017, Dan Gallagher, VCERA CIO, Allan Martin and Dan LeBeau, NEPC

IX. INFORMATIONAL

A. SACRS Fall Conference Agenda, November 8-11, 2016, Indian Wells, CA

B. Article from The Economist, False Hope

C. CALAPRS Trustees Roundtable, September 30, 2016, Burbank, CA

D. Letter from MCERA, dated August 25, 2016

E. CALAPRS Intermediate Course in Retirement Plan Administration, October 5 – 7, 2016, Burbank

F. Article from P & I, Between a Rock and a Hard Place

X. PUBLIC COMMENT

XI. STAFF COMMENT

XII. BOARD MEMBER COMMENT

\*XIII. ADJOURNMENT

The meeting adjourned at the conclusion of Item VIII.C. at the departure of Trustee Bianchi, because a quorum was no longer present. In absence of a quorum, Items IX through XII were not addressed.

NOTE: The remaining trustees and staff stayed to hear an educational presentation by Mark Kvamme of Drive Capital.

Respectfully submitted,



---

LINDA WEBB, Retirement Administrator

Approved,



---

TRACY TOWNER, Chairman