

# VENTURA COUNTY EMPLOYEES' RETIREMENT ASSOCIATION

## BOARD OF RETIREMENT

### DISABILITY & BUSINESS MEETING

December 12, 2016

#### MINUTES

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

**DIRECTORS** Steven Hintz, Treasurer-Tax Collector  
**ABSENT:** Peter C. Foy, Public Member  
Craig Winter, General Employee Member

**STAFF** Linda Webb, Retirement Administrator  
**PRESENT:** Lori Nemiroff, General Counsel  
Dan Gallagher, Chief Investment Officer  
Julie Stallings, Chief Operations Officer  
Shalini Nunna, Retirement Benefits Manager  
Vickie Williams, Retirement Benefits Manager  
Karen Scanlan, Accounting Manager I  
Donna Edwards, Retirement Benefits Specialist  
Stephanie Berkley, 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 and Business Meeting of December 12, 2016, to order At 9:05 a.m.

**II.       APPROVAL OF AGENDA**

**MOTION:** Approve.

Moved by Goulet, seconded by Bianchi.

Vote: Motion carried

Yes: Bianchi, Goulet, Johnston, McCormick, Sedell, Wilson, Towner

No: -

Absent: Foy, Hintz, Winter

**III.      APPROVAL OF MINUTES**

A. Business Meeting of November 7, 2016.

Trustee Goulet stated the there were a few amendments needed in the minutes.

1. On master page 9, item V.B., the vote should not have included former Trustee Henderson.

2. On master page 10, item VI.B., in the sentence, "Mr. Gallagher also mentioned that he and Mr. Martin tried to get an In-Kind Transfer to avoid the fee, but was unsuccessful." The word was should be were.

3. On master page 15, item XI., in the sentence, "Mr. Gallagher informed the Board that Dan LeBeau from NEPC has resigned and as a result NEPC as promoted, Tony Ferrera from Consultant Service Analyst to Consultant." The word as should be has.

**MOTION:** Approve with amendments.

Moved by Goulet, seconded by Johnston.

Vote: Motion carried

Yes: Bianchi, Goulet, Johnston, McCormick, Sedell, Wilson, Towner

No: -

Absent: Foy, Hintz, Winter

A. Business Meeting of November 21, 2016.

Trustee Goulet stated there were a few amendments needed in the minutes.

1. On master page 22, item IV.A., in the sentence, "Ms. Webb replied yes, but would have not enough time." Instead the sentence should have said, "but would not have enough time."

2. On master page 23, item VII.B., in the sentence, "Trustee Goulet said that he was troubled with using Linea's master service agreement and preferred." The sentence was incomplete and should have said, "and preferred a separate agreement."

3. On master page 23, item VII.B., in the sentence, "Ms. Webb said that one of the things I try to do as the Retirement Administrator is to look after the staff and I think that trying to move forward without this resource is going to put much on them." The sentence should have said, "Ms. Webb said that one of the things she tries to do as the Retirement Administrator is to look after the staff and she thinks that trying to move forward without this resource is going to put too much on them."

4. On master page 5, item X., the word Harborvest, should be spelled Harbourvest.

MOTION: Approve with amendments.

Moved by Goulet, seconded by Johnston.

Vote: Motion carried

Yes: Bianchi, Goulet, Johnston, McCormick, Sedell, Wilson, Towner

No: -

Absent: Foy, Hintz, Winter

IV. CONSENT AGENDA

MOTION: Receive and file.

Moved by Johnston, seconded by Sedell.

Vote: Motion carried

Yes: Bianchi, Goulet, Johnston, McCormick, Sedell, Wilson, Towner

No: -

Absent: Foy, Hintz, Winter



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

MOTION: Receive and file.

Moved by Goulet, seconded by Johnston.

Vote: Motion carried

Yes: Bianchi, Goulet, Johnston, McCormick, Sedell, Wilson, Towner

No: -

Absent: Foy, Hintz, Winter

**VI.       APPLICATIONS FOR DISABILITY RETIREMENT**

A. Application for Service Connected Disability Retirement, Osler, Ryan  
(Deceased); Case No. 16-032.

1. Application for Service Connected Disability Retirement
2. Medical Analysis and Recommendation by County of Ventura, Risk Management, to grant Applicant's Application for Service Connected Disability Retirement, including supporting documentation.
3. Hearing Notice, dated November 22, 2016.

Paul Hilbun was present on behalf of County of Ventura Risk Management. The applicant's surviving spouse was not present.

Paul Hilbun, of Risk Management declined to make a statement.

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

MOTION: Grant the Applicant, Ryan Osler, a service connected disability retirement.

Moved by Johnston, seconded by Bianchi.

Vote: Motion carried

Yes: Bianchi, Goulet, Johnston, McCormick, Sedell, Wilson, Towner

No: -

Absent: Foy, Hintz, Winter

Paul Hilbun, on behalf of Risk Management agreed to waive preparation of findings of fact and conclusions of law. General Counsel requested that Operations Specialist, Donna Edwards send Ms. Osler a waiver of preparation of findings of fact and conclusions of law.

B. Application for Service-Connected Disability Retirement, Saenz, Arsenio Jr.; Case No. 14-017.

1. Application for Service-Connected Disability Retirement.
2. Medical Analysis and Recommendation by County of Ventura, Risk Management, to grant Applicant's Application for Service-Connected Disability Retirement, including supporting documentation.
3. Hearing Notice, dated November 22, 2016.

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

Both parties declined to make a statement.

The following motion was made:

MOTION: Grant the Applicant, Arsenio Saenz Jr., a service connected disability retirement.

Moved by Johnston, seconded by Bianchi.

Vote: Motion carried

Yes: Bianchi, Goulet, Johnston, McCormick, Sedell, Wilson, Towner

No: -

Absent: Foy, Hintz, Winter

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

C. Application for Non-service Connected Disability Retirement, Sheridan R. Wright; Case No. 16-009.

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 November 22, 2016.

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

Both parties declined to make a statement.

Trustee Goulet asked Mr. Wright if, as his application indicated, he was willing to take another position, if he had ever been offered another position by the County of Ventura. Mr. Wright replied, yes, he could have requested a demotion to a Sheriff Service Technician (SST) position. Trustee Goulet asked Mr. Wright if he had been offered positions in other agencies, besides the Sheriff's Department. Mr. Wright replied he had not.

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

MOTION: Grant the Applicant, Sheridan R. Wright, a non-service connected disability retirement.

Moved by Sedell, seconded by Wilson.

Vote: Motion carried

Yes: Bianchi, Johnston, McCormick, Sedell, Wilson, Towner

No: -

Abstain: Goulet

Absent: Foy, Hintz, Winter

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

D. Application for Service Connected Disability Retirement, Karla Dean; Case No. 13-010.

1. Proposed Findings of Fact, Conclusions of Law and Recommendation, dated September 15, 2016, by Kenneth A. Perea, Hearing Officer.
2. Objection to Proposed Finding of Hearing Officer, received from Timothy Ehritt, Attorney for Applicant, dated September 15, 2016.
3. Legal Memorandum in support of the Hearing Officer's Recommended Decision that Applicant, Karla Dean, be denied a Service-Connected Disability Retirement, received from Stephen Roberson, Attorney for County of Ventura-Risk Management, dated October 6, 2016.
4. Hearing Notice, dated November 23, 2016.

Stephen D. Roberson, Attorney at Law was present on behalf of County of Ventura Risk Management. Timothy Ehritt, Attorney at Law was present on behalf of the applicant.

Chair Towner asked if the parties accepted into the record the following items:



Proposed Findings of Fact, Conclusions of Law and Recommendation, dated September 15, 2016, by Kenneth A. Perea, Hearing Officer.

VI.D.2. Objection to Proposed Finding of Hearing Officer, received from Timothy Ehritt, Attorney for Applicant, dated September 15, 2016.

VI.D.3. Legal Memorandum in support of the Hearing Officer's Recommended Decision that Applicant, Karla Dean, be denied a Service-Connected Disability Retirement, received from Stephen Roberson, Attorney for County of Ventura-Risk Management, dated October 6, 2016.

VI.D.4. Hearing Notice, dated November 23, 2016.

Both Mr. Ehritt and Mr. Roberson stated they accepted those items.

Mr. Ehritt stated that he did not agree with the findings and conclusions of the Hearing Officer. Mr. Ehritt stated the case represented both orthopedic and psychiatric issues, but the key was the psychiatric. He said the primary objection was with Dr. Dorman's report, which he did not believe constituted medical evidence. He indicated the other report from Dr. Malik was more comprehensive and that Dr. Malik's specific experience and familiarity with the job duties made that analysis more accurate. In that report, Dr. Malik opined that the applicant could not perform many of the duties. Mr. Ehritt said Dr. Dorman's said the applicant could do a number of daily activities, but these were not job related in nature. Mr. Ehritt said he did not believe the County could accommodate the psychiatric issues. Mr. Ehritt suggested the Board consider appointing an independent psychiatric consultant to review this case.

Mr. Roberson stated that there was no basis to overturn the Hearing Officer's decision. The County had accommodated the orthopedic issues and in 2012 the applicant signed a document under penalty of perjury that psychiatric issues were not work related. He said the Hearing Officer has the discretion on which report to consider.

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

MOTION: Adopt the Hearing Officer's recommendation and deny the applicant, Karla Dean, a service connected disability retirement.

Moved by Wilson, seconded by Goulet.

Vote: Motion carried

Yes: Bianchi, Goulet, Johnston, Sedell, Wilson, Towner

No: McCormick

Absent: Foy, Hintz, Winter

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

**VII.      INVESTMENT INFORMATION**

A.    VCERA – Dan Gallagher, Chief Investment Officer

1.    NEPC Regional Conference Attendee Approval

a.    Staff Letter

b.    Agenda

Mr. Gallagher asked the Board to approve up to three members to attend the NEPC Regional Conference.

Chair Towner asked any Board members interested in attending, to please let Mr. Gallagher know.

MOTION: Approve.

Moved by Wilson, seconded by Bianchi.

Vote: Motion carried

Yes: Bianchi, Goulet, Johnston, McCormick, Sedell, Wilson, Towner

No:    -

Absent: Foy, Hintz, Winter

**VIII.     ACTUARIAL INFORMATION**

A.    Report on Status of the June 30, 2016 Actuarial Valuation

Ms. Webb stated the timeline for the valuation was a bit behind because staff had spent considerable time auditing the data, and that there should still be time to approve the report at the January business meeting. Ms. Webb said staff requested the Board approve distribution of the report to stakeholders once it had been received from Segal. Trustee Goulet said he believed it should be sent to stakeholders when it became available.

**IX.      OLD BUSINESS**

A.    Update on VCERA Request to County Auditor-Controller for Access to Member Retirement Data

Ms. Webb said that the last update was just prior to staff's meeting with the Steering Committee, to receive their counter proposal for access to



retirement data. Ms. Webb said that the Auditor-Controller was still denying VCERA access to the retirement tables in VCHRP. Ms. Webb said the committee had walked staff through their alternate proposal. Staff later sent the committee questions regarding the plan and we are still waiting their response.

B. VCERA Board Communication to Governor Brown Regarding Veto of AB 1853

1. Board Letter from Trustee Goulet
2. Letter to Governor

Chair Towner stated that at the November 21, 2016 Business Meeting the Board authorized a letter to be drafted by Trustee Goulet regarding the veto of AB 1853, to be reviewed by the Board, prior to sending it to Governor Brown.

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

MOTION: Table the Item.

Moved by Sedell, seconded by Bianchi.

Vote: Motion carried

Yes: Bianchi, Goulet, Johnston, McCormick, Sedell, Wilson, Towner

No: -

Absent: Foy, Hintz, Winter

X. NEW BUSINESS

A. Annual Appointment of Chair and Vice-Chair

1. Staff Letter

Trustee McCormick nominated Chair Towner to serve as Board Chair.

MOTION: Appoint Tracy Towner as Chair.

Moved by McCormick, seconded by Johnston.

Vote: Motion carried

Yes: Bianchi, Goulet, Johnston, McCormick, Sedell, Wilson

No: -

Absent: Foy, Hintz, Winter

Trustee Sedell nominated Trustee Wilson to serve as Vice Chair.

MOTION: Appoint William Wilson as Vice Chair.

Moved by Sedell, seconded by Johnston.

Vote: Motion carried

Yes: Bianchi, Goulet, Johnston, McCormick, Sedell, Wilson, Towner

No: -

Absent: Foy, Hintz, Winter

- B. Recommendation to Amend the VCERA Management Employees' Resolution & Compensation Schedule and Request for Legal Review
1. Letter from Chair Towner
  2. Exhibit A: Proposed Changes to VCERA Management Employees' Resolution (redline)
  3. Exhibit B: Data for MBA Recommendation
  4. Exhibit C: County of Ventura Full MBA Study, Approved by Board of Supervisors on December 6, 2016

Chair Towner apologized for the lateness of presenting this item to the Board, but that it was due to the timing in receiving the item. Chair Towner stated that the intent of this resolution was to benchmark the items presented and to grant the VCERA employees covered by the VCERA Management Employees' Resolution the same proposed General Salary Increases and Market Based Adjustments, as the benchmarked positions covered under the County of Ventura Management Resolution. Chair Towner said that this resolution was also presented to address the leave redemption changes adopted by the County of Ventura. He requested that the Board authorize outside counsel to review the changes to leave redemption for the employees covered by the VCERA Management Employees' Resolution.

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

MOTION: Approve the Requested Changes to the Management Resolution with the Exception of the 80 hours provision, and Authorize Chair Towner to Engage Outside Legal Counsel to review Questions Related to the Leave Redemption Program Changes made by the County of Ventura.

Moved by Bianchi, seconded by McCormick.

Vote: Motion carried

Yes: Bianchi, Goulet, Johnston, McCormick, Sedell, Wilson, Towner

No: -

Absent: Foy, Hintz, Winter

MOTION: Authorize Chair Towner to Seek Legal Counsel to Review any New Issues Triggered by Initial Legal Review.

Moved by Sedell, seconded by Bianchi.

Vote: Motion carried

Yes: Bianchi, Goulet, Johnston, McCormick, Sedell, Towner

No: -

Abstain: Wilson

Absent: Foy, Hintz, Winter

Trustee McCormick left after the vote at 10:35 a.m.

Chair Towner requested a 10 minute break at 10:35 a.m.

The Board returned from break at 10:45 a.m.

- C. Recommendation to Approve Application for Reinstatement to Active Membership Pursuant to GC 31680.4 & 31680.5 – Mary Quinting  
**Recommended Action: Approve**
1. Staff Letter
  2. Letter from Rexalena Deros-Cooper
  3. Offer of Employment
  4. Medical Clearance
- D. Recommendation to Approve Application for Reinstatement to Active Membership Pursuant to GC 31680.4 & 31680.5 – Deros-Cooper, Rexalena  
**Recommended Action: Approve**
1. Staff Letter
  2. Letter from Rexalena Deros-Cooper
  3. Offer of Employment
  4. Medical Clearance

Ms. Webb stated that both of the applicants had met the requirements for reinstatement.



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

MOTION: Approve Reinstatement of Mary Quinting and Rexalena Deros-Cooper to Active Membership.

Moved by Goulet, seconded by Johnston.

Vote: Motion carried

Yes: Bianchi, Goulet, Johnston, Sedell, Wilson, Towner

No: -

Absent: Foy, Hintz, McCormick, Winter

- E. Request for Trustee Johnston to Attend ILPA Level I – Private Equity Course March 6<sup>th</sup> – 8<sup>th</sup>, in San Francisco, California
1. Staff Letter
  2. Agenda

MOTION: Approve.

Moved by Sedell, seconded by Bianchi.

Vote: Motion carried

Yes: Bianchi, Goulet, Johnston, Sedell, Wilson, Towner

No: -

Absent: Foy, Hintz, McCormick, Winter

- F. Request for Ms. Nemiroff to Attend the NAPPA 2017 Winter Seminar February 22<sup>nd</sup> – 24<sup>th</sup>, in Tempe, Arizona
1. Staff Letter
  2. Agenda

MOTION: Approve.

Moved by Johnston, seconded by Wilson.

Vote: Motion carried

Yes: Bianchi, Goulet, Johnston, Sedell, Wilson, Towner

No: -

Absent: Foy, Hintz, McCormick, Winter

- G. Recommendation on Post-PAS Vitech Engagement

1. Staff Letter  
*Materials to be provided*
2. Vitech Cost/Hours Proposal on IRS Model Regulation Programming  
*Materials to be provided*

Ms. Webb recommended to the Board that VCERA purchase Post Implementation hours from Vitech and such decision be made before the end of 2016. Ms. Webb said that you might recall that when the Board met in June 2016 to discuss the budget, these items were not listed, because staff was still determining how many hours VCERA would need to purchase for the IRS Model Regulations and certain enhancements. Ms. Webb also stated that because of the possible changes to V3 to accommodate the data transmittal from the Auditor-Controller, there may also be a need for Vitech to address these as well. Ms. Webb said that during the negotiations with Vitech for she had requested a fixed price for IRS Model Regulations work and she presented the Board four different options for acquiring the hours needed.

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

MOTION: Approve Purchase of Two-Thousand Hours, If Payable in Six Months, but Otherwise Engage them on a Time and Materials Basis and Rate.

Moved by Sedell, seconded by Johnston.

Vote: Motion carried

Yes: Bianchi, Goulet, Johnston, Sedell, Wilson, Towner

No: -

Absent: Foy, Hintz, McCormick, Winter

- H. 2017 Proposed Schedule of Investment Manager Presentations  
**Recommended Action: Approve**

MOTION: Approve.

Moved by Johnston, seconded by Wilson.

Vote: Motion carried

Yes: Bianchi, Goulet, Johnston, Sedell, Wilson, Towner

No: -

Absent: Foy, Hintz, McCormick, Winter

- I. 2017 Proposed Due Diligence Calendar  
**Recommended Action: Approve**

MOTION: Approve.

Moved by Johnston, seconded by Sedell.

Vote: Motion carried

Yes: Bianchi, Goulet, Johnston, Sedell, Wilson, Towner

No: -

Absent: Foy, Hintz, McCormick, Winter

XI.        **INFORMATIONAL**

A.    Save the Date on NEPC Conference

B.    Due Diligence Report for Adams Street

C.    Due Diligence Report for Parametric

XI.        **PUBLIC COMMENT**

None.

XIII.      **STAFF COMMENT**

None.

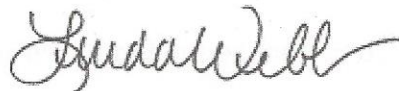
XIV.      **BOARD MEMBER COMMENT**

None.

XV.      **ADJOURNMENT**

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

Respectfully submitted,



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LINDA WEBB, Retirement Administrator

Approved,



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TRACY TOWNER, Chairman