VENTURA COUNTY EMPLOYEES’ RETIREMENT ASSOCIATION

BOARD OF RETIREMENT

DISABILITY MEETING

MARCH 13, 2017

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
Robert Bianchi, Public Member
Arthur E. Goulet, Retiree Member
Ed McCombs, Alternate Public Member

DIRECTORS

ABSENT: Peter C. Foy, Public Member
Deanna McCormick, General Employee Member
Craig Winter, General Employee Member
Chris Johnston, Safety Employee Member
Will Hoag, Alternate Retiree Member

STAFF

PRESENT: Linda Webb, Retirement Administrator
Lori Nemiroff, General Counsel
Dan Gallagher, Chief Investment Officer
Henry Solis, Chief Financial Officer
Julie Stallings, Chief Operations Officer
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 Meeting of March 13, 2017, to order at 9:00 a.m.

II. APPROVAL OF AGENDA

MOTION: Approve the agenda.

Moved by Bianchi, seconded by Sedell.

Vote: Motion carried
Yes: Bianchi, Goulet, McCombs, Sedell, Wilson, Towner
No: -
Absent: Foy, Hintz, Hoag, Johnston, McCormick, Winter

III. APPROVAL OF MINUTES

A. Disability Meeting of February 6, 2017.

MOTION: Approve.

Moved by Bianchi, seconded by Goulet.

Vote: Motion carried
Yes: Bianchi, Goulet, McCombs, Sedell, Wilson, Towner
No: -
Absent: Foy, Hintz, Hoag, Johnston, McCormick, Winter

B. Business Meeting of February 27, 2017.

MOTION: Approve.

Moved by Sedell, seconded by Bianchi.

Vote: Motion carried
Yes: Bianchi, Goulet, McCombs, Sedell, Wilson, Towner
No: -
Absent: Foy, Hintz, Hoag, Johnston, McCormick, Winter
IV. RECEIVE AND FILE PENDING DISABILITY APPLICATION STATUS REPORT

MOTION: Receive and File.

Moved by Bianchi, seconded by Goulet.

Vote: Motion carried
Yes: Bianchi, Goulet, McCombs, Sedell, Wilson, Towner
No: -
Absent: Foy, Hintz, Hoag, Johnston, McCormick, Winter

V. APPLICATIONS FOR DISABILITY RETIREMENT

A. Application for Service-Connected Disability Retirement – Catherine Schureman; Case No. 16-002.

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

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

MOTION: Approve Application of Service-Connected Disability Retirement.

Moved by Goulet, seconded by Wilson.

Vote: Motion carried
Yes: Bianchi, Goulet, McCombs, Sedell, Wilson, Towner
No: -
Absent: Foy, Hintz, Hoag, Johnston, McCormick, Winter

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

B. Application for Service-Connected Disability Retirement – Michael R. Hasty; Case No. 11-027.


3. Hearing Notice, dated February 7, 2017

Carol Kempner, Attorney at Law was present on behalf of County of Ventura Risk Management. Laurence D. Grossman, Attorney at Law was also present on behalf of the applicant.

Trustee Hintz arrived at 9:07 am.

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

MOTION: Approve Application for Service-Connected Disability Retirement.

Moved by Wilson, seconded by Bianchi.

Vote: Motion carried
Yes: Bianchi, Goulet, Hintz, McCombs, Sedell, Wilson, Towner
No: -
Absent: Foy, Hoag, Johnston, McCormick, Winter

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

C. Application for Service-Connected Disability Retirement – Travis J. Miller; Case No. 15-018.


3. Legal Memorandum in Support of the Hearing Officer’s Recommended Decision That Applicant, Travis Miller, be Denied a Service Connected Disability Retirement, submitted by Stephen D. Roberson, Attorney for Respondent, County of Ventura, dated February 27, 2017.

Stephen D. Roberson, Attorney at Law was present on behalf of County of Ventura Risk Management. David G. Schumaker, Attorney at Law and applicant, Travis J. Miller were also present.

The applicant read statement written by him, before the Board.

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

**MOTION**: Adopt the Hearing Officers Recommendation to Deny the Applicant a Service-Connected Disability Retirement.

Moved by Wilson, seconded by Hintz.

Following discussion by the Board, Trustee Wilson withdrew his motion.

The following motion was made:

**MOTION**: Adopt the Hearing Officer's Recommendation to Deny the Applicant a Service-Connected Disability Retirement.

Moved by Wilson, seconded by Hintz.

Vote: Motion carried
Yes: Goulet, Hintz, McCombs, Sedell, Wilson
No: Bianchi, Towner
Absent: Foy, Hoag, Johnston, McCormick, Winter

Chair Towner requested a break at 9:20 am.

The Board returned from break at 9:30 am.

D. Application for Service-Connected and Non-service Connected Disability Retirement - Carol Kilbey; Case No. 12-045.


4. Letter, dated December 2, 2016, submitted by B. Derek Straatsma, Attorney for Respondent, County of Ventura, in support of the Hearing Officer's recommendation to grant the Non-service Connected Disability.

Derek Straatsma, Attorney at Law was present on behalf of County of Ventura Risk Management. Lilian M. Meredith, Attorney at Law was also present on behalf of the applicant.

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

**MOTION:** Approve Application for Non-Service Connected Disability with the Hearing Officer's Recommendation on the Effective Date of Retirement.

Moved by Bianchi, seconded by Hintz.

Vote: Motion carried
Yes: Bianchi, Goulet, Hintz, McCombs, Sedell, Wilson, Towner
No: -
Absent: Foy, Hoag, Johnston, McCormick, Winter

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

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


  2. Legal Memorandum Filed by Respondent, County of Ventura/Risk Management, In Opposition to the Petition for Reconsideration, filed by Applicant, Karla Dean, received from Stephen D. Roberson, Attorney for Respondent, County of Ventura, dated January 25, 2017.

  3. Supplement to Petition for Reconsideration, dated February 3, 2017, received from Timothy Ehritt, Attorney for Applicant.


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

7. 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 Respondent, County of Ventura, dated October 6, 2016.


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

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

MOTION: Deny the Petition for Reconsideration.

Moved by Wilson, seconded by Bianchi.

Vote: Motion carried
Yes: Bianchi, Goulet, Hintz, McCombs, Sedell, Wilson, Towner
No: -
Absent: Foy, Hoag, Johnston, McCormick, Winter

VI. OLD BUSINESS

A. Update on Board's Request for a Publicly Available Pay Schedule for Market Based Premium Pay (MBPP)

1. Staff Letter

2. County of Ventura Proposed Method for MBPP Publicly - Available Pay Schedule

Ms. Webb stated that this item was a follow-up to the Board's request to the County of Ventura on October 2016, when the Board took action on certain pay items for pensionability under PEPRA. For Market Based Premium Pay (MBPP) items, the Board requested a publicly available pay schedule from the County of Ventura by July 1, 2016. Ms. Webb said the County of Ventura submitted one in May 2016 and two others in June 2016; in Fall 2016, staff had worked with H.R. Director Atin's office to develop a pay schedule that would meet the criteria. Ms. Webb indicated that VERA staff then studied the application of MBPP within job classifications, looking for commonality in areas like hire date ranges, longevity, location, and assignment but could find no discernible pattern. The latest submission by the County had the appearance of a pay schedule, but referenced the MOA which described the pay as discretionary.
She noted that the County of Ventura believed its proposed submission met the requirements of a publicly available pay schedule, but VCERA staff was recommending neither acceptance nor rejection of the submission. Chair Towner asked if the next step would be to submit the proposal to the Board’s counsel for review.

Ms. Webb replied yes, staff recommended deferring to Counsel to review the most recent submission, as well as any information received since the Board’s original action and request.

Mr. Shawn Atin said the County of Ventura was very interested in coming to a resolution on the matter. He stated that the Board of Retirement had made a decision on Market Based Premium Pay after much consideration and input by the County of Ventura and various Unions. That decision was that MBPP be included in compensation, and that the County simply needed to make it publically available. He said the County had tried 3 times to present a public pay scale and he would be open to any suggestions on the pay schedule.

Mr. Sedell commented that he believed that staff was not indicating it could not be done, but that to be legally done, counsel review was recommended to find a way within the law.

Ms. Webb said that she would also hope that counsel’s review could provide guidelines on discretionary pay items, so that staff can consistently apply the same standard, to prevent disagreements and difficulty in the future.

Trustee Goulet commented that the Board had a couple of items presented to them; one was regarding methodology, saying the pay range would increase by a certain amount, and the other being a salary schedule. Trustee Goulet asked if the amounts in the salary schedule increased by the same amounts from the previous table. Mr. Atin replied, yes they had.

Trustee Goulet asked what was the difference between this being a discretionary pay item within the pay range and a step within the pay range, because they were discretionary as well.

Ms. Webb said that typically upward steps in the range were triggered by a positive employee evaluation. Ms. Webb said in situations where employees receiving market based premium pay work alongside employees who do not, those not receiving it had no way to determine how to meet the criteria.

Trustee Goulet said there was no clear criteria then on who gets those pay items. Ms. Webb replied, yes that is correct and the very point at issue.

Mr. Atin stated that the County of Ventura had provided these answers, but they had not been satisfactory to VCERA staff. Mr. Atin said that classifications were not the same as assignments, so an employee’s specific assignment at the time of review should determine any market based premium pay for them.
Ms. Webb said she and Mr. Atin disagree on this issue, which reinforced the need for counsel review.

VII. NEW BUSINESS

A. Recommendation to Execute One-Year Contract Extension with Brown Armstrong for Auditing Services
   RECOMMENDED ACTION: Approve
   1. Staff Letter
   2. Proposed Renewal Agreement

Ms. Webb stated that CFO Solis recommended postponing the RFP for Audit Services for 1 year, and that she agreed with his recommendation. She also said Brown Armstrong would extend the existing contract for 1 more year, for the same fee.

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

MOTION: Approve.

Moved by Wilson, seconded by Bianchi.

Vote: Motion carried
Yes: Bianchi, Goulet, Hintz, McCombs, Sedell, Wilson, Towner
No: -
Absent: Foy, Hoag, Johnston, McCormick, Winter

B. SACRS Board of Directors 2016-17 Elections
   1. Staff Letter
   2. Attachment A: SACRS Nominating Committee Recommended Ballot, dated February 23, 2017
   3. Attachment B: Update from SACRS Nominating Committee, dated March 6, 2017
   4. Attachment C: Letter from Chair Towner

Chair Towner said he was recommending the slate for the SACRS Board of Directors Election shown in Attachment C.

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

MOTION: Approve Trustee Goulet as a Write-In Candidate for Secretary of the SACRS Committee.

Moved by Hintz, seconded by Sedell.
Vote: Motion carried
Yes: Bianchi, Goulet, Hintz, McCombs, Sedell, Wilson, Towner
No: -
Absent: Foy, Hoag, Johnston, McCormick, Winter

C. Appointment of Ad Hoc Committee for Selection of Actuarial Audit Services

1. Staff Letter

Ms. Webb said a draft of the Actuarial Audit RFP was ready for review, and that Trustee Goulet had agreed to review initially. She said because it was the Board's obligation to choose the vendor, she recommended the Board appoint an Ad Hoc committee to review submissions and ultimately make a recommendation to the entire Board.

Trustee Goulet, Johnston and Wilson were appointed by the Board to the Ad Hoc committee.

VIII. INFORMATIONAL

A. Memorandum from General Counsel regarding 2015-2016 Legislative Session – Changes to Laws Affecting California Public Retirement Systems

B. Memorandum from General Counsel regarding Flethez vs. San Bernardino County Employees Retirement Association; Supreme Court Case: S226779

C. Memorandum from General Counsel regarding City of San Jose et al., v. Superior Court of Santa Clara County; Supreme Court Case No. S218066

IX. PUBLIC COMMENT

None

X. STAFF COMMENT

Ms. Webb said Trustee McCormick had submitted a retirement application, which triggered a special election process, given the time left on her Board term.

XI. BOARD MEMBER COMMENT

Trustee Wilson requested more outline detail in the Board Books software, allowing for tabs for easier navigation.

Trustee Goulet agreed this would be helpful in reviewing the agenda.

Ms. Webb replied that she believed that staff could accommodate that request.
XII. ADJOURNMENT

The meeting was adjourned at 10:49 a.m.

Respectfully submitted,

[Signature]

LINDA WEBB, Retirement Administrator

Approved,

[Signature]

TRACY TOWNER, Chairman