VENTURA COUNTY EMPLOYEES’ RETIREMENT ASSOCIATION
BOARD OF RETIREMENT
DISABILITY MEETING
JUNE 5, 2017

MINUTES

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

DIRECTORS ABSENT: Peter C. Foy, Public Member
Mike Sedell, Public Member

STAFF PRESENT: Linda Webb, Retirement Administrator
Lori Nemiroff, General Counsel
Henry Solis, Chief Financial Officer
Dan Gallagher, Chief Investment Officer
Karen Scanlan, Accounting Manager I
Shalini Nunna, Retirement Benefits Manager
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:

1 Arrived at 9:04 a.m.
I. **CALL TO ORDER**  
Chair Towner called the Disability Meeting of June 5, 2017, to order at 9:00 a.m.

II. **APPROVAL OF AGENDA**  
**MOTION:** Approve the agenda.  
Moved by Goulet, seconded by Bianchi.  
Vote: Motion carried  
Yes: Bianchi, Goulet, McCombs, Johnston, Wilson, Winter  
No: -  
Absent: Foy, Hintz, Sedell

III. **APPROVAL OF MINUTES**  
A. Disability & Business Meeting of April 17, 2017.  
Trustee Bianchi provided a correction to master page 4, where he was listed incorrectly as the Alternate Public Member.  
Trustee Goulet provided a correction to master page 9, noting that the Board returned to open session following the closed session item.  
After discussion by the Board, the following motion was made:  
**MOTION:** Approve with corrections.  
Moved by Bianchi, seconded by Goulet.  
Vote: Motion carried  
Yes: Bianchi, Goulet, McCombs, Johnston, Wilson, Winter  
No: -  
Absent: Foy, Hintz, Sedell

IV. **RECEIVE AND FILE PENDING DISABILITY APPLICATION STATUS REPORT**  
**MOTION:** Receive and File.  
Moved by Winter, seconded by McCombs.  
Vote: Motion carried  
Yes: Bianchi, Goulet, McCombs, Johnston, Wilson, Winter  
No: -  
Absent: Foy, Hintz, Sedell
V. APPLICATIONS FOR DISABILITY RETIREMENT

A. Application Service-Connected Disability Retirement - Jerardo Gomez; Case No. 16-035.


Trustee Hintz arrived at 9:04 a.m.

Paul Hilbun, was present on behalf of County of Ventura Risk Management. The applicant, Jerardo Gomez was not present.

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

MOTION: Approve Application for Service-Connected Disability Retirement.

Moved by Bianchi, seconded by Goulet.

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

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

B. Application for Non-Service Connected Disability Retirement - Edward Z. Hosseiniour; Case No. 16-023.


Paul Hilbun, was present on behalf of County of Ventura Risk Management. The applicant, Edward Z. Hosseini pour was also present.

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

**MOTION:** Approve Application for Non-Service Connected Disability Retirement.

Moved by Bianchi, seconded by Goulet.

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

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

### VI. OLD BUSINESS

A. Reaffirm Board Action for Merit Increases for General Counsel and Chief Investment Officer.

1. Staff Letter

   a. Consideration and Possible Approval of Merit Increase for General Counsel.

Ms. Webb said that at the last meeting the Board authorized merit increases for the General Counsel and Chief Investment Officer, but the agenda had not specifically listed potential increases, which must be done in open session. Therefore, the item was on the agenda so the increases could be formalized and subsequently processed.

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

**MOTION:** Approve a 4.76% Merit Increase for the General Counsel.

Moved by Goulet, seconded by McCombs.

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

   b. Consideration and Possible Approval of Merit Increase for Chief Investment Officer.

After discussion by the Board, the following motion was made:
MOTION: Approve a 5% Merit Increase for the Chief Investment Officer.

Moved by Hintz, seconded by Winter.

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

Chair Towner requested a break at 10:00 a.m.

Chair Towner left at 10:00 a.m. Vice Chair Wilson acted as Chair in his absence.

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

VII. NEW BUSINESS

A. Review and Adoption of Proposed Fiscal Year 2017/18 Budget.

RECOMMENDED ACTION: Approve. Materials to be provided.

1. Staff Letter.

Ms. Webb and Mr. Solis presented the FY 2017-18 proposed budget.

Trustee Goulet expressed concern whether certain proposed expenditures included in the newly created Investment and Other Expenditures budgets were categorized correctly and should be excluded from the administrative spending cap (CAP). More specifically, Trustee Goulet believed that depreciation/amortization should not be excluded from the CAP and requested legal justification. Mr. Solis replied that the budgeted amount for depreciation/amortization represented the allocation of the accumulated costs associated with the recently completed pension administration system. Mr. Solis further explained that the expenditures in question were excludible from the CAP as they were capitalized during the implementation period and would continue to be excluded from the CAP, as they are amortized. He also stated that VCERA was following GASB standards specifically related to the treatment of intangible assets and had conferred with counsel regarding the treatment of capital expenditures and whether they should be included or excluded from the CAP.

Trustee Goulet stated that VCERA follows the County Employees' Retirement Law (CERL) and not GASB and did not believe VCERA had to follow GASB. Mr. Solis replied that he would research further and report back.

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

MOTION: Approve.

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

B. Recommendation to Engage Gabriel, Roeder Smith & Company for Actuarial Audit Services.

RECOMMENDED ACTION: Approve.

Ms. Webb reported that the members of the ad hoc committee had reviewed the actuarial audit RFP submissions and recommended engaging Gabriel, Roeder Smith & Company.

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

MOTION: Approve.

Moved by Bianchi, seconded by Goulet.

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

C. Recommendation to Support AB 526 from Trustee Goulet.

1. Letter from Trustee Goulet.


Chair Towner returned at 10:40 a.m., and acted as Chair for the remainder of the meeting.

Trustee Goulet said that the drafted letter indicated that AB 526 is similar to AB 1853 from last session, which would have given CERL systems the ability to establish district status. He said AB 526 would only apply to Sacramento County, but he believed it was important to publicly support the legislation with the proposed draft letter.

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

MOTION: Approve Support for AB 526.

Moved by Goulet, seconded by Johnston.

Vote: Motion carried
Yes: Bianchi, Goulet, Hintz, McCombs, Johnston, Wilson, Winter
No: -
Absent: Foy, Sedell
D. Consideration and Possible Approval of Expedited Process for Retirement Administrator Evaluation.

1. Letter from Will Hoag, Chair, Personnel Review Committee.

Trustee Hoag informed the Board that it was discovered that the Retirement Administrator's evaluation and possible merit increase had been due in January 2017. Trustee Hoag said that the Board would need to go into a closed session to discuss and then return to an open session to consider a merit increase.

General Counsel reminded the Board that they would first need to approve the proposed expedited process approval for the Retirement Administrator and waive the formality of the established evaluation policy before convening into closed session.

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


Moved by Hintz, seconded by Bianchi.

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

The Board Adjourned to Closed Session at 10:42 a.m.

E. Consideration and Possible Approval of Merit Increase for Linda Webb, Retirement Administrator.

This item to be considered following "VIII. Closed Session."

VIII. CLOSED SESSION

A. PUBLIC EMPLOYEE PERFORMANCE EVALUATION
   Title: Retirement Administrator
   (Government Code section 54957(b)(1))

Upon returning to open session at 10:49 a.m., Chair Towner stated that the Board would like to thank Ms. Webb for her outstanding job performance over the past 2 and a half years.

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

MOTION: Approve a 7.83% Merit Increase for the Retirement Administrator.

Moved by Bianchi, seconded by Goulet.

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

IX. INFORMATIONAL

B. SACRS UC Berkeley Program.
C. Consent to Assignment of Agreement for REAMS.

X. PUBLIC COMMENT

None.

XI. STAFF COMMENT

Mr. Gallagher informed the Board that the $30 million allocation to Harbourvest’s Co-Investment Fund IV had been accepted in time for the May 31 fund closing. Mr. Gallagher also said that contract negotiations with Abbott Capital were expected to be completed by the end of the week.

XII. BOARD MEMBER COMMENT

None.

XIII. ADJOURNMENT

The meeting was adjourned at 10:55 a.m.

Respectfully submitted,

[Linda Webb, Retirement Administrator]

Approved,

[Tracy Towne, Chairman]