

# VENTURA COUNTY EMPLOYEES' RETIREMENT ASSOCIATION

## BOARD OF RETIREMENT

### DISABILITY MEETING

**MAY 4, 2020**

### AGENDA

**PLACE:** *In Accordance with the Governor's Executive Order N-29-20 (3) The Members of the Board will be participating via teleconference. Pursuant to Government Code §54954.3, members of the public, to the extent required by law, will have the opportunity to directly address the Board concerning the below mentioned business.*

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

*The public may listen to the Public Session and offer comments by calling: 1-855-678-1883, using Conference Number: 407-656-1875#. Persons may also submit written comments to [publiccomment@vcera.org](mailto:publiccomment@vcera.org) prior to and during the Board meeting. Please include your name, agenda item, the last 4 numbers of the telephone number that will be used to call in, and your comment. Public comment emails will be read into the record or summarized if lengthy.*

**ITEM:**

<b>I. <u>CALL TO ORDER</u></b>	Master Page No.
<b>II. <u>APPROVAL OF AGENDA</u></b>	1 – 4
<b>III. <u>APPROVAL OF MINUTES</u></b>	
A. Disability & Business Meeting of April 20, 2020.	5 – 18
<b>IV. <u>RECEIVE AND FILE PENDING DISABILITY APPLICATION STATUS REPORT</u></b>	19 – 56
<b>V. <u>APPLICATIONS FOR DISABILITY RETIREMENT</u></b>	
A. Application for Service-connected Disability Retirement—Mongeon, James L.; Case No. 17-012.	57 – 118
1. Proposed Findings of Fact and Recommended Decision to Grant the Application for Service-connected Disability, filed by Hearing Officer Humberto Flores, dated November 16, 2019.	
2. Objection to Hearing Officer's Proposed Findings of Fact and Recommended Decision from Respondent, County of Ventura-Risk Management, filed by B. Derek Straatsma, Attorney for Respondent, dated November 21, 2019.	

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3. Remand Letter requesting a supplemental report from Hearing Officer Humberto Flores, filed by Lori Nemiroff, General Counsel, dated January 21, 2020.
  4. Amended Proposed Findings of Fact and Recommended Decision after Remand to Grant the Application for Service-connected Disability, filed by Hearing Officer Humberto Flores, dated March 23, 2020.
  5. Hearing Notice, dated April 27, 2020.
- B. Application for Service-connected Disability Retirement—Ornelas, Eduardo G.; Case No. 18-012. 119 – 163
1. Summary of Evidence and Suggested Findings of Fact and Conclusions of Law to Deny the Application for Service-connected Disability, filed by Hearing Officer Deborah Wissley, dated April 17, 2020.
  2. Claimant’s Objections to Hearing Officer’s Summary of Evidence and Suggested Findings of Fact and Conclusions of Law, filed by David Schumaker, Attorney for Applicant, dated April 18, 2020.
  3. Respondent’s Answer to Applicant’s Objection to the Summary of Evidence and Suggested Findings of Fact and Conclusions of Law from Respondent, County of Ventura-Risk Management, filed by Carol Kempner, Attorney for Respondent, dated April 27, 2020.
  4. Hearing Notice, dated April 27, 2020.
- C. Application for Service-connected Disability Retirement—Myers, Christopher M.; Case No. 18-015. 164 – 184
1. Approved minutes from the Board of Retirement Disability Meeting on February 10, 2020.
  2. Request with attachments from Respondent, County of Ventura-Risk Management, to require Applicant, Christopher M. Myers, to attend a medical appointment with Dr. Lawrence Richman from Respondent, County of Ventura-Risk Management, filed by Stephen D. Roberson, Attorney for Respondent, dated April 6, 2020.
  3. Response to County of Ventura-Risk Management’s request filed by Jane Oatman, Attorney for Applicant, dated April 8, 2020.
  4. Hearing Notice, dated April 27, 2020.

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**VI. OLD BUSINESS**

- A. Request for Reconsideration of Board Action to Engage Consultant for VCERA Managers' Compensation Survey.

**RECOMMENDATION: Approve Reconsideration.**

1. Letter from Chair Wilson.

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- B. Reconsideration of Board Action to Engage Consultant for VCERA Managers' Compensation Survey.

**RECOMMENDATION: Postpone Until January 2021.**

**VII. NEW BUSINESS**

- A. None.

**VIII. CLOSED SESSION**

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

- B. PUBLIC EMPLOYEE PERFORMANCE EVALUATION  
Title: General Counsel  
(Government Code section 54957(b)(1))

- C. PUBLIC EMPLOYEE PERFORMANCE EVALUATION  
Title: Chief Investment Officer  
(Government Code section 54957(b)(1))

**IX. INFORMATIONAL**

**X. PUBLIC COMMENT**

**XI. STAFF COMMENT**

**XII. BOARD MEMBER COMMENT**

**XIII. ADJOURNMENT**

**VENTURA COUNTY EMPLOYEES' RETIREMENT ASSOCIATION**

**BOARD OF RETIREMENT**

**DISABILITY & BUSINESS MEETING**

**APRIL 20, 2020**

**MINUTES**

**DIRECTORS**

**PRESENT:**

William W. Wilson, Chair, Public Member  
Arthur E. Goulet, Vice-Chair, Retiree Member  
Steven Hintz, Treasurer-Tax Collector  
Steve Bennett, Public Member  
Mike Sedell, Public Member  
Robert Ashby, Safety Employee Member  
Jordan Roberts, General Employee Member  
Will Hoag, Alternate Retiree Member

**DIRECTORS**

**ABSENT:**

**STAFF**

**PRESENT:**

Linda Webb, Retirement Administrator  
Henry Solis, Chief Financial Officer  
Dan Gallagher, Chief Investment Officer  
Lori Nemiroff, General Counsel  
Leah Oliver, Chief Technology Officer  
Shalini Nunna, Retirement Benefits Manager  
Josiah Vencel, Retirement Benefits Manager  
Nancy Jensen, Retirement Benefits Specialist  
Chris Ayala, Program Assistant

**PLACE:**

*In Accordance with the Governor's Executive Order N-29-20 (3), the Members of the Board participated via teleconference. Pursuant to Government Code §54954.3, members of the public, to the extent required by law, had the opportunity to directly address the Board concerning the below mentioned business.*

**TIME:**

9:00 a.m.

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**ITEM:**

**I. CALL TO ORDER**

Chair Wilson asked Vice-Chair Goulet to preside over the meeting as Chair because he was under the weather.

Vice-Chair Goulet called the meeting of April 20, 2020, to order at 9:00 a.m.

**II. APPROVAL OF AGENDA**

MOTION: Approve.

Moved by Sedell seconded by Hintz

Vote: Motion carried

Yes: Ashby, Goulet, Hintz, Roberts, Sedell, Wilson

No: -

Absent: Bennett

Abstain:

Ms. Webb suggested the Board could move the Closed Session items, XI.A., XI.B. and XI.C. to follow the Informational item XII.A. in order to adjourn after item, XII.A.

Following discussion by the Board, Trustee Sedell withdrew his motion. The following motion was made:

MOTION: Approve as Amended.

Moved by Hintz seconded by Ashby

Vote: Motion carried

Yes: Ashby, Goulet, Hintz, Roberts, Sedell, Wilson

No: -

Absent: Bennett

Abstain:

**III. APPROVAL OF MINUTES**

A. Special Meeting for April 8, 2020.

Ms. Webb offered corrections to the minutes. Master Page 6: titles for Mr. Solis and Ms. Nemiroff were incorrect and under, "Call to Order", it should state, "In the absence of Trustee Wilson, Vice-Chair Goulet presided over the meeting as Chair. Master Page 8: first sentence under item A., first appearance of "market", should be removed; in the second paragraph, "this item" should read, "these items". Master Page 9: last sentence of item A., second appearance of the word "item" you be changed to "items". Master Page 10: third paragraph, second appearance of "yet" should be removed. Master Page 13, in Adjournment section the use of "Chairman" should read, "Chair".

MOTION: Approve with Corrections.

Moved by Wilson seconded by Sedell

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Vote: Motion carried  
Yes: Ashby, Goulet, Hintz, Roberts, Sedell  
No: -  
Absent: Bennett  
Abstain:

**IV. CONSENT AGENDA**

- A. Approve Regular and Deferred Retirements and Survivors Continuances for the Month of March 2020.
- B. Receive and File Budget Summary for FY 2019-20 Month Ending March 31, 2020.

MOTION: Receive and File.

Moved by Sedell seconded by Ashby

Vote: Motion carried  
Yes: Ashby, Goulet, Hintz, Roberts, Sedell  
No: -  
Absent: Bennett  
Abstain:

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

Trustee Sedell noted that one of the pending disability applications had been open since 2015, and asked how many of the open cases had been pending for more than a reasonable amount of time.

Mr. Vencel replied that the new pending disability application process will allow staff to process cases more quickly; there may have been some extenuating circumstances regarding some of those longer pending cases.

Trustee Sedell then said that he understood that some of the reason for the cases remaining in a pending status for so long could be due to circumstances outside of staff's control, but as staff was working on the new disability process, he felt that if there were any obstacles to processing the cases timely, those obstacles should be removed.

Mr. Vencel agreed, noting the new investigative process would be more efficient though the evidential hearing could still add to the overall processing time. Staff was pursuing ways to eliminate any unnecessary obstacles for a more streamlined process.

Ms. Webb noted that the current disability application process allowed members to submit their disability applications in advance of the establishment of permanency, which can make the case appear open much longer than it would otherwise, though staff would be happy to discuss any specific cases.

Trustee Sedell replied that if the report could note in the summary the reasons for a case being open for an extended period, this would help the Board.

Ms. Webb said that staff would review the summary format to address this concern.

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

MOTION: Receive and File.

Moved by Hintz seconded by Sedell

Vote: Motion carried

Yes: Ashby, Goulet, Hintz, Roberts, Sedell

No: -

Absent: Bennett

Abstain:

**VI. APPLICATIONS FOR DISABILITY RETIREMENT**

A. Application for Nonservice-connected Disability Retirement—Cornell, Anita L.; Case No. 20-005.

1. Application for Nonservice-connected Disability Retirement, filed February 5, 2020.
2. Medical Analysis and Employer's Statement of Position, including Supporting Medical Documentation, submitted by County of Ventura-Risk Management, in support of the Application for Nonservice-connected Disability Retirement, dated March 11, 2020.
3. Hearing Notice, dated April 2, 2020.

Catherine Laveau was present on behalf of County of Ventura-Risk Management. Shalini Nunna and Nancy Jensen were present on behalf of VCERA. The applicant, Anita L. Cornell, was not present.

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

MOTION: Approve the Nonservice-connected Disability Application.

Moved by Sedell, seconded by Wilson.

Vote: Motion carried

Yes: Ashby, Goulet, Hintz, Roberts, Sedell, Wilson

No: -

Absent: Bennett

Abstain:

Ms. Nemiroff informed the Board that regarding the two non-challenged applications on the agenda, staff would be seeking waivers of Findings of Facts and Conclusions of Law via email, so she would not need to ask them during the meeting as is usually the case.

B. Application for Nonservice-connected Disability Retirement—McKinney, Kameron M.; Case No. 19-004.

1. Application for Nonservice-connected Disability Retirement, filed February 1, 2019.
2. Application Amendment, filed August 20, 2019, with supplemental information.

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3. Medical Analysis and Employer's Statement of Position, including Supporting Medical Documentation, submitted by County of Ventura-Risk Management, in support of the Application for Nonservice-connected Disability Retirement, dated February 24, 2020.
4. Supplemental Documentation Regarding Applicant's Medications, Supplements and Physicians.
5. Hearing Notice, dated April 2, 2020.

MOTION: Approve the Application for Nonservice-connected Disability Retirement.

Moved by Roberts, seconded by Sedell.

Vote: Motion carried

Yes: Ashby, Bennett, Goulet, Hintz, Roberts, Sedell, Wilson

No: -

Absent: Bennett

Abstain:

- C. Application for Service-connected Disability Retirement—Dawson, Fred W.; Case No. 18-008.
  1. Staff memo regarding Motion to Dismiss Application of Fred W. Dawson, dated April 20, 2020.
  2. Motion to Dismiss Application for Service-connected Disability Retirement with Exhibits from Respondent, County of Ventura-Risk Management, filed by Carol Kempner, Attorney for Respondent, dated February 26, 2020.
  3. Hearing Notice, dated April 2, 2020.

Carol Kempner, Attorney at Law was present on behalf of Ventura County Risk Management. Shalini Nunna and Nancy Jensen were present on behalf of VCERA. The applicant, Fred W. Dawson, was not present.

Trustee Sedell noted that the County of Ventura-Risk Management motion was to dismiss the case with prejudice, but the recommendation from staff was to dismiss without prejudice.

Trustee Roberts said that he also noticed the two different recommendations and asked what the difference between the two was, so that the Board could make a decision.

Ms. Nemiroff explained that to dismiss the case with prejudice meant that the applicant could not file for a disability retirement on the same illness or injury in the future, while dismissing the case without prejudice meant that the applicant could file for a disability retirement on the same illness or injury, provided that he could show that he was continually incapacitated from the last day worked. Typically, before a case was sent to a hearing, the Board will dismiss a disability case without prejudice and the Board would only want to dismiss a case with prejudice once and evidentiary hearing had started, unless there was good cause to dismiss without prejudice. Therefore, she recommended that the Board dismiss the case without prejudice as was the common practice in these types of situations.

Mr. Vencel noted the request that the case be dismissed with prejudice, but based on discussions with General Counsel, staff recommended the Board dismiss the case without prejudice.



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Ms. Kempner said that her recommendation to dismiss the case with prejudice was based solely on the applicant's failure to appear for the third deposition, following an order by the Board to grant the County of Ventura's petition to compel the applicant to attend a rescheduled deposition on January 24, 2020.

Trustee Sedell said that the Board should revisit the Board's policy regarding these types of situations.

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

MOTION: Approve Recommendation to Dismiss the Case Without Prejudice.

Moved by Sedell, seconded by Wilson.

Vote: Motion carried

Yes: Ashby, Goulet, Hintz, Roberts, Sedell, Wilson

No: -

Absent: Bennett

Abstain:

D. Application for Service-connected Disability Retirement—Bittmann, Janeen R.; Case No. 17-014.

1. Parties' Mutual Request for an Extension through June 1, 2020, submitted by County of Ventura-Risk Management, dated April 15, 2020.
2. Hearing Notice, dated April 15, 2020.

MOTION: Approve Both Parties Request for an Extension Through June 1, 2020.

Moved by Hintz, seconded by Sedell.

Vote: Motion carried

Yes: Ashby, Goulet, Hintz, Roberts, Sedell, Wilson

No: -

Absent: Bennett

Abstain:

E. Application for Service-connected Disability Retirement—Gonzalez, Carmen M.; Case No. 15-028.

1. Petition for Reconsideration with Attachments, filed by Carmen M. Gonzalez, Applicant, dated January 13, 2020.
2. Opposition to Petition for Reconsideration, filed by Stephen D. Roberson, Attorney for Respondent, County of Ventura-Risk Management, dated January 28, 2020.
3. Hearing Notice, April 2, 2020.

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Stephen D. Roberson, Attorney at Law was present on behalf of Ventura County Risk Management. Shalini Nunna and Nancy Jensen were present on behalf of VCERA. The applicant, Carmen M. Gonzalez, was not present.

Steve Bennett began participating in the meeting at 9:27 am.

Mr. Roberson made a brief statement.

Chair Goulet noted that Ms. Gonzalez had submitted a letter to the Board that referred to a statute that no longer existed.

Ms. Nemiroff noted that both the statute that Ms. Gonzalez referred to and the subsequent statute that applied to all applicants after 2004 both called for a disability reassignment, and neither statute applied here because the board did not find Ms. Gonzalez to be permanently incapacitated from her duties, and she did not request a disability reassignment in her disability application.

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

MOTION: Deny the Applicant's Petition for Reconsideration.

Moved by Sedell, seconded by Hintz.

Vote: Motion carried

Yes: Ashby, Bennett, Goulet, Hintz, Roberts, Sedell, Wilson

No: -

Absent:

Abstain:

**VII. INVESTMENT MANAGER PRESENTATIONS**

- A. Receive Investment Presentation from Abbott Capital Management, Matthew Smith and Arianna Merrill.

Matthew Smith and Arianna Merrill reviewed Abbott Capital Management's organizational changes, and discussed the firm's investment outlook, portfolio strategy, composition and performance.

- B. Recommendation to Adopt 2020 Private Equity Annual Investment Plan.  
**RECOMMENDED ACTION: Approve.**

1. Staff Letter from Chief Investment Officer, Dan Gallagher.
2. Private Equity Annual Plan Presentation.

Mr. Gallagher said that Mr. Smith and Ms. Merrill had covered the 2020 Private Equity Annual Investment Plan in their annual presentation to the Board.

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

MOTION: Approval and Adoption of the 2020 Private Equity Annual Plan as Proposed and Presented by Abbott Capital Management.

Moved by Wilson, seconded by Sedell.

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Vote: Motion carried

Yes: Ashby, Bennett, Goulet, Hintz, Roberts, Sedell, Wilson

No: -

Absent:

Abstain:

C. Receive Annual Investment Presentations from State Street Bank, Jared Douglas, Grant Dannar and John Muir.

1. State Street Custody and Securities Lending Presentation.

Jared Douglas, Grant Dannar and John Muir reviewed State Street's organizational changes, and discussed the firm's investment outlook, portfolio strategy, composition and performance.

D. Receive Annual Investment Presentation, Sprucegrove Investment Management, Tasleem Jamal and Arjun Kumar.

Tasleem Jamal and Arjun Kumar reviewed Sprucegrove's organizational changes, and discussed the firm's investment outlook, portfolio strategy, composition and performance.

**VIII. INVESTMENT INFORMATION**

NEPC – Allan Martin

VCERA – Dan Gallagher, Chief Investment Officer

A. Recommendation to Consent to Assignment of Western Asset Management Company Core Bond and Index Plus Manager Agreements to Franklin Templeton.

**RECOMMENDED ACTION: Approve.**

1. Staff Letter by Chief Investment Officer, Dan Gallagher.

2. WAMCO Notice - Parent Legg Mason and Affiliates Acquired by Franklin Templeton.

3. WAMCO Consent Form.

Mr. Gallagher said this was a request for the Board to approve the consent for the acquisition of Western Management Company's parent company Legg Mason by Franklin Templeton. The notice of the acquisition was presented to the Board in February 2020, but at that time they did not yet have the necessary documents for SEC compliance. Therefore, he and Mr. Martin were recommending that the Board approve the action.

Chair Goulet noted that the consent form stated that VCERA would consent to the assignment, but it did not specify to whom it was being assigned.

Mr. Gallagher replied that it was intended to assign it from one parent company to the other, but if the Board would like he could request that the consent form be revised.

Chair Goulet said he was uncomfortable in executing a consent form that did not state to whom it was assigned.

Trustee Sedell recommended approving the assignment, pursuant to revision of the consent form to identify the assignment.

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

MOTION: Approve Pursuant to the Revision of the Consent Form; 1. Consent to Assignment of WAMCO's Core Bond and Index Plus Manager Agreements to Franklin Templeton. 2. Authorize the Board Chair or Retirement Administrator to Execute the Assignment Consent Document, Subject to Review and Approval by VCERA Board Counsel.

Moved by Sedell, seconded by Hintz.

Vote: Motion carried

Yes: Ashby, Bennett, Goulet, Hintz, Roberts, Sedell, Wilson

No: -

Absent:

Abstain:

B. County Contribution Pre-Funding Discount.

**RECOMMENDED ACTION: Approve.**

1. Staff Letter by Chief Investment Officer, Dan Gallagher.
2. NEPC Report.
3. Parametric Pre-Funding Analysis.

Mr. Gallagher told the Board that he was asked to provide an analysis and recommendation regarding the County of Ventura's pre-funding discount. He presented three different approaches taken by California Public Pension funds regarding plan sponsors pre-paid discount for lump sum annual contributions, which were to either continue, reduce or eliminate. He said each of the three approaches or options were supportable, each with their own advantages and disadvantages, and recommended that the Board choose one of the three options presented.

The first option was to continue the approach VCERA had taken over the last 20 years in offering the County of Ventura a pre-funding contribution discount that was equal to Plan's actuarial assumed rate. He noted that VCERA's actuaries have said that there is no impact on plan funding health with this approach because of the long-term nature of the retirement plan, investment gains and losses associated with discounts are amortized over future employer contributions, and employer contribution amounts are trued-up at the end of each year.

Under the second option to reduce, VCERA would continue to offer a pre-funding discount to the County of Ventura, but at a lower rate to account for the investment consultant's lower intermediate term, ten-year rate of return and consideration of a break-even cost of the additional tracking error risk.

Option 3 would be to discontinue offering a pre-funding contribution discount entirely. Such an action would likely end early lump sum prepayments and reduce, but not eliminate tracking error and sequence risk through dollar cost averaging.

Mr. Martin then presented NEPC's report on the option #2 analysis of a reduced lump sum pre-funding discount rate offered to the plan sponsor based instead on the consultant's 10-year expected return, and adjusted for the estimated tracking error cost of an early lump-sum payment of the employer's annual retirement contribution.

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Trustee Bennett asked if, given that valuations were down, whether that implied an increase in the ten-year assumed rate. Also, whether the massive increase in the money supply could trigger inflation at some point and signal a willingness by the federal government to do anything to keep asset prices up and keep the stock market up. If there were to be a period of prolonged higher inflation, would that not increase VCERA's assumed rate of return because asset prices would go up.

Trustee Sedell said that continuing to offer a pre-funding contribution discount would help the County of Ventura, during this time of loss of revenue due to COVID-19 and ultimately there would be no cost to the fund since the discount would be trued up later.

Trustee Wilson said that he also felt the same as Trustee Sedell regarding the discount, because the Board did not want to do anything that would monetarily hurt the County of Ventura. He then said that the Board should continue to offer the same discount and VCERA could true up the discount later.

Trustee Bennett said that the fiscal health of the County of Ventura was the ultimate backstop for VCERA, and eliminating the discount would not make sense. So, he agreed with both Trustee Sedell and Trustee Wilson that the Board should continue to offer the same pre-funding contribution discount.

Trustee Hintz noted that another consideration was that the County of Ventura was already half way through the preparations to sell the revenue anticipation notes to pay for the contribution to VCERA, and if the County of Ventura had to stop that process it would cause them to incur a large expense. Therefore, he also believed that the Board should continue to offer the same discount as in past years.

Trustee Goulet said that he would not dream of eliminating the pre-funding contribution discount entirely, but if the Board were to offer a 6% discount instead of the previous 7.25% the difference would not be that much since it was halved.

Trustee Hintz said that Trustee Goulet was correct and that he had been arguing for years that the cost of the bonds and the value of the discount had been shrinking every year.

Trustee Goulet said that he believed that it was the Board's obligation to do what is in the best interest of VCERA, not what is in the best interest of the County of Ventura. Therefore, if offering the previous discount to the County of Ventura did not hurt VCERA that would be fine, but if it hurt VCERA then they could not override that effect by doing what is better for the County of Ventura.

Trustee Sedell responded saying, that the Board and the County of Ventura were in it together and what effects the County effects VCERA because they were going to be paying for the cost of all those retirements eventually.

Trustee Roberts asked how the discount would be trued up at the end of the year.

Mr. Solis explained that for simplicity's sake, if the pre-funding discount were \$8 million, that would be the equivalent of the County being required to pay VCERA \$208,000,000, in employer contributions, for which they gave VCERA the pre-funded discount amount of \$200,000,000. Therefore, at the end of the year, VCERA would make the County whole by crediting the employer reserves by \$8,000,000 as if they contributed the equivalent of \$208,000,000, and the difference would be the equivalent of interest the County would have earned on the \$200,000,000 and credited to the employer reserve to make the County whole.

Trustee Bennett said that he did not agree that if there were any impact on VCERA, the Board should not help the County, since the members have a vested interest in the fiscal health of the County.

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Therefore, he rejected Trustee Goulet's premise, that if offering the County the same discount does not hurt VCERA, that it would be fine. Because if the decision to offer the discount makes the funder of last resort stronger, which was the County of Ventura, then it was the Board's responsibility because it was in the long-term best interest of VCERA's retirees.

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

MOTION: Approve the Recommended Option 1, to Continue to offer the County the Historical Full Actuarial Assumed Discount Rate, Currently at 7.25%.

Moved by Hintz, seconded by Sedell.

Vote: Motion carried

Yes: Ashby, Bennett, Goulet, Hintz, Roberts, Sedell, Wilson

No: -

Absent:

Abstain:

Trustee Goulet said that he voted yes on the presumption that the Board is not going to come back in 2 months and try to adjust it because the Board learned something new.

C. Preliminary Performance Report for Month Ending March 31, 2020.

**RECOMMENDED ACTION: Receive and File.**

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

MOTION: Receive and File.

Moved by Sedell, seconded by Ashby.

Vote: Motion carried

Yes: Ashby, Bennett, Goulet, Hintz, Roberts, Sedell

No: -

Absent: Wilson, Winter

Abstain:

**IX. OLD BUSINESS**

A. None.

**X. NEW BUSINESS**

A. iPad Refresh for Board Trustees, Executives and Administrative Staff.

**RECOMMENDED ACTION: Approve.**

1. Staff Letter by Chief Technology Officer, Leah Oliver.

Ms. Webb introduced Chief Technology Officer, Leah Oliver to present this item. Ms. Oliver informed the Board that the iPads they were currently using were reaching the end of their life cycle and she had presented some information to the Board regarding their options.

Trustee Wilson commented that he preferred the larger size of the current iPad, though he did not understand why Apple would only support the iPads for 3 years.

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Ms. Oliver explained that typically the life cycle of the device was 3 years, sometimes 4, dependent upon how long Apple would continue to provide updates the devices, because once that stopped, the devices would not receive updated security features. The current devices were still receiving updates, which meant that if the devices were not experiencing any battery issues and were functioning well, then the Board could use them and only replace the devices that had issues.

Trustee Bennett said that it has always been a source of frustration for him that Apple only supports their devices for a few years because it forced consumers to purchase new ones.

Trustee Bennett than said that he had another meeting to attend and would be logging out.

Trustee Bennett left the meeting at 11:36 a.m.

Trustee Sedell said that COVID-19 highlighted optimal devices and technology, and supported options 2 or 4.

Trustee Goulet noted he was able to find lower pricing online that that listed in the memorandum, and Ms. Oliver replied that the difference in the price was the Board was currently had LTE broadband capabilities, allowing them to connect even when secure WiFi was unavailable.

After discussion of the risks of using unsecure WiFi connections, Trustee Wilson said that feature would be worth the additional cost.

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

MOTION: Approve Preferred Option 2 and Approve the Cost to be Budgeted for Fiscal Year 2020/2021.

Moved by Sedell, seconded by Ashby.

Vote: Motion carried

Yes: Ashby, Bennett, Goulet, Hintz, Roberts, Sedell, Wilson

No: -

Absent: Bennett

Abstain:

B. Request to Engage Consultant for VCERA Managers Compensation Survey.  
**RECOMMENDED ACTION: Approve.**

1. Letter from Trustee Wilson.

Trustee Wilson reminded the Board that the MBA Committee was tasked by the Board to oversee the compensation study for VCERA's executive employees and they recommended the Board hire an individual to review the current job market for other pension funds under the 1937 Act for comparison to similar positions. The proposal from the committee to engage an individual that Trustee Sedell recommended who was very reasonably priced.

Trustee Sedell said that they need to select someone to conduct the survey as well as have the authority from the Board to engage Nossaman for a legal review of the contract.

Trustee Goulet said that he was concerned by having a local compensation analyst perform the study, because the Board would need to ensure that whoever was hired to conduct the study was completely

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independent and had no ties to the County of Ventura, because currently VCERA's executives' salaries were tied to the County. Also, he did not believe that it was sufficient to benchmark against systems with similar staffing membership and fund sizes, because that would be a limited number of systems. He believed that Board should have the compensation analyst use all 20 systems to make the comparison to get the median.

Trustee Sedell said that he agreed with Trustee Goulet to some degree, but if they requested that all 20 systems be used in the study it could skew the results since some of those systems were very small and other were much larger in comparison to VCERA. What the committee was really looking for in the study was areas our system would recruit employees from and vice versa.

Trustee Goulet said that he agreed to some point, since Mendocino County's system was so much smaller than VCERA and L.A. County's Retirement system was so much larger and they also handle retiree health benefits, unlike VCERA.

Trustee Sedell said that the committee could have the analyst remove outliers in the study. Also, the individual that the committee was looking to hire to conduct the study was previously employed by L.A. Parks and Recreation and the city of Simi Valley and had done all of Trustee Sedell fiscal analyses, though he was retired now. The potential analyst had also done some compensation studies for the cities of Fillmore and Santa Paula, was reasonably priced compared to other larger firms and had no ties to the County of Ventura.

Trustee Goulet asked who the preferred analyst was, and Trustee Sedell replied that it was Frank Catania.

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

**MOTION:** Engage Mr. Catania to Conduct the Manager Compensation Survey and Engage Ms. Dunning from Nossaman, LLC, for Legal Review and Authorize the Chair of the MBA Committee to Execute the Resulting Contract.

Moved by Wilson, seconded by Sedell.

Vote: Motion carried

Yes: Ashby, Goulet, Hintz, Roberts, Sedell, Wilson

No: -

Absent: Bennett

Abstain:

C. Quarterly Retirement Administrator's Report for January - March 2020.

**RECOMMENDED ACTION: Receive and File.**

**MOTION:** Receive and File.

Moved by Wilson, seconded by Sedell.

Vote: Motion carried

Yes: Ashby, Goulet, Roberts, Sedell, Wilson

No: -

Absent: Bennett, Hintz

Abstain:



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- D. Quarterly Chief Investment Officers Report for January - March 2020.  
**RECOMMENDED ACTION: Receive and File.**

MOTION: Receive and File.

Moved by Sedell, seconded by Roberts.

Vote: Motion carried

Yes: Ashby, Goulet, Roberts, Sedell, Wilson

No: -

Absent: Bennett, Hintz

Abstain:

**XI. CLOSED SESSION**

- A. PUBLIC EMPLOYEE PERFORMANCE EVALUATION  
Title: Retirement Administrator  
(Government Code section 54957(b)(1))
- B. PUBLIC EMPLOYEE PERFORMANCE EVALUATION  
Title: General Counsel  
(Government Code section 54957(b)(1))
- C. PUBLIC EMPLOYEE PERFORMANCE EVALUATION  
Title: Chief Investment Officer  
(Government Code section 54957(b)(1))

**XII. INFORMATIONAL**

- A. Special Report from Hanson Bridgett to SACRS Legislative Committee on COVID-19.

Trustee Goulet informed the Board that during the SACRS Legislative Committee meeting, it was mentioned that the CARES Act, which would only affect the deferred members, would allow them to withdraw their contributions; and while they would pay taxes on that withdrawal, they would be able to get a refund of those taxes when they filed their subsequent tax return. He said that a question that came up during that meeting was if an employee were on an unpaid leave, such as a work furlough, whether they could then buy that service credit back, which was something the Board should explore.

Ms. Webb said that staff could investigate that question.

Trustee Goulet also said that there was a bill introduced related to COVID-19 that would create a COVID-19 disability, likely a death presumption under the law, and the Governor was reputed to be considering an Executive Order that would make it a presumption for a short period of time for anyone listed in one of the essential occupations from his earlier orders.

**XIII. PUBLIC COMMENT**

None.

**XIV. STAFF COMMENT**

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Ms. Webb reported that staff had begun working on an election calendar for the vacated position of former Trustee Winter. The election would occur after July 1<sup>st</sup> and the winner would serve the remainder of Trustee Winter's term and a complete three-year term as well. VCERA's managers were also working on plans for staff's eventual return to the office while following all precautions and protocols.

She said that though staff had previously told the Board that they would be returning with an item to authorize pay codes that the Auditor-Controller had implemented for COVID-19 be applied to VCERA's 5 employees, the Auditor-Controller's Office had since indicated that the pay codes were mandated and did not require Board approval for them to apply.

VCERA continued to suspend the mailing of payroll advices to retirees, though were accommodating individual requests in special cases. Annual Benefit Statements for VCERA members had been mailed on schedule.

Trustee Bennett logged back in to the meeting at 12:03 p.m.

Trustee Hoag suggested that the Board postpone the Closed Session items until the next meeting.

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

MOTION: Table the Closed Session Items to the Next Meeting.

Moved by Wilson, seconded by Bennett.

Vote: Motion carried

Yes: Ashby, Bennett, Goulet, Roberts, Sedell, Wilson

No: -

Absent: Hintz

Abstain:

**XV. BOARD MEMBER COMMENT**

None.

**XVI. ADJOURNMENT**

The Chair adjourned the meeting at 12.06 p.m.

Respectfully submitted,



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LINDA WEBB, Retirement Administrator

Approved,

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ARTHUR GOULET, Chairman



May 4, 2020

Board of Retirement  
Ventura County Employees' Retirement Association  
1190 South Victoria Avenue, Suite 200  
Ventura, CA 93003

**SUBJECT: REQUEST FOR RECONSIDERATION OF BOARD ACTION TO ENGAGE  
CONSULTANT FOR VCERA MANAGERS' COMPENSATION SURVEY AND  
RECOMMENDATION TO POSTPONE**

On April 20, 2020, the VCERA Board of Retirement approved a market-based salary study of the total compensation of its five (5) executive employees, as recommended by the Market-Based Adjustment (MBA) Committee in accordance with the VCERA Management Employees' Resolution.

The five (5) impacted employees have expressed appreciation of the committee and Board's efforts on their behalf. They have requested, however, that given the current environment, as well as other factors facing VCERA and the community, to maintain the status quo and revisit this issue in 2021.

The ad-hoc MBA Committee members have discussed the executives' request and we support their request to postpone a salary study. We recommend that the Board revisit the issue in January of 2021.

William Wilson, Chair of Board &  
Market-Based Study Committee