

VENTURA COUNTY EMPLOYEES' RETIREMENT ASSOCIATION

BOARD OF RETIREMENT

FINANCE COMMITTEE MEETING

JUNE 15, 2023

AGENDA

PLACE: Ventura County Employees' Retirement Association
Second Floor, Boardroom
1190 S. Victoria Avenue, Suite 200
Ventura, CA 93003

The public may listen to the Public Session and offer comments by calling: +1 669-219-2599, using Meeting ID: 811-2963-3487. Persons may also submit written comments to 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.

Note: The Finance Committee may take action on any item on the agenda, and agenda items may be taken out of order.

TIME: 11:00 a.m.

ITEM:

I. CALL TO ORDER

A. Roll Call.

II. APPROVAL OF AGENDA

III. APPROVAL OF MINUTES

A. Finance Committee Meeting Minutes of May 15, 2023.

IV. OLD BUSINESS

A. Retiree Health Insurance Premium's Current Staff Eligibility Analysis.
RECOMMENDED ACTION: Receive and File.

1. Staff Letter by Chief Financial Officer.

2. Attachment A – Retiree Health Insurance Premium Coverage Analysis Result Summary.

3. Attachment A.1. – Retiree Health Insurance Premium Coverage Analysis Detail.

V. NEW BUSINESS

A. Fiscal Year 2022-23 Quarterly Financial Statements and Budget Summaries.
RECOMMENDED ACTION: Receive and File.

V. **NEW BUSINESS (continued)**

1. Staff Letter by Chief Financial Officer.
2. Financial Statements.
3. Budget Summaries.

B. Review of Draft Fiscal Year 2023-2024 Proposed Budget.
RECOMMENDED ACTION: Adoption.

1. Staff Letter by Chief Financial Officer.
2. Proposed Budget for Fiscal Year 2023-24.
3. Budget Presentation by Chief Financial Officer.
To be Provided.

VI. **PUBLIC COMMENT**

VII. **STAFF COMMENT**

VIII. **BOARD MEMBER COMMENT**

IX. **ADJOURNMENT**

VENTURA COUNTY EMPLOYEES' RETIREMENT ASSOCIATION

BOARD OF RETIREMENT

FINANCE COMMITTEE MEETING

MAY 15, 2023

MINUTES

**TRUSTEES
PRESENT:**

Arthur E. Goulet, Finance Committee Chair, Retiree Member
Jordan Roberts, General Employee Member
Tommie E. Joe, Public Member

**TRUSTEES
ABSENT:**

**STAFF
PRESENT:**

La Valda Marshall, Chief Financial Officer
Chris Ayala, Program Assistant

PLACE:

Ventura County Employees' Retirement Association
Second Floor, Boardroom
1190 S. Victoria Avenue, Suite 200
Ventura, CA 93003

TIME:

9:00 a.m.

ITEM:

I. CALL TO ORDER

A. Roll Call.

Chair Goulet called the Finance Committee meeting of May 15, 2023, to order at 11:00 a.m.

Roll Call:

Trustees Present: Art Goulet, Tommie Joe, Jordan Roberts.

Trustees Absent: -

II. APPROVAL OF AGENDA

MOTION: Approve.

Moved by Roberts, seconded by Joe

Vote: Motion carried

Yes: Joe, Roberts, Goulet

No: -

Absent: -

Abstain: -

III. APPROVAL OF MINUTES

A. Finance Committee Meeting Minutes of April 12, 2023.

Trustee Joe noted that the agenda stated the minutes were for the Finance Committee meeting of March 6, 2023, however, this was incorrect since the minutes in the agenda materials was for April 12, 2023.

MOTION: Approve the Minutes for the Finance Committee Meeting of April 12, 2023.

Moved by Roberts, seconded by Joe

Vote: Motion carried

Yes: Joe, Roberts, Goulet

No: -

Absent: -

Abstain: -

IV. OLD BUSINESS

A. Post Retiree Health Insurance Payment - Potential Liability Analysis.

1. Staff Letter by Chief Financial Officer.

2. Ventura County Management, Confidential Clerical and Other Unrepresented Employees Resolution, Date March 8, 2022 (Section 504).

3. VCERA and County of Ventura, Human Resources MOU.
4. Retiree Health Insurance Premium Projected Annual Liability per Eligible Retiree (Fiscal Year 2022-23 to 2032-33).

Ms. Marshall said staff was requesting a discussion regarding the provided report on the potential liability of the Post Retiree Health Insurance Payment to eligible employees, and staff would be happy to answer any questions from the Finance Committee.

Chair Goulet stated the analysis did not go as far enough as he had hoped it would, since he believed it should list anybody that was currently working for VCERA, and that would be receiving the benefit in the future.

Ms. Marshall said she understood, and so she would go back and include any employees that were in line to receive the benefit and bring the updated report back to the Finance Committee.

Chair Goulet then suggested she use age 60 as the age for retirement in her report and see what VCERA's liability was in the next 5 years.

Ms. Marshall said she was not sure if the committee members had noticed, but there was a former VCERA employee who had been receiving the benefit, but had passed away, however, the County and VCERA were not aware of her death, so VCERA was continuing to be charged for the benefit. Staff was now seeking a refund from the County for the overpayment.

Chair Goulet said staff should bring the item back at the next committee meeting.

B. Internal Audit - Discussion.

1. Staff Letter by Chief Financial Officer.
2. Attachment A - Internal Audit Service Types.

Ms. Marshall explained that staff would like to discuss and receive direction from the committee regarding Internal Audit Services for VCERA. She reminded them that the agenda item had been previously provided to the Board of Retirement in August 2021, however, staff was directed to perform further research to find Internal Auditors to send an RFP to and to bring back a proposed RFP to the Finance Committee for their review. Later, in January 2022, staff had provided the committee with a status of the request, and staff announced that the item had been paused due to the availability of the CFO, who was focusing on the ACFR at the time. Staff was now requesting direction from the committee on the type of audit they think should be performed, and staff would also be contacting other retirement systems under CERL to gather information to develop the RFP.

Chair Goulet asked Ms. Marshall if she had any preferences on the type of audit they should have done.

Ms. Marshall said she was favoring an Internal Audit that was focused on the Operational side of VCERA.

Trustee Joe asked, in light of the additional work related to the Alameda Decision, did staff have the time to engage in an internal audit.

Ms. Marshall replied that based on what she's heard, probably not, but she did not know what the auditors would need from staff to conduct an internal audit. However, she would speak to the other retirement systems under CERL to get a better idea of what it would entail.

Trustee Joe then asked her if she believed an internal audit would not be done this fiscal year.

Ms. Marshall said it would be difficult enough for staff to issue an RFP to potential vendors in the current fiscal year.

Trustee Joe remarked that he was in agreement that the committee should consider conducting an Operational Internal Audit, since he believed that was what the consensus was during previous discussions.

Chair Goulet said it may be beneficial for VCERA to wait until they were in the middle of the Alameda Corrections project, because they may be able to learn from an internal audit how they might have done it better.

Trustee Roberts asked if they should bring the issue to the full Board since they had expressed interest in an internal audit.

Chair Goulet then said they should make a recommendation to the Board that an internal Audit be delayed until VCERA was well underway with the Alameda Corrections project. Therefore, it may not be performed until the next fiscal year or the year after that. However, he would suggest the funds be carried over, so there would be funds budgeted for the next fiscal year in the event they were able to have it done then.

Trustee Roberts asked what Ms. Marshall thoughts were on having a Compliance Audit as well, which he believed could prove to be useful, and he also thought they should consider having it done after the Alameda Implementation process was well under way.

Ms. Marshall stated she believed it was a great idea, since that type of audit would focus on processes, systems, policies, plans and the whole foundation that supported it. Therefore, once staff had completed the Operational Audit engagement, staff may recommend a limited scope and then with their direction, staff may recommend widening the scope to include the compliance piece.

MOTION: Recommendation to the Board that an Internal Audit be Postponed this Fiscal Year, and Possibly Until VCERA was well Under Way with the Alameda Corrections.

Moved by Joe, seconded by Roberts

Vote: Motion carried

Yes: Joe, Roberts, Goulet

No: -

Absent: -

Abstain: -

V. NEW BUSINESS

A. Actuarial Audit – RFP Development.

1. Staff Letter by Chief Financial Officer.

2. Draft RFP for Actuarial Audit (Redline).

Ms. Marshall reminded the committee that they had previously requested that staff develop an RFP and submit it to them for review and approval. Staff would then issue the RFP to the identified candidates and review the responses to make a recommendation to Board for the selection of the firm for engagement.

Trustee Joe asked, what exactly did the Board approve regarding the Actuarial Audit; was it that the committee would issue the RFP and evaluate the responses to make a recommendation to the Board or was it to have staff complete these tasks.

Chair Goulet stated staff would be involved as well as the committee because the proposals would be submitted to staff, and after they had been evaluated, staff would return to the committee with their evaluation and recommendation for the selection of an Auditor. The committee would then consider staff's recommendation and return to the Board with a recommendation for approval of an engagement with an Auditor, since the Board's policy stated that items related to Actuarial Services had to be approved by the Board.

Trustee Joe said the reason he was asking was that previously the Finance Committee had issued an RFP to engage with a vendor for a Compensation Study, and staff then received the responses to the RFP, but it was up to Compensation Study Committee to determine the criteria for evaluation and to make a recommendation to the Board for selection of a vendor.

Chair Goulet replied that the process would be similar to that and ultimately there would be a recommendation to the Board. So, the committee would be considering the approval of staff's draft staff letter to the Board of Retirement as well as the proposed RFP. The Board would then direct staff to issue the RFP to the identified candidates, which was one of the problems with staff's letter, since the vendors were not identified. Staff would need to include a list of candidates to go along with the staff letter, and the candidates should have experience with conducting actuarial audits of other CERL retirement systems.

He then said that he also had a correction for the staff letter. On page 2 it said, "approval be the Board of Retirement in August 2023", however, there were no board meetings in August, so they wouldn't be able to review it then.

Ms. Marshall thanked Chair Goulet for pointing out the issue. She also said she would change the date accordingly.

Chair Goulet said as for the proposed RFP, on page 1, Ms. Marshall had changed the word, "shall" to "should", but was not sure why, because it did not need to be changed. Then on page 4, under the *Amortization Period* section, it stated, "in 2004 the Board elected to amortize the Unfunded Actuarial Accrued Liability (UAAL) as of June 30, 2004, over declining 15-year closed period, but it was irrelevant because that segment of the UAAL had been paid off. The next sentence in that section stated, "Actuarial gains and losses after June 30, 2004 are also amortized over 15-year periods, but it should be corrected to say June 30, 2006. In the next paragraph, where it said, "Also, any change in the UAAL that arises due to retirement incentives...", should say instead, "any change in the UAAL that may arise due to retirement incentives". At the top of page 8, in the first sentence under item 2, the word, "years" possessive to "years", not possessive. Also, on page 12, in the *Proposal Organization* section, were it enumerated how the proposal should be organized, but the numbering was now off because there were now two number 4's in the list.

Trustee Roberts also noticed the numbering was incorrect on page 11 and 12, in the section called, *Additional Required Information*.

Chair Goulet then said there were 2 references to dates in August again in the *Interviews* and *Final Notification* sections, which should be corrected.

Ms. Marshall thanked Chair Goulet and the committee for their feedback and said she would make the necessary corrections.

MOTION: Approve the Draft Letter to the Board of Retirement as well as the Revised RFP.

Moved by Roberts, seconded by Joe

Vote: Motion carried

Yes: Joe, Roberts, Goulet

No: -

Absent: -

Abstain: -

B. Finance Committee Charter – Update.

1. Staff Letter by Chief Financial Officer.
2. Charter: Finance Committee (Redline).

Ms. Marshall noted the Finance Committee Charter was scheduled to be reviewed every 3 years, and it was last reviewed in May 2021, however, due to the significance of the proposed updates staff was recommending certain updates now.

Trustee Joe noticed in the redline version of the charter, in section I, *Introduction*, it stated that the Finance Committee was to be comprised of not fewer than 4 trustees, however, they currently only had 3 members.

Chair Goulet said the Chair of the Board of Retirement had never appointed a 4th member to the committee. Therefore, since he was not inclined to appoint a 4th member, maybe they should change it to 3 trustees.

Trustee Roberts asked if this was due to composition of the Board of Retirement at that time, because there was a time when there were a few vacant seats on the Board.

Chair Goulet said that could be the case, since the Board was concerned with having a quorum necessary to hold a meeting, at that time. He then said he had another suggested edit to the charter, on page 3, where it stated the committee would meet at least 4 times a year, which was inconsistent with section II.1.d., which said the committee had a requirement to meet once a year.

Ms. Marshal explained the reason for the statement on page 3 and said the reason she added the language in question was because she thought the committee would meet 4 times a year because of the yearly audit.

Chair Goulet then said section II.1.d., stated, "the committee shall meet at least annually but at may meet as frequently as is deemed necessary by the Chair of the committee, in consultation with the Retirement Administrator", so they could meet as many times as they deem necessary. So, he did

not see a need for that particular sentence in the section. Therefore, the first sentence on page 3 said, "Meet at least four times a year, with the option to hold additional meetings as needed", should be removed.

Ms. Marshall then said she would remove the first sentence.

MOTION: Approve Proposed Changes, as noted and Bring them to the Full Board.

Moved by Roberts, seconded by Joe

Vote: Motion carried

Yes: Joe, Roberts, Goulet

No: -

Absent: -

Abstain: -

C. Annual Administrative Budget Policy – Update.

RECOMMENDED ACTION: Approve.

1. Staff Letter by Chief Financial Officer.
2. Annual Administrative Budget Policy (Redline).

Ms. Marshall said the Annual Administrative Budget Policy was also scheduled to be reviewed every 3 years, but it was last reviewed in June 2023. She also wanted to point out that there was typically 2 board meetings in June, and staff would bring the new proposed budget to the Board at their 1st meeting, then if staff received any suggested edits at that meeting they could incorporate them and bring back the updated proposed budget to the Board at the 2nd meeting, however, under the new Board of Retirement Meeting Calendar, there was only one meeting scheduled in June.

Chair Goulet said he noticed that as well, and they should change it somehow, although that was assuming that a similar meeting calendar would be kept for the succeeding years, which may or may not be the case. So, he believed when the policy was presented to the Board, it should be pointed out.

Ms. Marshall also noted there was a requirement that the budget be posted publicly at least 25 days before it was approved by the Board.

Trustee Joe asked if VCERA had been adhering to the requirement.

Ms. Marshall said it was her understanding they had been in compliance with that requirement, although it may not have been the final version that was presented initially.

Trustee Joe then noted in Section III.13.a. stated, "The Board will hold a public hearing to consider the proposed budget at a combines June Disability and Business meeting", but it should say, "proposed budget at a combined June Disability and Business meeting".

Chair Goulet said on page 3, in Section III.11.b., the language there seemed awkward and so he was not sure of its meaning.

Ms. Marshall said the intention of the sentence in question was to state that the budget process was in the Finance Committee's queue and the committee also made the recommendation regarding the budget to the Board.

Chair Goulet asked if it would be better to have it state, "The Finance Committee shall review the proposed budget and after deliberation recommend a proposed budget to the Board". He also had a concern using the term *Annual Administrative Budget Policy*, rather than *Annual Budget Policy*, because when the Board adopts a budget, it adopts the administrative items as well as other the items listed in the budget. Therefore, it seemed to him that the title of the policy should be changed and the term, "administrative" should be struck from throughout the policy. He also believed the policy should state how the cost of investments were handled, because the cost of investments should be born from the earnings of the investments, which was from the statute as well.

MOTION: Approve with Amendments, as Noted.

Moved by Roberts, seconded by Joe

Vote: Motion carried

Yes: Joe, Roberts, Goulet

No: -

Absent: -

Abstain: -

VI. PUBLIC COMMENT

None.

VII. STAFF COMMENT

Ms. Marshall said she wanted to thank the Finance Committee for attending the meeting and their feedback.

VIII. BOARD MEMBER COMMENT

None.

IX. ADJOURNMENT

The Chair adjourned the meeting at 9:59 a.m.

Approved,

ART GOULET, Finance Committee Chair



June 15, 2023

Finance Committee
Ventura County Employees' Retirement Association
1190 South Victoria Avenue, Suite 200
Ventura, CA 93003

SUBJECT: RECEIVE AND FILE – RETIREE HEALTH INSURANCE PREMIUM'S CURRENT STAFF ELIBILITY ANALYSIS.

Dear Finance Committee:

On May 15, 2023 staff presented the Finance Committee (FC) with a Retiree Health Insurance Premium potential liability analysis. The analysis was a per retiree/per fiscal year projected cost-based analysis report. After a brief discussion, with the FC, staff agreed to perform an analysis determining any employee that is in line to receive the Retiree Health Insurance Premium benefit and bring the outcome report back to the FC at its next meeting, on June 15, 2023.

For discussion at today FC meeting, staff has performed an analysis determining the current VCERA staff, eligible to retire at age 60, within the next 5 years, and eligible for this Retiree Health Insurance Benefit. Attachment A displays the analysis result summary. Attachment A.1 displays the analysis detail.

RECOMMENDATION: RECEIVE AND FILE – RETIREE HEALTH INSURANCE PREMIUM'S CURRENT STAFF ELIBILITY ANALYSIS.

Staff will be happy to answer any questions, at today's Finance Committee meeting.

Sincerely,

La Valda R. Marshall
Chief Financial Officer

Attachment: A. Retiree Health Insurance Premium Coverage Analysis Result Summary
A.1 Retiree Health Insurance Premium Coverage Analysis Detail

Retiree Health Insurance Premium Coverage Analysis Result Summary

Governance: County of Ventura - Management, Confidential Clerical and Other Unrepresented Employees Resolution – Section 504. Retiree Health Premium Coverage.

Sec. 504: Retiree Health Premium Coverage: Notwithstanding any other provision in this Article, **the County shall contribute an amount for the purpose of health plan premium payments to non-probationary employees covered by this resolution who retire after July 1, 1999**, under Ventura County's retirement plan administered by the Ventura County Employee's Retirement Association. The amount of the County's contribution to such retirees shall be equal to the monthly equivalent of the premium charged to active employees for the Ventura County Health Care Plan "VCHCP." **Payment of the established amount shall be made directly to the retiree. A retiree's eligibility to receive such health premium allowance shall be based upon the retiree's longevity as an employee of the County of Ventura as follows: for every five (5) full years of service completed with the County of Ventura the retiree shall be entitled to one year of health premium allowance;** provided, however, that in no event shall the health premium contribution extend beyond five years from the date of retirement. **The above provisions apply only to employees covered by the Management Resolution before July 3, 2005.** The Board of Supervisors reserves the right to modify or eliminate this health premium allowance benefit at any time as it may apply to active employees.

Analysis Result Summary

Step	Staff Count	Non-Probationary Employees who retire will after July 1, 1999	Employees Covered by the Management Resolution BEFORE July 3, 2005.	Retirement Health Insurance Premium Eligible Staff	Years of Service As of FY 22-23	Benefit (1 year Insurance for every 5 years of service – MAX 5 yr. benefit)
1	33	33	Move to Step 2			
2	33	33	10	Move to Step 3		
3	33	33	10	1	32	5

Note: One (1) staff member meets the below criteria: Would retire after July 1, 1999, covered by the Management Resolution before July 3, 2005, and currently age 62 or older.

Retiree Health Insurance Premium Coverage Analysis Detail

STEP 1 - VCERA Staff.

Reference No.	Initials	Start Date	Rehire Dt	Applicable for Step 2 TEST
1	J. A.	4/20/2009	3/6/2011	NO
2	D. A.	1/13/2003	1/13/2003	YES
3	T. A.	3/31/2003	3/31/2003	YES
4	L. B.	11/6/2016	11/6/2016	NO
5	S. B.	6/13/2010	6/13/2010	NO
6	S. B.	5/24/2010	10/31/2010	NO
7	E. B.	3/22/2020	4/19/2020	NO
8	T. C.	6/19/2005	6/19/2005	YES
9	A. D.	2/21/2021	2/21/2021	NO
10	D. G.	5/3/2015	10/9/2016	NO
11	C. G.	9/11/2011	9/11/2011	NO
12	M. H.	10/4/1999	10/4/1999	YES
13	A. H.	4/3/2017	1/8/2023	NO
14	N. J.	7/7/2014	7/7/2014	NO
15	S. M.	10/16/2022	10/16/2022	NO
16	K. M.	12/16/2013	12/16/2013	NO
17	L. M.	7/15/2007	5/31/2022	NO
18	L. N.	8/5/1991	10/23/2016	YES
19	S. N.	1/6/2003	8/17/2014	YES
20	L. O.	1/16/2009	3/2/2014	NO
21	C. O.	9/16/2001	12/16/2018	YES
22	B. O.	6/5/2011	6/5/2011	NO
23	J. P.	11/3/2013	11/3/2013	NO
24	V. P.	1/26/2020	1/26/2020	NO
25	D. R.	4/27/2003	4/27/2003	YES
26	M. S.	9/23/2018	9/23/2018	NO
27	G. S.	4/21/2012	5/29/2012	NO
28	A. T.	3/17/2002	3/17/2002	YES
29	J. V.	9/4/2018	9/4/2018	NO
30	R. V.	7/1/2007	7/1/2007	NO
31	S. W.	8/31/2014	8/31/2014	NO
32	C. W.	12/15/2003	12/15/2003	YES
33	L. W.	1/12/2015	10/9/2016	NO

STEP 2 - Staff covered by the Management Resolution before July 3, 2005.

Reference No.	Initials	Start Date	Rehire Dt	Applicable for Step 2 TEST	BD Year	FY 22-23 Age	Date Eff. Mgmt Benefits	Mgmt. Resolution Before 07.03.05 Step 3 Applicable
2	D. A.	1/13/2003	1/13/2003	YES	1967	56	2009	No
3	T. A.	3/31/2003	3/31/2003	YES	1976	47	2012	No
8	T. C.	6/19/2005	6/19/2005	YES	1979	44	2018	No
12	M. H.	10/4/1999	10/4/1999	YES	1979	44	2009	No
18	L. N.	8/5/1991	10/23/2016	YES	1961	62	1991	Yes
19	S. N.	1/6/2003	8/17/2014	YES	1975	48	2007	No
21	C. O.	9/16/2001	12/16/2018	YES	1980	43	2020	No
25	D. R.	4/27/2003	4/27/2003	YES	1981	42	2013	No
28	A. T.	3/17/2002	3/17/2002	YES	1971	52	2009	No
32	C. W.	12/15/2003	12/15/2003	YES	1967	56	2015	No

STEP 3 - Staff Eligible for the Retiree Health Insurance Coverage

Reference No.	Initials	Start Date	Rehire Dt	Applicable for Step 2 TEST	BD Year	FY 22-23 Age	Date Eff. Mgmt Benefits	Mgmt. Resolution Before 07.03.05 Step 3 Applicable	Eligible Years	Years of Entitlement
18	L. N.	8/5/1991	10/23/2016	YES	1961	62	1991	Yes	32	5



June 26, 2023

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

SUBJECT: RECEIVE AND FILE FISCAL YEAR 2022-23 QUARTERLY FINANCIAL STATEMENTS AND BUDGET SUMMARIES.

Dear Board Members:

Executive Summary

Staff has completed third quarter financials for fiscal year (FY) 2022-23 that ended on March 31, 2023. Overall, the pension plan's net position was \$7.3 billion as of March 31, 2023, increasing \$275.1 million as compared to June 30, 2022 restated.

With respect to VCERA's Operating Budget, the board adopted a total budget of \$12.0 million, inclusive of Contingency (\$0.8 million) for FY 2022-23. The Operating budgets are comprised of expenditures that are subject to a statutory limitation [Government Code (GC) sec.31580.2(a)] and those that are exempt from the statutory limitation (GC sec. 31580.2(b) and 31596.1). Overall seventy-five percent (75.0%) of the fiscal year has elapsed and actual expenditures were 60.6% of budget. This is due to position vacancies for both budgeted FTE's and extra-help positions that have not been filled. Service and Supplies and Technology costs are at 72.8% and 61.3% of budget. However, post pandemic, staff is allowed to continue to part-week work remotely which may be contributing to the savings. Currently the Administration budgets that are subject to the statutory limitation are in compliance with the limitation.

The financial statements and budget summaries were presented and reviewed by the Finance Committee at its June 15, 2023 meeting.

Financial Statements

VCERA produces the following unaudited financial statements and supporting schedules which accompany this letter.

1. Statement of Fiduciary Net Position
2. Statement of Changes in Fiduciary Net Position
3. Investments, Cash and Cash Equivalents
4. Schedule of Investment Management Fees
5. Statement of Reserves (only produced at FY end)

Statement of Fiduciary Net Position: This statement reports the pension plan's financial position as of a particular date and is comprised of assets, plus deferred outflows of resources, minus liabilities, minus deferred inflows of resources.

Statement of Changes in Fiduciary Net Position: This statement reports the pension plan's inflows and outflows of resources that increased and decreased its net position. Additions include contributions from employers and plan members, and net investment income. Deductions include benefit payments, administration, and other expenses.

Investments, Cash and Cash Equivalents: This schedule details investments, cash/cash equivalents for each respective investment manager.

Schedule of Investment Manager Fees: This schedule provides a detailed listing of fees paid to each investment manager for their respective investment mandate.

Statement of Reserves: This statement lists the reserves and balances of the pension plan adopted by the board of retirement that comprise the pension plan's net financial position. This statement is only produced at fiscal year-end.

Budget Summaries

The attached budget summaries compare the adopted budgets for respective cost centers to actual expenses incurred through a specific period to ensure compliance with applicable Government Codes that govern the pension plans expenses. GC sec. 31580.2(a) limits total administration expenses, which are direct charges against earnings of the Fund, and, in VCERA's case, may not exceed 0.21% (\$15,025,300) of the accrued actuarial liability of the system, which was \$7,154,885,000 at the end of the 20-21 FY. GC sec. 31580.2(b) excludes from administration expenditures for computer software, computer hardware, and computer technology consulting services in support of these products. Finally, GC sec. 31596.1 provides that expenses of investing monies shall not be considered a cost of administration but as a reduction in earnings from those investments or a charge against the assets of the system.

The following table shows the applicable GC section and the attached budget summaries used to capture actual expenditures to demonstrate compliance.

FISCAL YEAR 2022-23 Q-3 FINANCIAL STATEMENTS AND BUDGET SUMMARIES

June 26, 2023

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Total Operating Budget						Adopted	Actual YTD	Variance Over/(Under)	Percent Expended
Administration - Subject to Statutory Limit						\$7,601,607	\$4,781,027	(\$2,820,580)	62.89%
Exempt from Statutory Limit						3,568,643	2,504,658	(1,063,985)	70.19%
Contingency						861,500	0	(861,500)	0.00%
Total Operating Budget						\$12,031,750	\$7,285,685	(\$4,746,065)	60.55%

Administration - Subject to Statutory Limit						Statutory Limit	Adopted	Actual YTD	Variance Over/(Under)	Percent Expended
GC 31580.2(a)						\$15,025,300	\$7,601,607	\$4,781,027	(\$2,820,580)	62.89%
Administration						\$5,726,457	\$3,679,061	(\$2,047,396)	64.25%	
I/T-Support						\$1,124,350	\$650,520	(\$473,830)	57.86%	
Admin-Disability						\$750,800	\$451,446	(\$299,354)	60.13%	

Exempt from Statutory Limit						Statutory Limit	Adopted	Actual YTD	Variance Over/(Under)	Percent Expended
GC 31580.2(b) and GC 31596.1						\$0	\$3,568,643	\$2,504,658	(\$1,063,985)	70.19%
Investment Expense							\$994,198	\$643,062	(\$351,136)	64.68%
Information Technology I/T							\$997,345	\$609,304	(\$388,041)	61.09%
Other Expenses							\$1,577,100	\$1,252,291	(\$324,809)	79.40%

Salaries & Employee Benefits: Overall Salaries and Employee Benefits, with a \$6,545,240 annual budget, **is approximately \$4,045,505 expended.** The \$2,499,735 or 38.2% under annual budget variance is mainly due to permanent and extra-help temporary staff vacancies, vacation redemptions and correlated benefits. Regular Salaries were \$1,554,299 or 36.8% under budget due to staff vacancies. Correlated benefits were \$707,534 or 36.8% under budget due to staffing vacancies. Extra-Help/Temporary Services were \$205,288 or 88.4% under budget due to less than anticipated staffing needs. Vacation Redemptions of \$32,614 or 19.4% under budget due to lower than anticipated staff vacation redemptions and retirements occurring by third quarter.

Services & Supplies: Overall Service and Supplies, with a \$3,532,165 annual budget, **is approximately \$2,570,773 expended.** The \$961,392 or 27.2% under annual budget variance is mainly due to slightly lower than anticipated demand for numerous services and supplies.

This is the result of (\$71,035) higher than anticipated spending by the third quarter in the following categories: Actuary-415 calculations, miscellaneous hourly consultation, Valuation and GASB 67 are (\$40,346) higher due to necessity demand. Fiduciary Liability is (\$23,226) higher due to an annual premium that is 21% higher than budget. Postage is (\$6,185) higher due to increased mailing volume for the Alameda correction and other required member notifications mailings. Building Operating Expenses are (\$1,278) over budget due to a slight increase in the VCERA share of the community area charges (CAM).

Offset by the \$1,032,427 lower than anticipated spending and unused 4th quarter budget in the following categories: Depreciation/Amortization is \$388,299 under budget which is the 4th quarter's budget for next quarter's expense. Legal is \$185,268 under budget due to pending legal services and billing lag. Staff and Trustee Training, Travel and Mileage line items are a combined \$138,551 under budget due to lower than anticipated local and out of town travel and virtual conference attendance. Rents/Leases-Structures is \$74,500 under budget is due to unused 4th quarter budget. Auditing is \$60,000 under budget due to the internal audit services not occurring this FY. Hearing Officers line item is \$58,976 under budget due to lower than anticipated service need at quarter 3. Other

June 26, 2023

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Professional Services is \$47,338 under budget due to unused budget for 4th quarter services. Other various Services and Supplies are \$45,123 under budget due to unused budget for 4th quarter services. Cost Allocation Plan cost are \$24,872 lower due to the lag in billing for the 3rd and 4th quarters. Board Member Stipend is \$9,500 under budget due to the revised board calendar which reduced the number of annual board meetings.

Information Technology: Overall Information Technology, with a \$1,092,845 annual budget, *is approximately \$669,407 expended.* The \$423,438 or 38.7% under budget variance is mainly due to lower than anticipate IT needs and unused 4th quarter budget. IT Hardware and Infrastructure Support is \$166,592 under budget due to staff continuing to work remotely from home requiring less use of budgeted resources. Software Licenses, Maintenance, and Data Communication & Cyber Security expenses is \$136,913 lower due to fewer software needs and a lower number of system tests occurring to ensure appropriate security of VCERA's various systems. Vitech (V3) Software and Hosting is \$94,995 lower due to lower than anticipated service level demand and unused 4th quarter budget. Cloud and Website services is \$24,938 due to lower than anticipated service level demand.

Staff continues working remotely, 1 – 4 days per workweek, which is contributing to the overall lower Information Technology services.

Contingency: Overall Contingency, with an \$861,500 annual budget, **has not expended contingency funds.** The Contingency line item is 100% underbudget.

RECOMMENDED ACTION: Receive and File the FISCAL YEAR 2022-23 QUARTERLY FINANCIAL STATEMENTS AND BUDGET SUMMARIES.

While there are some budget line-item variances, by category: Salaries and Benefits, Services and Supplies, Technology and Contingency, the percent expended did not exceed the budget in any of the categories. There is sufficient budget to cover projected 4th quarter expenditures.

I would be happy to respond to any questions you may have on this matter.

Sincerely,



La Valda R. Marshall
Chief Financial Officer

Attachments:
Financial Statements
Budget Summaries

Ventura County Employees' Retirement Association
Statement of Fiduciary Net Position
As of March 31, 2023 (Unaudited)

Assets

Cash & Cash Equivalents **\$183,557,212**

Receivables

Interest and Dividends	5,580,092	
Securities Sold	22,798,653	
Miscellaneous	56,856	
Total Receivables	28,435,601	28,435,601

Investments at Fair Value

Domestic Equity	1,902,077,134	
Non U.S. Equity	1,082,607,514	
Global Equity	738,460,175	
Private Equity	1,290,885,834	
Fixed Income	828,963,046	
Private Credit	429,773,484	
Real Assets	889,074,264	
Cash Overlay	(96,315)	
Total Investments	7,161,745,135	7,161,745,135

Capital Assets,		
Net of Accumulated Depreciation & Amortization	8,428,344	8,428,344

Total Assets		7,382,166,292
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Liabilities

Securities Purchased	40,773,071	
Accounts Payable	2,109,283	
Tax Withholding Payable	4,067,806	
Lease Liability	1,694,155	
Deferred Revenue (PrePaid Contributions)	33,115,579	
	81,759,893	

Total Liabilities		81,759,893
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Net Position Restricted for Pensions		\$7,300,406,399
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***Ventura County Employees' Retirement Association
Statement of Changes in Fiduciary Net Position
For the Nine Months Ending March 31, 2023 (Unaudited)***

ADDITIONS

Contributions

Employer	\$126,326,965	
Employee	66,563,639	
Total Contributions	<u>192,890,604</u>	192,890,604

Investment Income/(Loss)

Net Appreciation (Depreciation) in Fair Value of Investments	352,961,557	
Interest Income	14,248,377	
Dividend Income	5,573,945	
Other Investment Income	15,633,901	
Real Estate Operating Income, Net	12,298,913	
Securities Lending Income	1,662,363	
Total Investment Income/(Loss)	<u>402,379,057</u>	

Less Investment Expenses

Management & Custodial Fees	28,966,226	
Other Investment Expenses	643,062	
Securities Lending Borrower Rebates	1,464,877	
Securities Lending Management Fees	65,665	
Total Investment Expenses	<u>31,139,831</u>	

Net Investment Income/(Loss)		<u>371,239,227</u>
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Total Additions		564,129,830
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DEDUCTIONS

Benefit Payments	276,343,602	
Member Refunds and Death Benefit Payments	6,069,598	
Administrative Expenses	4,781,027	
Other Expenses	1,861,595	
Total Deductions	<u>289,055,822</u>	289,055,822

Net Increase/(Decrease)		275,074,008
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Net Position Restricted For Pensions

Beginning of Year		<u>7,025,332,391</u>
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Ending Balance		<u><u>\$7,300,406,399</u></u>
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Ventura County Employees' Retirement Association
Investments, Cash, and Cash Equivalents
As of March 31, 2023 (Unaudited)

	Investments	Cash & Cash Equivalents
Equity		
Domestic Equity		
Blackrock - Russell 1000	1,660,303,603	0
Blackrock - Russell 2500	84,703,191	0
Western Asset Enhanced Equity Index Plus	157,070,339	16,036,303
Total Domestic Equity	1,902,077,134	16,036,303
Non U.S. Equity		
Blackrock - ACWI ex - US	552,385,520	0
Sprucegrove	259,522,558	0
Walter Scott	270,699,436	0
Total Non U.S. Equity	1,082,607,514	0
Global Equity		
Blackrock - ACWI Index	738,460,175	0
Total Global Equity	738,460,175	0
Private Equity		
Abbott Secondaries	27,887,373	0
Abry Partners	12,469,513	0
Adams Street Partnership	249,511,926	0
Advent Int'l	13,931,730	0
Astorg	13,267,312	0
Battery Ventures	45,440,000	0
Buenaventure One	197,716,982	0
Buenaventure Two	1,348,397	0
CapVest Equity Partners	10,919,935	0
Charlesbank	16,597,539	0
Clearlake Investors	49,501,289	0
CRV XVIII	14,239,174	0
CVC Capital Partners VIII	12,099,794	0
Drive Capital	39,484,137	0
ECI 11 GP LP	9,502,704	0
Flexpoint	9,924,323	0
Genstar Capital	26,220,509	0
GGV Capital	30,187,123	0
Great Hill Partners	8,176,358	0
Green Equity Investors	14,234,486	0
GTCR Fund XII	48,429,339	0
HarbourVest	153,563,404	0
Hellman & Friedman	38,606,464	0
Insight Ventures Partners	49,849,167	0
Kinderhook Capital	4,666,996	0
MC Partners	8,073,348	0
Oak/HC/FT	33,042,937	0
Pantheon	64,833,669	0
Prairie Capital VII	3,974,905	0
Resolute Fund IV LP	31,572,672	0
Ridgemont Equity Partners IV LP	1,580,553	0
TA XIII-A	17,717,732	0
The Riverside Fund V LP	17,459,140	0
Vitruvian IV	14,854,902	0
Total Private Equity	1,290,885,834	0

Ventura County Employees' Retirement Association
Investments, Cash, and Cash Equivalents
As of March 31, 2023 (Unaudited)

	Investments	Cash & Cash Equivalents
Fixed Income		
Blackrock - Bloomberg Barclays Aggregate Index	158,436,170	0
Loomis Sayles Multi Sector	71,549,300	12,274,040
Loomis Sayles Strategic Alpha	46,522,423	0
Reams	281,451,192	462
Reams - US Treasury	75,746,405	836,352
Western Asset Management	195,257,556	14,128,306
Total Fixed Income	828,963,046	27,239,160
Private Credit		
Arcmont	17,496,063	0
Bridge Debt Strategies	37,625,178	0
Carval Investors	46,905,594	0
Monroe Capital	46,891,759	0
Pimco Corporate Opportunities	119,561,316	0
Torchlight Debt Fund	15,262,095	0
Crayhill Principal Strategies Debt Fund	12,649,330	0
HarbourVest	18,096,262	0
Cross Ocean	15,598,524	0
Bain Capital	3,067,847	0
Arbour Lane	13,672,912	0
Crescent Cove Opportunities	12,597,264	0
Pantheon Private Debt	34,843,527	0
VWH Partners	20,768,911	0
HarbourView Royalties Fund	14,736,901	0
Total Private Credit	429,773,484	0
Real Assets		
Bridgewater All Weather	136,491,055	0
Alterra IOS Venture	21,828,742	0
Brookfield Infrastructure	49,693,814	0
HarbourVest	63,417,813	0
LaSalle	62,501,672	0
Prudential Real Estate	212,869,196	0
Tortoise (MLPs)	108,102,758	3,633,335
UBS Realty	234,169,214	0
Total Real Assets	889,074,264	3,633,335
Parametric (Cash Equitization)	(96,314)	54,819,765
State Street Bank and Trust		74,673,183
County of Ventura Treasury		7,155,466
Total Investments, Cash, and Cash Equivalents	\$7,161,745,135	\$183,557,212

Ventura County Employees' Retirement Association
Schedule of Investment Management Fees
For The Nine Months Ending March 31, 2023 (Unaudited)

Equity Managers

Domestic Equity

Blackrock - Russell 1000	\$119,568
Blackrock - Russell 2500	9,532
Western Asset Enhanced Equity Index Plus	288,960
Total Domestic Equity	<u>418,059</u>

Non U.S. Equity

Blackrock - ACWI ex - US	154,584
Sprucegrove	297,710
Walter Scott	997,713
Total Non U.S. Equity	<u>1,450,008</u>

Global Equity

Blackrock - ACWI Index	209,866
Total Global Equity	<u>209,866</u>

Private Equity

Abbott Secondaries	217,719
Abry Partners	108,425
Adams Street	452,473
Advent Int'l	264,868
Astorg	348,522
Battery Ventures	636,785
CapVest Equity Partners	554,565
Charlesbank	652,063
Clearlake Investors	74,383
CRV	468,056
CVC Capital Partners	210,143
Drive Capital	713,413
ECI 11 GP LP	24,708
Flexpoint	814,157
Genstar Capital	101,729
GGV Capital	306,500
Great Hill Partners	40,543
Green Equity Investors	29,016
GTCR XII/A & B	691,200
HarbourVest	1,576,446
Hellman & Friedman	332,578
Insight Venture Partners	278,877
Kinderhook Capital	219,769
Oak/HC/FT	489,782
Pantheon	944,991
Resolute Fund	82,306
Ridgemont Equity Partners	132,609
The Riverside Fund	360,851
Vitruvian	1,726,576
Total Private Equity	<u>12,854,054</u>

Ventura County Employees' Retirement Association
Schedule of Investment Management Fees
For The Nine Months Ending March 31, 2023 (Unaudited)

Fixed Income Managers	
Blackrock Bloomberg Barclays Aggregate Index	42,533
Loomis Sayles Multi Sector	237,565
Loomis Sayles Strategic Alpha	137,196
Reams Asset Management	370,160
Reams US Treasury	5,630
Western Asset Management	264,586
Total Fixed Income	<u>1,057,669</u>
Private Credit	
Arbour Lane Credit Opportunity	(1,809,407)
Arcmont	184,692
Bain Capital	96,662
Bridge Debt Strategies	1,261,822
Carval Investors	369,198
Crayhill	821,847
Crescent Cove Opportunities	234,375
Cross Ocean	168,560
HarbourVest Direct Lending	65,848
Monroe Capital	981,703
Pimco Corporate Opportunities	1,045,065
Torchlight Debt Fund	278,886
VWH Partners III	1,063,500
Total Private Credit	<u>4,762,751</u>
Real Assets	
Alterra IOS Venture	393,750
Bridgewater All Weather	716,993
Brookfield Infrastructure	562,541
HarbourVest Real Assets	708,803
LaSalle	678,082
Prudential Real Estate Advisors	1,380,741
Tortoise (MLPs)	560,363
UBS Realty	1,131,348
Total Real Assets	<u>6,132,622</u>
Cash Overlay (Parametric)	<u>153,756</u>
Securities Lending	
Borrower's Rebate	1,464,877
Management Fees	65,665
Total Securities Lending	<u>1,530,542</u>
Other	
Investment Consultant (NEPC)	245,000
Investment Consultant (Abbott Capital)	1,432,660
Investment Custodian (State Street)	249,782
Total Other Fees	<u>1,927,442</u>
Total Investment Management Fees	<u><u>\$30,496,768</u></u>

Ventura County Employees' Retirement Association
Budget Summary Fiscal Year 2021-2022
For the Nine Months Ended March 31, 2023 (Fiscal Year-To-Date)- 75.00%
Combined

	<i>Adopted 2023 Budget</i>	<i>Adjusted 2023 Budget</i>	<i>Expended March 2023</i>	<i>Expended Fiscal Year to Date</i>	<i>Available Balance</i>	<i>Percent Expended</i>
Salaries and Benefits						
Regular Salary	\$4,222,600.00	\$4,222,600.00	\$318,037.07	\$2,668,301.09	\$1,554,298.91	63.2%
Extra-Help/Temporary Services	232,300.00	232,300.00	438.75	27,012.33	205,287.67	11.6%
Supplemental Payments	175,600.00	175,600.00	7,523.15	95,622.77	79,977.23	54.5%
Vacation Redemption	168,100.00	168,100.00	10,822.96	135,485.82	32,614.18	80.6%
Retirement Contributions	618,000.00	618,000.00	47,930.35	377,681.01	240,318.99	61.1%
OASDI Contribution	270,300.00	270,300.00	20,757.45	145,997.97	124,302.03	54.0%
FICA-Medicare	71,100.00	71,100.00	4,854.60	41,924.38	29,175.62	59.0%
Medical Insurance	532,500.00	532,500.00	44,447.67	344,804.63	187,695.37	64.8%
Retiree Health Insurance	62,400.00	62,400.00	4,021.98	42,891.30	19,508.70	68.7%
Life Insurance	1,440.00	1,440.00	102.77	893.75	546.25	62.1%
Unemployment Insurance	6,600.00	6,600.00	486.51	3,966.06	2,633.94	60.1%
Mgmt Disability Insurance	31,300.00	31,300.00	1,965.14	16,668.22	14,631.78	53.3%
Workers Compensation Insurance	47,100.00	47,100.00	4,433.75	38,403.35	8,696.65	81.5%
401K Plan Contribution	105,900.00	105,900.00	11,070.10	105,852.13	47.87	100.0%
Total Salaries & Benefits	\$6,545,240.00	\$6,545,240.00	\$476,892.25	\$4,045,504.81	\$2,499,735.19	61.8%
Services & Supplies						
Board Member Stipend	\$18,000.00	\$18,000.00	\$800.00	\$8,500.00	\$9,500.00	47.2%
Other Professional Services	185,950.00	185,950.00	24,708.87	138,611.86	47,338.14	74.5%
Auditing	111,380.00	111,380.00	0.00	51,380.00	60,000.00	46.1%
Hearing Officers	114,000.00	114,000.00	3,230.00	55,024.00	58,976.00	48.3%
Legal	640,000.00	640,000.00	161,123.15	454,731.63	185,268.37	71.1%
Actuary-Valuation	65,000.00	65,000.00	0.00	65,000.00	0.00	100.0%
Actuary-GASB 67	13,500.00	13,500.00	0.00	0.00	13,500.00	0.0%
Actuary-415 Calculation	20,000.00	20,000.00	1,478.00	25,904.00	(5,904.00)	129.5%
Actuary-Misc Hrlly Consult	18,000.00	18,000.00	16,148.00	65,942.00	(47,942.00)	366.3%
Advertising	3,000.00	3,000.00	0.00	750.00	2,250.00	25.0%
Printing	30,000.00	30,000.00	10,281.00	26,537.83	3,462.17	88.5%
Postage	35,500.00	35,500.00	8,045.88	41,685.03	(6,185.03)	117.4%
Courier	3,300.00	3,300.00	0.00	0.00	3,300.00	0.0%
Copy Machine	5,000.00	5,000.00	1,968.87	3,757.49	1,242.51	75.1%
General Liability	17,000.00	17,000.00	0.00	17,547.00	(547.00)	103.2%
Fiduciary Liability	110,000.00	110,000.00	0.00	132,679.00	(22,679.00)	120.6%
Cost Allocation Charges	49,566.00	49,566.00	0.00	24,694.00	24,872.00	49.8%
Education Allowance	4,000.00	4,000.00	0.00	1,032.70	2,967.30	25.8%
Training/Travel-Staff	79,900.00	79,900.00	1,772.93	18,657.37	61,242.63	23.4%
Training/Travel-Trustee	35,700.00	35,700.00	747.21	5,744.24	29,955.76	16.1%
Travel-Due Diligence-Staff	19,100.00	19,100.00	0.00	779.07	18,320.93	4.1%
Travel-Due Diligence-Trustee	21,100.00	21,100.00	0.00	750.09	20,349.91	3.6%
Mileage-Staff	4,500.00	4,500.00	36.68	482.63	4,017.37	10.7%
Mileage -Trustee	4,500.00	4,500.00	43.22	802.21	3,697.79	17.8%
Mileage-Due Diligence-Staff	700.00	700.00	175.15	226.63	473.37	32.4%
Mileage-Due Diligence-Trustee	700.00	700.00	162.44	207.72	492.28	29.7%
Auto Allowance	6,900.00	6,900.00	575.00	4,600.00	2,300.00	66.7%
Facilities-Security	3,950.00	3,950.00	325.76	3,115.90	834.10	78.9%
Facilities-Maint & Repairs	3,300.00	3,300.00	0.00	759.99	2,540.01	23.0%
Equipment-Maint & Repairs	2,000.00	2,000.00	0.00	0.00	2,000.00	0.0%
General Office Expense	5,900.00	5,900.00	527.60	3,275.64	2,624.36	55.5%
Books & Publications	18,670.00	18,670.00	1,294.03	14,696.12	3,973.88	78.7%
Office Supplies	15,000.00	15,000.00	171.35	7,195.28	7,804.72	48.0%
Memberships & Dues	17,570.00	17,570.00	0.00	15,873.00	1,697.00	90.3%
Offsite Storage	5,200.00	5,200.00	453.18	4,072.96	1,127.04	78.3%
Rents/Leases-Structures	276,564.00	276,564.00	23,048.29	202,064.13	74,499.87	73.1%
Building Operating Expenses	7,545.00	7,545.00	2,687.93	8,822.64	(1,277.64)	116.9%
Non-Capital Equipment	5,000.00	5,000.00	0.00	0.00	5,000.00	0.0%
Non-Capital Furniture	2,000.00	2,000.00	0.00	0.00	2,000.00	0.0%
Depreciation /Amortization	1,553,170.00	1,553,170.00	129,430.06	1,164,870.54	388,299.46	75.0%
Total Services & Supplies	\$3,532,165.00	\$3,532,165.00	\$389,234.60	\$2,570,772.70	\$961,392.30	72.8%
Total Sal, Ben, Serv & Supp	\$10,077,405.00	\$10,077,405.00	\$866,126.85	\$6,616,277.51	\$3,461,127.49	65.7%

Ventura County Employees' Retirement Association
Budget Summary Fiscal Year 2021-2022
For the Nine Months Ended March 31, 2023 (Fiscal Year-To-Date)- 75.00%
Combined

	<i>Adopted 2023 Budget</i>	<i>Adjusted 2023 Budget</i>	<i>Expended March 2023</i>	<i>Expended Fiscal Year to Date</i>	<i>Available Balance</i>	<i>Percent Expended</i>
Technology						
Technology Hardware	\$76,000.00	\$76,000.00	\$3,265.98	\$5,954.46	\$70,045.54	7.8%
Technology Hardware Support	10,000.00	10,000.00	0.00	0.00	10,000.00	0.0%
Technology Software Lic & Maint.	64,145.00	64,145.00	1,793.48	33,684.54	30,460.46	52.5%
Technology Software Suppt & Maint.	75,000.00	75,000.00	2,507.10	12,145.10	62,854.90	16.2%
Technology Cloud Services	1,100.00	1,100.00	191.31	732.93	367.07	66.6%
Technology Website Services	30,500.00	30,500.00	729.33	5,929.33	24,570.67	19.4%
Technology Infrastruct Support	227,600.00	227,600.00	4,213.93	141,053.62	86,546.38	62.0%
Technology V3 Software	180,000.00	180,000.00	180,734.87	180,734.87	(734.87)	100.4%
Technology VSG Hosting	310,000.00	310,000.00	0.00	214,270.20	95,729.80	69.1%
Technology Data Communication & Cyber Security	118,500.00	118,500.00	6,375.24	74,902.11	43,597.89	63.2%
Total Technology	<u>\$1,092,845.00</u>	<u>\$1,092,845.00</u>	<u>\$199,811.24</u>	<u>\$669,407.16</u>	<u>\$423,437.84</u>	<u>61.3%</u>
Contingency	<u>\$861,500.00</u>	<u>\$861,500.00</u>	<u>\$0.00</u>	<u>\$0.00</u>	<u>\$861,500.00</u>	<u>0.0%</u>
Total Current Year	<u>\$12,031,750.00</u>	<u>\$12,031,750.00</u>	<u>\$1,065,938.09</u>	<u>\$7,285,684.67</u>	<u>\$4,746,065.33</u>	<u>60.6%</u>

Ventura County Employees' Retirement Association
Budget Summary Fiscal Year 2021-2022
For the Nine Months Ended March 31, 2023 (Fiscal Year-To-Date)- 75.00%
Admin (CAP)

	<i>Adopted 2023 Budget</i>	<i>Adjusted 2023 Budget</i>	<i>Expended March 2023</i>	<i>Expended Fiscal Year to Date</i>	<i>Available Balance</i>	<i>Percent Expended</i>
Salaries and Benefits						
Regular Salary	\$2,950,700.00	\$2,950,700.00	\$220,944.86	\$1,845,100.43	\$1,105,599.57	62.53%
Extra-Help/Temporary Services	232,300.00	232,300.00	438.75	27,012.33	205,287.67	11.63%
Supplemental Payments	122,292.00	122,292.00	5,254.76	68,172.38	54,119.62	55.75%
Vacation Redemption	119,000.00	119,000.00	10,822.96	130,655.66	(11,655.66)	109.79%
Retirement Contributions	443,000.00	443,000.00	33,481.27	274,207.91	168,792.09	61.90%
OASDI Contribution	192,000.00	192,000.00	14,700.36	104,551.77	87,448.23	54.45%
FICA-Medicare	48,400.00	48,400.00	3,438.00	29,599.65	18,800.35	61.16%
Medical Insurance	387,500.00	387,500.00	33,012.67	253,553.08	133,946.92	65.43%
Retiree Health Insurance	62,400.00	62,400.00	4,021.98	42,891.30	19,508.70	68.74%
Life Insurance	1,100.00	1,100.00	77.50	674.94	425.06	61.36%
Unemployment Insurance	4,600.00	4,600.00	339.00	2,759.09	1,840.91	59.98%
Mgmt Disability Insurance	21,900.00	21,900.00	1,374.76	11,730.42	10,169.58	53.56%
Workers Compensation Insurance	32,900.00	32,900.00	3,024.22	26,221.90	6,678.10	79.70%
401K Plan Contribution	74,900.00	74,900.00	7,731.17	71,976.08	2,923.92	96.10%
Total Salaries & Benefits	\$4,692,992.00	\$4,692,992.00	\$338,662.26	\$2,889,106.94	\$1,803,885.06	61.56%
Services & Supplies						
Board Member Stipend	\$18,000.00	\$18,000.00	\$800.00	\$8,500.00	\$9,500.00	47.22%
Other Professional Services	76,950.00	76,950.00	3,478.51	42,634.64	34,315.36	55.41%
Auditing	111,380.00	111,380.00	0.00	51,380.00	60,000.00	46.13%
Legal	75,000.00	75,000.00	35,031.25	103,403.03	(28,403.03)	137.87%
Advertising	3,000.00	3,000.00	0.00	750.00	2,250.00	25.00%
Printing	30,000.00	30,000.00	10,281.00	26,537.83	3,462.17	88.46%
Postage	35,000.00	35,000.00	8,008.68	41,069.90	(6,069.90)	117.34%
Courier	3,300.00	3,300.00	0.00	0.00	3,300.00	0.00%
Copy Machine	5,000.00	5,000.00	1,968.87	3,757.49	1,242.51	75.15%
General Liability	17,000.00	17,000.00	0.00	17,547.00	(547.00)	103.22%
Fiduciary Liability	110,000.00	110,000.00	0.00	132,679.00	(22,679.00)	120.62%
Cost Allocation Charges	49,566.00	49,566.00	0.00	24,694.00	24,872.00	49.82%
Education Allowance	4,000.00	4,000.00	0.00	1,032.70	2,967.30	25.82%
Training/Travel-Staff	29,700.00	29,700.00	250.00	9,330.22	20,369.78	31.41%
Training/Travel-Trustee	20,700.00	20,700.00	747.21	5,744.24	14,955.76	27.75%
Travel-Due Diligence-Trustee	0.00	0.00	0.00	750.09	(750.09)	0.00%
Mileage-Staff	3,500.00	3,500.00	0.00	114.67	3,385.33	3.28%
Mileage -Trustee	4,000.00	4,000.00	43.22	802.21	3,197.79	20.06%
Mileage-Due Diligence-Trustee	0.00	0.00	162.44	207.72	(207.72)	0.00%
Auto Allowance	6,900.00	6,900.00	575.00	4,600.00	2,300.00	66.67%
Facilities-Security	3,450.00	3,450.00	325.76	3,115.90	334.10	90.32%
Facilities-Maint & Repairs	2,500.00	2,500.00	0.00	169.99	2,330.01	6.80%
Equipment-Maint & Repairs	2,000.00	2,000.00	0.00	0.00	2,000.00	0.00%
General Office Expense	3,500.00	3,500.00	527.60	3,275.64	224.36	93.59%
Books & Publications	7,720.00	7,720.00	583.01	5,235.10	2,484.90	67.81%
Office Supplies	15,000.00	15,000.00	171.35	7,195.28	7,804.72	47.97%
Memberships & Dues	12,420.00	12,420.00	0.00	11,043.00	1,377.00	88.91%
Offsite Storage	5,200.00	5,200.00	453.18	4,072.96	1,127.04	78.33%
Rents/Leases-Structures	276,564.00	276,564.00	23,048.29	202,064.13	74,499.87	73.06%
Building Operating Expenses	7,545.00	7,545.00	2,687.93	8,822.64	(1,277.64)	116.93%
Non-Capital Furniture	2,000.00	2,000.00	0.00	0.00	2,000.00	0.00%
Depreciation /Amortization	92,570.00	92,570.00	7,713.90	69,425.10	23,144.90	75.00%
Total Services & Supplies	\$1,033,465.00	\$1,033,465.00	\$96,857.20	\$789,954.48	\$243,510.52	76.44%
Total Sal, Ben, Serv & Supp	\$5,726,457.00	\$5,726,457.00	\$435,519.46	\$3,679,061.42	\$2,047,395.58	64.25%
Total Current Year	\$5,726,457.00	\$5,726,457.00	\$435,519.46	\$3,679,061.42	\$2,047,395.58	64.25%

Ventura County Employees' Retirement Association
Budget Summary Fiscal Year 2021-2022
For the Nine Months Ended March 31, 2023 (Fiscal Year-To-Date)- 75.00%
Admin IT - CAP

	<i>Adopted 2023 Budget</i>	<i>Adjusted 2023 Budget</i>	<i>Expended March 2023</i>	<i>Expended Fiscal Year to Date</i>	<i>Available Balance</i>	<i>Percent Expended</i>
Salaries and Benefits						
Regular Salary	\$651,200.00	\$651,200.00	\$50,274.00	\$399,240.52	\$251,959.48	61.31%
Supplemental Payments	24,000.00	24,000.00	1,566.80	18,911.32	5,088.68	78.80%
Vacation Redemption	29,500.00	29,500.00	0.00	0.00	29,500.00	0.00%
Retirement Contributions	109,200.00	109,200.00	7,726.50	63,183.97	46,016.03	57.86%
OASDI Contribution	46,300.00	46,300.00	3,116.51	24,180.21	22,119.79	52.23%
FICA-Medicare	11,400.00	11,400.00	728.88	5,980.62	5,419.38	52.46%
Medical Insurance	80,600.00	80,600.00	6,644.00	48,978.87	31,621.13	60.77%
Life Insurance	200.00	200.00	15.50	121.42	78.58	60.71%
Unemployment Insurance	1,000.00	1,000.00	76.36	588.09	411.91	58.81%
Mgmt Disability Insurance	4,800.00	4,800.00	359.76	2,819.16	1,980.84	58.73%
Workers Compensation Insurance	7,200.00	7,200.00	756.78	6,167.00	1,033.00	85.65%
401K Plan Contribution	15,400.00	15,400.00	1,432.30	11,255.10	4,144.90	73.09%
Total Salaries & Benefits	\$980,800.00	\$980,800.00	\$72,697.39	\$581,426.28	\$399,373.72	59.28%
Services & Supplies						
Training/Travel-Staff	\$40,200.00	\$40,200.00	\$1,522.93	\$7,715.56	\$32,484.44	19.19%
Mileage-Staff	300.00	300.00	36.68	184.79	115.21	61.60%
Facilities-Security	500.00	500.00	0.00	0.00	500.00	0.00%
Facilities-Maint & Repairs	800.00	800.00	0.00	590.00	210.00	73.75%
Books & Publications	500.00	500.00	0.00	0.00	500.00	0.00%
Memberships & Dues	750.00	750.00	0.00	500.00	250.00	66.67%
Non-Capital Equipment	5,000.00	5,000.00	0.00	0.00	5,000.00	0.00%
Total Services & Supplies	\$48,050.00	\$48,050.00	\$1,559.61	\$8,990.35	\$39,059.65	18.71%
Total Sal, Ben, Serv & Supp	\$1,028,850.00	\$1,028,850.00	\$74,257.00	\$590,416.63	\$438,433.37	57.39%
Technology						
Technology Software Lic & Maint.	\$2,000.00	\$2,000.00	\$0.00	\$0.00	\$2,000.00	0.00%
Technology Data Communication & Cyber Security	93,500.00	93,500.00	6,375.24	60,103.11	33,396.89	64.28%
Total Technology	\$95,500.00	\$95,500.00	\$6,375.24	\$60,103.11	\$35,396.89	62.94%
Total Current Year	\$1,124,350.00	\$1,124,350.00	\$80,632.24	\$650,519.74	\$473,830.26	57.86%

Ventura County Employees' Retirement Association
Budget Summary Fiscal Year 2021-2022
For the Nine Months Ended March 31, 2023 (Fiscal Year-To-Date)- 75.00%
Admin - Disability (CAP)

	<i>Adopted 2023 Budget</i>	<i>Adjusted 2023 Budget</i>	<i>Expended March 2023</i>	<i>Expended Fiscal Year to Date</i>	<i>Available Balance</i>	<i>Percent Expended</i>
Salaries and Benefits						
Regular Salary	\$306,300.00	\$306,300.00	\$20,140.05	\$186,917.68	\$119,382.32	61.02%
Supplemental Payments	10,700.00	10,700.00	701.59	8,539.07	2,160.93	79.80%
Vacation Redemption	4,700.00	4,700.00	0.00	4,830.16	(130.16)	102.77%
Retirement Contributions	48,100.00	48,100.00	3,041.00	29,113.55	18,986.45	60.53%
OASDI Contribution	23,100.00	23,100.00	1,278.89	12,280.93	10,819.07	53.16%
FICA-Medicare	5,300.00	5,300.00	299.10	2,872.15	2,427.85	54.19%
Medical Insurance	51,400.00	51,400.00	3,797.00	33,007.16	18,392.84	64.22%
Life Insurance	100.00	100.00	7.75	71.19	28.81	71.19%
Unemployment Insurance	500.00	500.00	30.94	275.35	224.65	55.07%
Mgmt Disability Insurance	2,300.00	2,300.00	148.54	1,353.54	946.46	58.85%
Workers Compensation Insurance	3,400.00	3,400.00	263.29	2,537.74	862.26	74.64%
401K Plan Contribution	5,600.00	5,600.00	305.95	2,893.80	2,706.20	51.68%
Total Salaries & Benefits	\$461,500.00	\$461,500.00	\$30,014.10	\$284,692.32	\$176,807.68	61.69%
Services & Supplies						
Other Professional Services	\$109,000.00	\$109,000.00	\$21,230.36	\$95,977.22	\$13,022.78	88.05%
Hearing Officers	114,000.00	114,000.00	3,230.00	55,024.00	58,976.00	48.27%
Legal	65,000.00	65,000.00	3,627.10	15,137.20	49,862.80	23.29%
Postage	500.00	500.00	37.20	615.13	(115.13)	123.03%
Training/Travel-Staff	800.00	800.00	0.00	0.00	800.00	0.00%
Total Services & Supplies	\$289,300.00	\$289,300.00	\$28,124.66	\$166,753.55	\$122,546.45	57.64%
Total Sal, Ben, Serv & Supp	\$750,800.00	\$750,800.00	\$58,138.76	\$451,445.87	\$299,354.13	60.13%
Total Current Year	\$750,800.00	\$750,800.00	\$58,138.76	\$451,445.87	\$299,354.13	60.13%

Ventura County Employees' Retirement Association
Budget Summary Fiscal Year 2021-2022
For the Nine Months Ended March 31, 2023 (Fiscal Year-To-Date)- 75.00%
Investment (Non-CAP)

	<i>Adopted 2023 Budget</i>	<i>Adjusted 2023 Budget</i>	<i>Expended March 2023</i>	<i>Expended Fiscal Year to Date</i>	<i>Available Balance</i>	<i>Percent Expended</i>
Salaries and Benefits						
Regular Salary	\$314,400.00	\$314,400.00	\$26,678.16	\$237,042.46	\$77,357.54	75.40%
Supplemental Payments	18,608.00	18,608.00	0.00	0.00	18,608.00	0.00%
Vacation Redemption	14,900.00	14,900.00	0.00	0.00	14,900.00	0.00%
Retirement Contributions	17,700.00	17,700.00	3,681.58	11,175.58	6,524.42	63.14%
OASDI Contribution	8,900.00	8,900.00	1,661.69	4,985.06	3,914.94	56.01%
FICA-Medicare	6,000.00	6,000.00	388.62	3,471.96	2,528.04	57.87%
Medical Insurance	13,000.00	13,000.00	994.00	9,265.52	3,734.48	71.27%
Life Insurance	40.00	40.00	2.02	26.20	13.80	65.50%
Unemployment Insurance	500.00	500.00	40.21	343.53	156.47	68.71%
Mgmt Disability Insurance	2,300.00	2,300.00	82.08	765.10	1,534.90	33.27%
Workers Compensation Insurance	3,600.00	3,600.00	389.46	3,476.71	123.29	96.58%
401K Plan Contribution	10,000.00	10,000.00	1,600.68	19,727.15	(9,727.15)	197.27%
Total Salaries & Benefits	\$409,948.00	\$409,948.00	\$35,518.50	\$290,279.27	\$119,668.73	70.81%
Services & Supplies						
Legal	\$500,000.00	\$500,000.00	\$122,464.80	\$336,191.40	\$163,808.60	67.24%
Training/Travel-Staff	9,200.00	9,200.00	0.00	1,611.59	7,588.41	17.52%
Training/Travel-Trustee	15,000.00	15,000.00	0.00	0.00	15,000.00	0.00%
Travel-Due Diligence-Staff	19,100.00	19,100.00	0.00	779.07	18,320.93	4.08%
Travel-Due Diligence-Trustee	21,100.00	21,100.00	0.00	0.00	21,100.00	0.00%
Mileage-Staff	700.00	700.00	0.00	183.17	516.83	26.17%
Mileage -Trustee	500.00	500.00	0.00	0.00	500.00	0.00%
Mileage-Due Diligence-Staff	700.00	700.00	175.15	226.63	473.37	32.38%
Mileage-Due Diligence-Trustee	700.00	700.00	0.00	0.00	700.00	0.00%
General Office Expense	2,400.00	2,400.00	0.00	0.00	2,400.00	0.00%
Books & Publications	10,450.00	10,450.00	711.02	9,461.02	988.98	90.54%
Memberships & Dues	4,400.00	4,400.00	0.00	4,330.00	70.00	98.41%
Total Services & Supplies	\$584,250.00	\$584,250.00	\$123,350.97	\$352,782.88	\$231,467.12	60.38%
Total Sal, Ben, Serv & Supp	\$994,198.00	\$994,198.00	\$158,869.47	\$643,062.15	\$351,135.85	64.68%
Total Current Year	\$994,198.00	\$994,198.00	\$158,869.47	\$643,062.15	\$351,135.85	64.68%

Ventura County Employees' Retirement Association
Budget Summary Fiscal Year 2021-2022
For the Nine Months Ended March 31, 2023 (Fiscal Year-To-Date)- 75.00%
Information Technology (Non-CAP)

	<i>Adopted 2023 Budget</i>	<i>Adjusted 2023 Budget</i>	<i>Expended March 2023</i>	<i>Expended Fiscal Year to Date</i>	<i>Available Balance</i>	<i>Percent Expended</i>
Technology						
Technology Hardware	\$76,000.00	\$76,000.00	\$3,265.98	\$5,954.46	\$70,045.54	7.83%
Technology Hardware Support	10,000.00	10,000.00	0.00	0.00	10,000.00	0.00%
Technology Software Lic & Maint.	62,145.00	62,145.00	1,793.48	33,684.54	28,460.46	54.20%
Technology Software Suppt & Maint.	75,000.00	75,000.00	2,507.10	12,145.10	62,854.90	16.19%
Technology Cloud Services	1,100.00	1,100.00	191.31	732.93	367.07	66.63%
Technology Website Services	30,500.00	30,500.00	729.33	5,929.33	24,570.67	19.44%
Technology Infrastruct Support	227,600.00	227,600.00	4,213.93	141,053.62	86,546.38	61.97%
Technology V3 Software	180,000.00	180,000.00	180,734.87	180,734.87	(734.87)	100.41%
Technology VSG Hosting	310,000.00	310,000.00	0.00	214,270.20	95,729.80	69.12%
Technology Data Communication & Cyber Security	25,000.00	25,000.00	0.00	14,799.00	10,201.00	59.20%
Total Technology	\$997,345.00	\$997,345.00	\$193,436.00	\$609,304.05	\$388,040.95	61.09%
Total Current Year	\$997,345.00	\$997,345.00	\$193,436.00	\$609,304.05	\$388,040.95	61.09%

Ventura County Employees' Retirement Association
Budget Summary Fiscal Year 2021-2022
For the Nine Months Ended March 31, 2023 (Fiscal Year-To-Date)- 75.00%
Other Expenditures (Non-CAP)

	<i>Adopted 2023 Budget</i>	<i>Adjusted 2023 Budget</i>	<i>Expended March 2023</i>	<i>Expended Fiscal Year to Date</i>	<i>Available Balance</i>	<i>Percent Expended</i>
<i>Services & Supplies</i>						
Actuary-Valuation	\$65,000.00	\$65,000.00	\$0.00	\$65,000.00	\$0.00	100.00%
Actuary-GASB 67	13,500.00	13,500.00	0.00	0.00	13,500.00	0.00%
Actuary-415 Calculation	20,000.00	20,000.00	1,478.00	25,904.00	(5,904.00)	129.52%
Actuary-Misc Hrly Consult	18,000.00	18,000.00	16,148.00	65,942.00	(47,942.00)	366.34%
Depreciation /Amortization	1,460,600.00	1,460,600.00	121,716.16	1,095,445.44	365,154.56	75.00%
Total Services & Supplies	<u>\$1,577,100.00</u>	<u>\$1,577,100.00</u>	<u>\$139,342.16</u>	<u>\$1,252,291.44</u>	<u>\$324,808.56</u>	<u>79.40%</u>
Total Sal, Ben, Serv & Supp	<u>\$1,577,100.00</u>	<u>\$1,577,100.00</u>	<u>\$139,342.16</u>	<u>\$1,252,291.44</u>	<u>\$324,808.56</u>	<u>79.40%</u>
Total Current Year	<u>\$1,577,100.00</u>	<u>\$1,577,100.00</u>	<u>\$139,342.16</u>	<u>\$1,252,291.44</u>	<u>\$324,808.56</u>	<u>79.40%</u>



June 26, 2023

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

SUBJECT: RECOMMENDS ADOPTION OF PROPOSED BUDGET FOR FISCAL YEAR 2023-2024

Board Members:

Overview

Government Code section 31580.2(a) requires the Board to adopt an annual budget covering the entire expense of administration of the retirement system. The total administrative expenses, which are direct charges against the earnings of the Fund, may not exceed the greater of twenty-one hundredths of one percent (21 basis points (bps)) of the accrued actuarial liability of the system, or two million dollars (\$2,000,000), as adjusted annually by the amount of the annual cost of living adjustment (the CAP). These expenditures that are subject to the CAP will be included in the Administration budget which is comprised of Administrative, Information Technology (IT) Support and Admin-Disability subdivisions.

Government Code section 31580.2(b) provides an exclusion from the CAP for expenditures for computer software, computer hardware, and computer technology consulting services in support of these computer products. These costs are identified as information technology costs herein. These expenditures will be included in the IT-Exempt-CAP subdivision. Depreciation/Amortization related to capitalized expenditures will be included in the Other Expenditures subdivision.

Government Code section 31596.1 states that expenses of investing monies shall not be considered a cost of administration of the retirement system but shall be considered as a reduction in earnings from those investments or a charge against the assets of the system. These expenditures will be included in Investment or Other Expenditures subdivisions.

While including qualified operating, investment, and information technology costs in the Administration budget would not result in exceeding the CAP, such qualified excludable operating, investment, and information technology costs are identified separately and disclosed in the attached proposed budget schedules for the Board's information. This also serves to make future budgets more comparable. Further, staff has included a contingency line item in the Proposed Budget (Attachment A) equal to ten percent (10%) of the Total Proposed Budget, less total Extra-Help costs, to arrive at an adjusted total (further reduced by total Extra-Help costs, per prior Board direction).

While inclusion of the contingency in the Administration Budget would not result in exceeding the CAP, it is separately identified and disclosed in the attached proposed total budget because it does become a cost of administration until a later budget revision incorporates all or a portion of it into the Administrative subdivision.

Staff presented the draft FY 2023-2024 Proposed Budget to the Finance Committee on June 15, 2023. Staff and the Finance Committee members present engaged in a discussion regarding the proposed budget. Since that meeting, staff has made (placeholder) changes to the FY 2023-2024 Proposed Budget being presented today, all of which have been provided to the Finance Committee following the meeting.

Placeholder for June 15, 2023 Finance Committee changes.

The Finance Committee recommends adoption of the FY 2023-2024 Proposed Budget as revised by them.

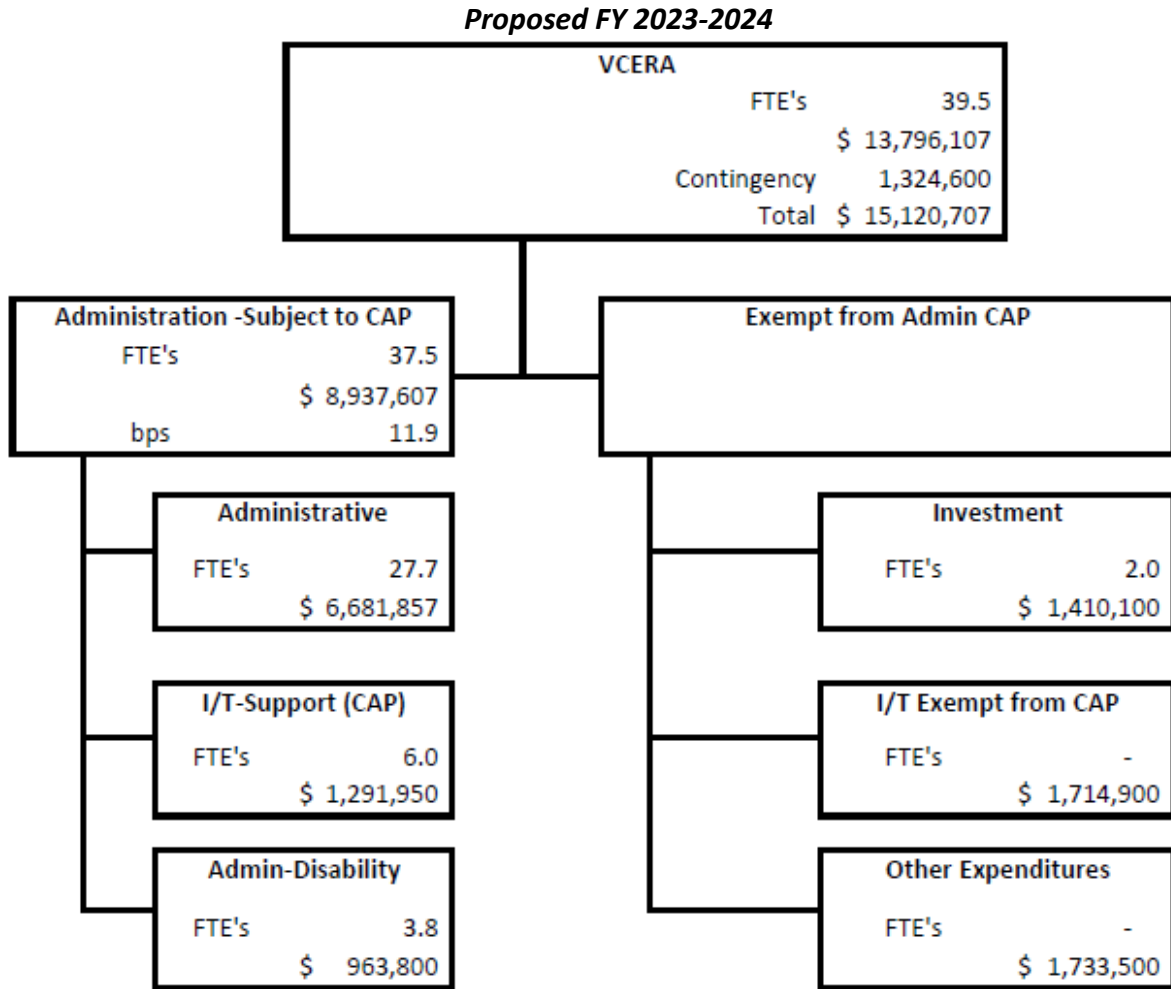
VCERA Budget at a Glance

The following chart highlights the VCERA **total** proposed budget comprised of Administration (Administrative, Disability and IT-Support-CAP), all Information Technology (IT) costs, Investment, and Other Expenditures budgets, inclusive of proposed contingency. In addition, this is the third year that a new separate budget subdivision, Admin-Disability, has been created to account for expenditures in administering the disability retirement program. These costs were previously included as part of Administrative subdivision. IT costs are separately identified as subject to ("IT-Support-CAP") or not subject to ("IT- Exempt-CAP") the CAP.

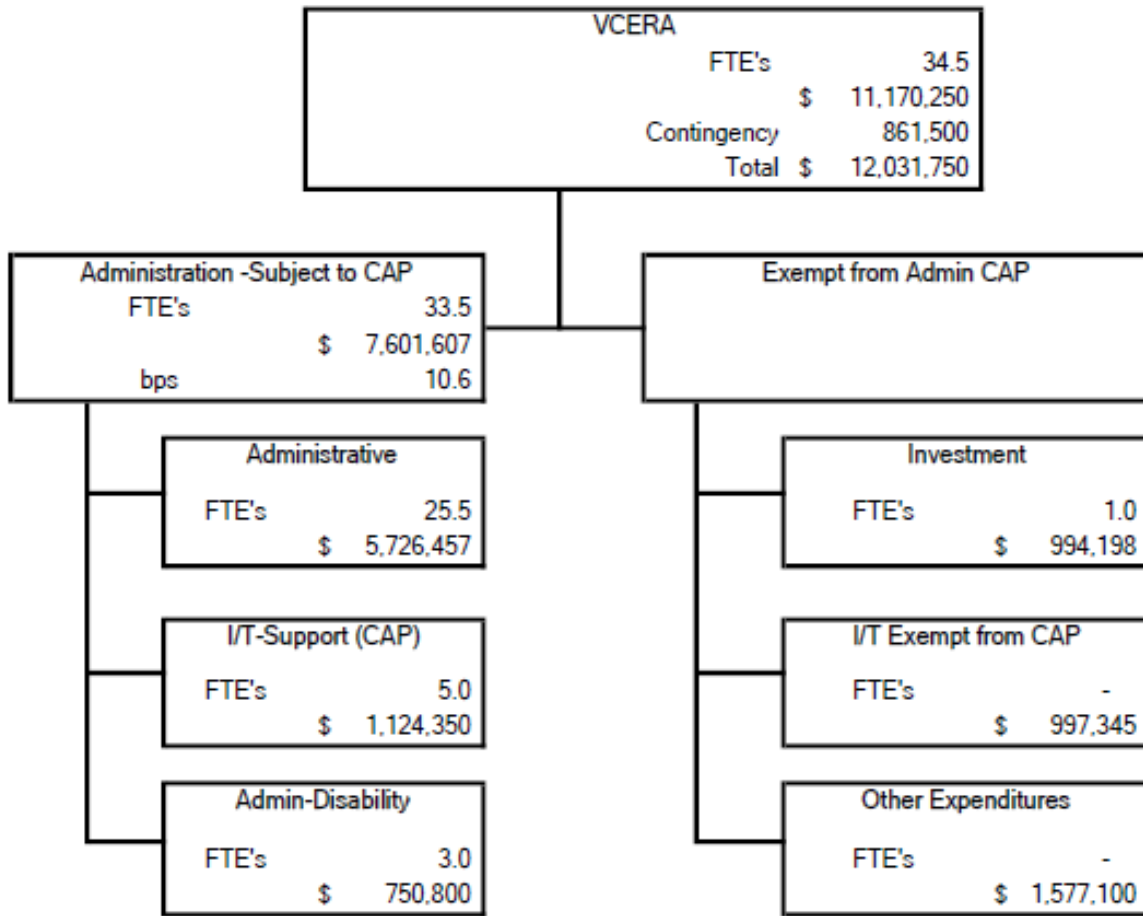
The total Proposed Budget for Fiscal Year (FY) 2023-2024 is \$15,120,707, an increase of \$3,088,957 (25.6%) from the prior year adopted budget and includes funding for VCERA's 39.5 Full Time Equivalent (FTE) positions, an increase of five (5) FTEs over the previous FY, three (4) of which are fixed term. In addition, there are several reclassifications. When adjusting for the effects of contingency, the overall increase was due to increases in Salary and Benefits of \$1,562,160, Services and Supplies increase of \$348,142, Technology increase of \$715,555, and Contingency increase of \$463,100. It is important to note that the proposed budget includes \$1,595,000 for depreciation/amortization of VCERA's office remodel and equipment, which are a noncash expense. The actual cash outflow occurred in a previous fiscal year and the budgeted expense represents the allocation of the capitalized expense to the future benefitting period. The total proposed budget amount includes administrative expenditures, information technology costs, investment, other expenditures, and contingency. The details of the proposed increase will be discussed in the respective Administration, Technology, Investments and Other Expenditures budget sections that follow.

In addition, the Administration budget (subject to the statutory limitation (CAP)) shows a basis point calculation against Association actuarial liabilities. Administration costs, when compared to the statutory provisions, total \$8,937,607 or 11.9 bps of the CAP. For

comparative purposes the charts that follow show the total Proposed Budget for FY 2023-2024 and the Adopted Budget for 2022-23.



Adopted FY 2022-2023



Administration Budget

The Administration Budget is comprised of Administrative, Information Technology (IT)-Support and Admin-Disability subdivisions, each comprised of Salaries and Benefits, Services and Supplies, and Technology (subject to the CAP). For fiscal year 2023-2024, we continue to create separate subdivisions to identify IT expenditures included or excluded from the CAP. Also, as previously discussed, included in the IT-Support budget are technology expenditures that are subject to the CAP. Where it is not clear whether an IT expenditure should be included or excluded from the CAP, staff has taken the conservative view and included the expenditure within the IT-Support subdivision of the Administration Budget.

Salaries and Benefits:

Salaries and Benefits in the proposed 2023-2024 Administration budgets are \$8,107,400 reflecting an increase of \$1,562,160 or 23.9%, as compared to the prior fiscal year **adopted** budget. The increase is attributable to Salaries & Benefits at \$1,735,660 due to five (5) additional FTE's: 4.0 fixed term FTE's (2.0 Technical Specialist IV and 1.0 Office Assistant III) for the Alameda project workload to help

process benefit corrections, recalculations and refunds based on required changes, and 1.0 FTE for a Program Administrator II; and various net 0.0 FTE for staffing reclasses to align with the workload of the administrative team. Vacation redemptions are projected to increase by \$28,300 due to higher expected vacation payouts.

This is offset to some degree by an Ex- Help/Temporary Services decrease of (\$182,300), due to the newly projected fixed term and permanent FTE's, its anticipated that only \$50,000 is required for Ex-Help/Temporary Services to assist benefit operations in the death benefits unit and the legal department. The VCERA Retiree's Health Insurance benefit at a decrease of (\$12,900) is due to the death of a retiree previously receiving this benefit. Unemployment Insurance decrease of (\$6,600) is due to the no insurance premium projected this FY.

Services and Supplies Changes:

The total Administration CAP and Exempt from Administration CAP Services and Supplies proposed for Fiscal Year 2023-2024 is \$3,880,307, an increase of \$348,142 (9.9% from the prior fiscal year **adopted** budget of \$3,532,165.)

There is an Administrative CAP services and supplies increase for Printing and Postage at \$70,200 due to higher Alameda correction related mailings, Liability Insurance is \$45,000 higher due to increased premium rate, and Cost Allocation Charges increase of \$19,037 are due to expected higher service demand. Rents/Lease-Structures at a \$14,090 increase is due to a scheduled lease rate and VCERA's share of building operating costs increase from base year per lease agreement. The Hearing Officer at a \$6,000 increase is due to the anticipated rise in number of cases in the disability model. Books & Publications at a \$3,300 increase is due to staff's projected need.

The increases that are Exempt from CAP are Actuary Services at \$117,000 and Legal at \$115,000 due to planned service need. Depreciation/Amortization at \$41,830 due to Governmental Accounting Standards Board (GASB) compliance, when System upgrades are capitalized.

This is partially offset by decreases in Administrative CAP services for Auditing at (\$46,380) due to the postponement of the planned internal audit services engagement, Travel & Mileage for Trustees, and staff at (\$27,900) due to lower planned travel, legal at (\$5,000) due to lower expected services, and Other Miscellaneous expenditures at (\$4,035).

Technology Subdivision

The Technology section of the proposed budget is comprised of Information Technology (IT) expenditures that are subject to the statutory CAP, and those that are excludible but included in the Administration budget, pursuant to Government Code section 31580.2(b). The total proposed Technology budget for FY 2023-2024 is \$1,808,400, comprised of Administrative IT-Support of \$93,500 and IT-Exempt from CAP of \$1,714,900, an increase of \$715,555 or 65.5% from the prior year **adopted** budget of \$1,092,845.

This FY the V3 Software and Hosting continue to be shown separately. Together they have a net increase of \$580,000 due to system enhancement costs (includes V3 service hours at \$405,000, annual license fee at \$10,000 and 3rd Party Data vendor Consulting for MBS at \$150,000 and \$15,000 for Vitech Hosting) related to required resources for the Alameda project workload to help process benefit corrections, recalculations and refunds based on required changes, Software License and Maintenance increased by \$149,255 due to the planned purchase of Simpler Systems, part of the Alameda Correction project. Software Support & Maintenance increased by \$24,500 due to server maintenance and recurring monthly fee. Website support is showing an increase of \$11,000 due to increased website deployment, and internet domain registrar projected cost. Cloud Services increased by \$1,500 due to an increased offsite data storage need.

All other categories are showing decreases this FY due for varying reasons. Infrastructure support (\$49,700) due to a reduction in Contracted IT support. Hardware at (\$1,000) due to projected decreases in new hardware purchases.

Investment Subdivision

The proposed Investment budget for Fiscal Year 2023-2024 is \$1,410,100, an increase of \$415,902 or 41.8% from the prior fiscal year **adopted** budget of \$994,198. The budget includes Salary and Benefits for the Chief Investment Officer (CIO) and a new Investment Officer, already approved by the Board, which will see an increase in Salaries of \$259,900 or 82.7%. Corresponding increases in Benefits amount to \$68,252 or 71.4%. The CIO's projections of investment-related expenditures (legal fees, investment-related travel, etc.) are included. This FY sees budgeting an increase of \$87,750 or 15% for additional legal review at \$115,000 needed for anticipated private equity and private credit investments and \$2,750 for other miscellaneous expenses; offset by (\$30,000) for reduced staff and trustee training, travel, and mileage.

The inclusion of a note to the current year's Investment subdivision budget explaining that investment expenses, more specifically investment manager fees, are not part of the total budget but are paid in accordance with respective investment manager agreements. These fees are reported in the periodically issued financial statement "Schedule of Investment Manager Fees." The schedule lists all investment management fees paid regardless of source of payment, including those paid by VCERA issued check, via capital calls or directly deducted from the investment.

Other Expenditures Budget

The Other Expenditures Budget captures expenditures that are not subject to the CAP pursuant to Government Code section 31596.1 but are not considered to be within the IT-Exempt or Investment Budget subdivision. Included in the Proposed Other Expenditures Budget are Actuarial Services and Depreciation/Amortization (for V3 system, Pension Software development and Office remodel) totaling \$1,733,500, an increase of \$156,400 or 9.9% from the prior year adopted/adjusted budget. Depreciation/amortization, a noncash expense, represents \$1,500,000 of the total. Actuarial Services represent \$233,500 of the total. The increase of \$117,000 over prior FY is attributable to additional services required of the Actuary (Segal) per VCERA's operational and financial reporting and decision-

making needs and a small contractual increase in the annual actuarial valuation. The increase of \$39,400 is attributable to projected depreciation/amortization increase due to ongoing V3 system upgrades.

Contingency

The contingency is set at ten percent (10%), but otherwise follows the existing methodology. Staff believes this to be a prudent budget practice. Contingency continues to require Board action for any transfer and use, and the Board maintains its full discretion and management over the use of these funds.

RECOMMENDED ACTIONS: RECOMMENDS ADOPTION OF PROPOSED BUDGET FOR FISCAL YEAR 2023-2024

We would be pleased to respond to any questions you may have on this matter.

Sincerely,

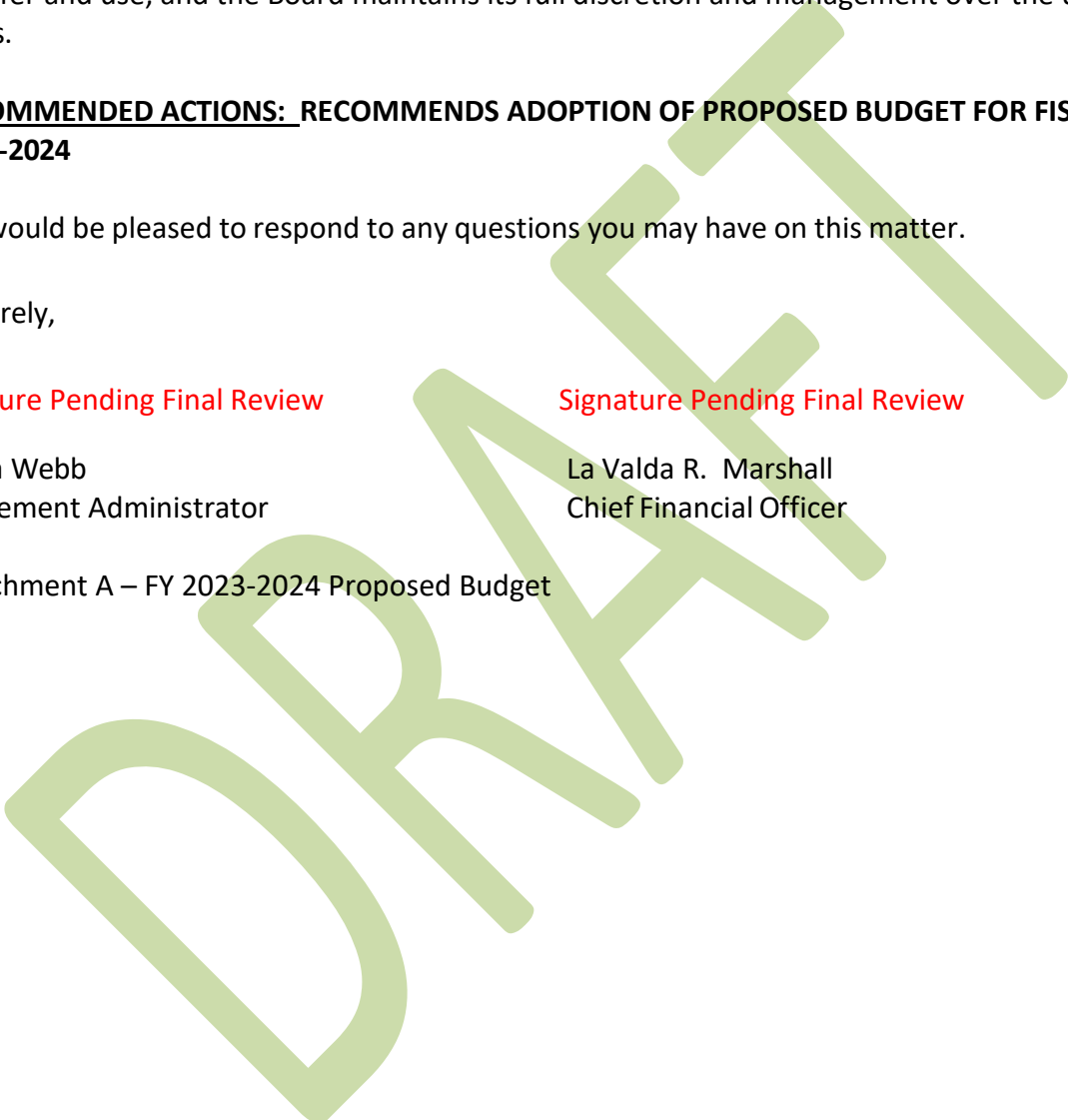
Signature Pending Final Review

Linda Webb
Retirement Administrator

Signature Pending Final Review

La Valda R. Marshall
Chief Financial Officer

Attachment A – FY 2023-2024 Proposed Budget



VENTURA COUNTY EMPLOYEES' RETIREMENT ASSOCIATION

PROPOSED BUDGET

FISCAL YEAR

2023-24

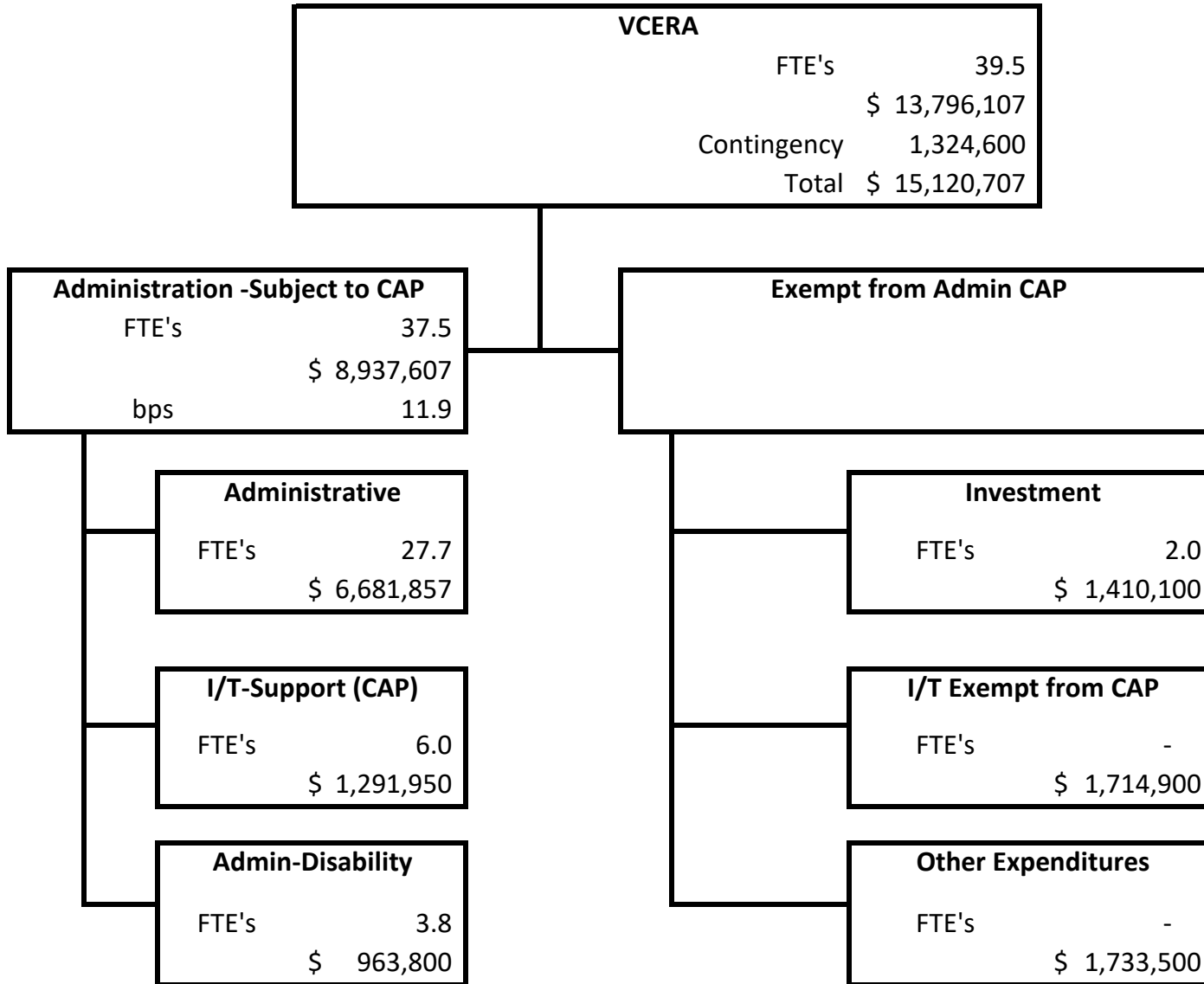
**VENTURA COUNTY EMPLOYEES' RETIREMENT ASSOCIATION
STATUTORY LIMIT SCHEDULE
PROPOSED BUDGET - FISCAL YEAR 2023-2024**

Government Code section 31580.2 provides for the adoption by the Board of Retirement an annual budget covering the entire expense of administration. This expense of administration is a direct charge against the earnings of the fund and shall not exceed the greater of twenty-one hundredths of one percent of the accrued actuarial liability of the system or two million dollars (\$2,000,000), as adjusted annually by the amount of the annual cost-of-living adjustment. Government Code section 31580.2(b) provides that expenditures for software, hardware and computer technology are not considered a cost of administration. The calculations of the maximum allowable budget and requested budget are summarized below.

	2022 -2023 ADOPTED		2022 - 2023 ADJUSTED		2023-2024 PROPOSED	
		%		%		%
Actuarial Accrued Liability (6/30/21, 6/30/22)	\$ 7,154,885,000	N/A	\$ 7,154,885,000	N/A	\$ 7,491,327,000	N/A
Allowable Budget for Cost of Administration (.21%)	15,025,300	0.21%	15,025,300	0.21%	15,731,800	0.21%
Salaries and Benefits	\$ 6,135,292	0.086%	\$ 6,135,292	0.086%	\$ 7,369,300	0.098%
Services and Supplies	1,370,815	0.019%	\$ 1,370,815	0.019%	1,474,807	0.020%
Information Technology (IT) - Support	95,500	0.001%	\$ 95,500	0.001%	93,500	0.001%
Capitalized Expenditures	-	0.000%	-	0.000%	-	0.000%
Total Administration (Subject to CAP)	\$ 7,601,607	0.106%	\$ 7,601,607	0.106%	\$ 8,937,607	0.119%
Under Statutory Limitation	\$ 7,423,693	0.104%	\$ 7,423,693	0.104%	\$ 6,794,193	0.091%
Expenditures Exempt from CAP:						
Investment	994,198	0.014%	994,198	0.014%	1,410,100	0.019%
Information Technology (IT) - Exempt-CAP	997,345	0.014%	997,345	0.014%	1,714,900	0.023%
Other Expenditures	1,577,100	0.022%	1,577,100	0.022%	1,733,500	0.023%
Total Expenditures Exempt from CAP	\$ 3,568,643	0.050%	\$ 3,568,643	0.050%	\$ 4,858,500	0.065%
Combined:						
Administration	\$ 7,601,607	0.106%	\$ 7,601,607	0.106%	\$ 8,937,607	0.119%
Expenditures Exempt from CAP	3,568,643	0.050%	3,568,643	0.050%	4,858,500	0.065%
Budget Contingency	861,500	0.012%	861,500	0.012%	1,324,600	0.018%
Total Proposed Budget	\$ 12,031,750	0.168%	\$ 12,031,750	0.168%	\$ 15,120,707	0.202%

**VENTURA COUNTY EMPLOYEES' RETIREMENT ASSOCIATION
PROPOSED BUDGET AT A GLANCE
FISCAL YEAR 2023-24**

FY 2023 - 2024



**VENTURA COUNTY EMPLOYEES' RETIREMENT ASSOCIATION
POSITION DETAIL BY CLASSIFICATION
FISCAL YEAR 2023-2024**

Position Code	Position/Class Description	Biweekly Salary Range		ADOPTED FY 2022-23		ADJUSTED FY 2022-23		PROPOSED FY 2023-24	
				FTE	POS	FTE	POS	FTE	POS
00454	Agency Public Information Officer III (FT - 04.15.2024)	3,945.36	5,523.50	0.0	0.0	0.2	0.2	0.8	0.8
00454	Agency Public Information Officer III (Comm Officer)	3,945.36	5,523.50	0.0	0.0	0.0	0.0	0.2	0.2
00521	Technical Specialist IV - MB (FT 2 years)	2,172.41	3,041.67	0.0	0.0	0.0	0.0	2.0	2.0
00623	Program Administrator II (Benefits Specialist)	2,883.54	4,037.35	13.0	13.0	13.0	13.0	13.0	13.0
00623	Program Administrator II (Benefits Specialist)	2,883.54	4,037.35	0.0	0.0	0.0	0.0	1.0	1.0
00623	Program Administrator III (Retirement Sys Administrator) FT	3,018.86	4,226.82	0.0	0.0	0.0	0.0	1.0	1.0
00797	Senior Accounting Technician-CC	2,210.01	3,094.01	1.0	1.0	1.0	1.0	1.0	1.0
00912	Senior Accountant - MB	2,893.70	4,051.18	1.0	1.0	1.0	1.0	1.0	1.0
00946	Manager, Accounting I	-	-	1.0	1.0	1.0	1.0	0.0	0.0
00947	Manager, Accounting II	3,957.91	5,541.07	0.0	0.0	0.0	0.0	1.0	1.0
00981	Chief Financial Officer - Retirement	6,676.16	9,082.09	1.0	1.0	1.0	1.0	1.0	1.0
00982	General Counsel - Retirement	9,147.62	11,230.88	1.0	1.0	1.0	1.0	1.0	1.0
00983	Retirement Chief Operations Officer	7,834.47	9,618.68	1.0	1.0	1.0	1.0	1.0	1.0
00984	Retirement Chief Investment Officer	10,249.77	12,584.04	1.0	1.0	1.0	1.0	1.0	1.0
01174	Senior Program Administrator (Communications Officer)	-	-	1.0	1.0	1.0	1.0	0.0	0.0
01174	Senior Program Administrator	3,392.80	4,750.38	2.0	2.0	2.0	2.0	2.0	2.0
01340	Legal Management Asst III-C	2,296.15	3,214.61	0.5	1.0	0.5	1.0	0.5	1.0
01350	Office Assistant III - Confidential	1,836.97	2,572.00	2.0	2.0	2.0	2.0	2.0	2.0
01350	Office Assistant III - Confidential	1,836.97	2,572.00	0.0	0.0	0.0	0.0	1.0	1.0
01489	Program Assistant-NE	2,621.57	3,670.56	1.0	1.0	1.0	1.0	1.0	1.0
01617	Chief Technology Officer (Mgr. Application Development)	4,571.30	6,400.45	1.0	1.0	1.0	1.0	1.0	1.0
01711	Benefits Manager (Staff Services Manager III)	3,639.51	5,095.82	3.0	3.0	3.0	3.0	3.0	3.0
01711	Senior IT Specialist (Staff Services Manager III)	3,639.51	5,095.82	1.0	1.0	1.0	1.0	1.0	1.0
01711	Senior IT Specialist (Staff Services Manager III)	3,639.51	5,095.82	1.0	1.0	1.0	1.0	1.0	1.0
01785	Administrative Services Director II	4,521.10	6,329.54	1.0	1.0	1.0	1.0	0.0	0.0
01787	Administrative Services Director IV (Investment Officer)	5,590.77	7,827.08	0.0	0.0	0.1	0.1	1.0	1.0
01814	Retirement Administrator	9,477.96	11,636.49	1.0	1.0	1.0	1.0	1.0	1.0
	Total			34.5	35.0	34.8	35.3	39.5	40.0

**VENTURA COUNTY EMPLOYEES' RETIREMENT ASSOCIATION
COMBINED UNITS
PROPOSED BUDGET
FISCAL YEAR 2023 - 2024**

	2021-22 ACTUAL	2022-23 ADOPTED/ ADJUSTED	Budgets Subject to Administration CAP			Budgets Exempt from Administration CAP			2023-2024 PROPOSED COMBINED	PROPOSED/ ADJUSTED VARIANCE	% INCREASE/ (DECREASE)
			2023-2024 PROPOSED Administrative	2023-2024 PROPOSED IT Support -CAP	2023-2024 PROPOSED Admin-Disability	2023-2024 PROPOSED Investment	2023-2024 PROPOSED IT-Exempt-CAP	2023-2024 PROPOSED Other Expense			
Salaries and Benefits:											
Full-Time Equivalents	31.5	34.5	27.7	6.0	3.8	2.0	0.0	0.0	39.5	5.0	14.5%
Salaries:											
Regular Salary	\$3,426,109	\$4,222,600	\$3,761,400	\$798,000	\$464,600	\$574,300	\$0	\$0	\$5,598,300	\$1,375,700	32.6%
Overtime	164	0	0	0	0	0	0	0	0	0	0.0%
Extra-Help/Temporary Services	169,460	232,300	50,000	0	0	0	0	0	50,000	(182,300)	(78.5%)
Total Salaries	3,595,732	4,454,900	3,811,400	798,000	464,600	574,300	0	0	5,648,300	1,193,400	26.8%
Benefits:											
Supplemental Payments	78,048	175,600	142,300	29,200	18,000	37,200	0	0	226,700	51,100	29.1%
Vacation Redemption	234,507	168,100	156,100	15,700	7,900	16,700	0	0	196,400	28,300	16.8%
Retirement Contributions	539,559	618,000	443,100	103,700	57,700	28,000	0	0	632,500	14,500	2.3%
OASDI Contribution	192,740	270,300	250,300	56,000	35,500	19,900	0	0	361,700	91,400	33.8%
FICA-Medicare	53,953	71,100	55,300	13,700	7,700	6,600	0	0	83,300	12,200	17.2%
Flexible Credit Allowance	395,598	532,500	461,100	104,300	68,900	25,900	0	0	660,200	127,700	24.0%
Retiree Health Insurance	30,939	62,400	49,500	0	0	0	0	0	49,500	(12,900)	(20.7%)
Life Insurance	1,201	1,440	1,100	200	200	100	0	0	1,600	160	11.1%
Unemployment Insurance	1,744	6,600	0	0	0	0	0	0	0	(6,600)	(100.0%)
Mgmt Disability Insurance	21,697	31,300	27,900	5,900	3,400	4,300	0	0	41,500	10,200	32.6%
Workers Compensation Insurance	18,834	47,100	43,500	9,200	5,400	6,800	0	0	64,900	17,800	37.8%
401K Plan Contribution	82,119	105,900	95,500	19,500	7,500	18,300	0	0	140,800	34,900	33.0%
Total Benefits	1,650,937	2,090,340	1,725,700	357,400	212,200	163,800	0	0	2,459,100	368,760	17.6%
Total Salaries & Benefits	\$5,246,669	\$6,545,240	\$5,537,100	\$1,155,400	\$676,800	\$738,100	\$0	\$0	\$8,107,400	\$1,562,160	23.9%
Services & Supplies:											
Board Member Stipend	\$10,800	\$18,000	\$18,000	\$0	\$0	\$0	\$0	\$0	\$18,000	\$0	0.0%
Other Professional Services	96,579	185,950	80,000	0	110,500	0	0	0	190,500	4,550	2.4%
Auditing	40,890	111,380	65,000	0	0	0	0	0	65,000	(46,380)	(41.6%)
Hearing Officers	35,978	114,000	0	0	120,000	0	0	0	120,000	6,000	5.3%
Temporary Services	0	0	0	0	0	0	0	0	0	0	0.0%
Legal	391,882	640,000	80,000	0	55,000	615,000	0	0	750,000	110,000	17.2%
Election Services	10,742	0	0	0	0	0	0	0	0	0	0.0%
Actuary-Valuation	63,000	65,000	0	0	0	0	0	65,000	65,000	0.0%	
Actuary-GASB 67	13,000	13,500	0	0	0	0	0	13,500	13,500	0.0%	
Actuary-Assump/Exp	48,000	0	0	0	0	0	0	0	0	0.0%	
Actuary-415 Calculation	8,955	20,000	0	0	0	0	0	30,000	30,000	50.0%	
Actuary-Misc Hrly Consult	21,523	18,000	0	0	0	0	0	70,000	70,000	288.9%	
Actuary-Actuarial Audit	0	0	0	0	0	0	0	55,000	55,000	0.0%	
Advertising	0	3,000	3,000	0	0	0	0	0	3,000	0	0.0%
Printing	23,681	30,000	60,000	0	0	0	0	0	60,000	30,000	100.0%
Postage	36,424	35,500	75,000	0	700	0	0	0	75,700	40,200	113.2%
Courier	0	0	0	0	0	0	0	0	0	0	0.0%
Telephone	0	0	0	0	0	0	0	0	0	0	0.0%
Courier	0	3,300	3,500	0	0	0	0	0	3,500	200	6.1%
Copy Machine	4,795	5,000	5,000	0	0	0	0	0	5,000	0	0.0%
Insurance - General Liability	15,753	17,000	25,000	0	0	0	0	0	25,000	8,000	47.1%

**VENTURA COUNTY EMPLOYEES' RETIREMENT ASSOCIATION
COMBINED UNITS
PROPOSED BUDGET
FISCAL YEAR 2023 - 2024**

	2021-22 ACTUAL	2022-23 ADOPTED/ ADJUSTED	Budgets Subject to Administration CAP			Budgets Exempt from Administration CAP			2023-2024 PROPOSED COMBINED	PROPOSED/ ADJUSTED VARIANCE	% INCREASE/ (DECREASE)	
			2023-2024 PROPOSED	2023-2024 PROPOSED IT	2023-2024 PROPOSED	2023-2024 PROPOSED	2023-2024 PROPOSED	2023-2024 PROPOSED				2023-2024 PROPOSED
			Administrative	Support -CAP	Admin-Disability	Investment	IT-Exempt-CAP	Other Expense				
Insurance - Fiduciary Liability	83,609	110,000	147,000	0	0	0	0	0	147,000	37,000	33.6%	
Cost Allocation Charges	41,993	49,566	68,603	0	0	0	0	0	68,603	19,037	38.4%	
Education Allowance	0	4,000	4,000	0	0	0	0	0	4,000	0	0.0%	
Training/Travel-Staff	14,290	79,900	30,000	40,000	800	15,000	0	0	85,800	5,900	7.4%	
Training/Travel-Trustee	3,660	35,700	20,000	0	0	5,000	0	0	25,000	(10,700)	(30.0%)	
Travel-Due Diligence-Staff	0	19,100	0	0	0	10,000	0	0	10,000	(9,100)	(47.6%)	
Travel-Due Diligence-Trustee	0	21,100	2,000	0	0	5,000	0	0	7,000	(14,100)	(66.8%)	
Mileage-Staff	0	4,500	4,000	300	0	500	0	0	4,800	300	6.7%	
Mileage -Trustee	0	4,500	4,000	0	0	500	0	0	4,500	0	0.0%	
Mileage-Due Diligence-Staff	0	700	0	0	0	500	0	0	500	(200)	(28.6%)	
Mileage-Due Diligence-Trustee	0	700	1,000	0	0	500	0	0	1,500	800	114.3%	
Auto Allowance	6,900	6,900	6,500	0	0	0	0	0	6,500	(400)	(5.8%)	
Facilities-Security	3,496	3,950	4,000	500	0	0	0	0	4,500	550	13.9%	
Facilities-Maint & Repairs	1,346	3,300	2,500	1,000	0	0	0	0	3,500	200	6.1%	
Equipment-Maint & Repairs	910	2,000	2,000	0	0	0	0	0	2,000	0	0.0%	
General Office Expense	2,963	5,900	4,000	0	0	0	0	0	4,000	(1,900)	(32.2%)	
Books & Publications	16,952	18,670	6,500	500	0	15,000	0	0	22,000	3,330	17.8%	
Office Supplies	6,102	15,000	10,000	0	0	0	0	0	10,000	(5,000)	(33.3%)	
Memberships & Dues	16,485	17,570	13,000	750	0	5,000	0	0	18,750	1,180	6.7%	
Bank Service Charges	0	0	0	0	0	0	0	0	0	0	0.0%	
Offsite Storage	4,951	5,200	5,500	0	0	0	0	0	5,500	300	5.8%	
Claims, Judgements & Court Ord	0	0	0	0	0	0	0	0	0	0	0.0%	
Rents/Leases-Equipment	0	0	0	0	0	0	0	0	0	0	0.0%	
Rents/Leases-Structures	255,640	276,564	290,654	0	0	0	0	0	290,654	14,090	5.1%	
Building Operating Expenses	1,422	7,545	8,000	0	0	0	0	0	8,000	455	6.0%	
Non-Capital Equipment	0	5,000	0	0	0	0	0	0	0	(5,000)	(100.0%)	
Non-Capital Furniture	1,912	2,000	2,000	0	0	0	0	0	2,000	0	0.0%	
Depreciation /Amortization	1,582,153	1,553,170	95,000	0	0	0	0	1,500,000	1,595,000	41,830	2.7%	
Total Services & Supplies	\$2,866,785	\$3,532,165	\$1,144,757	\$43,050	\$287,000	\$672,000	\$0	\$1,733,500	\$3,880,307	\$348,142	9.9%	
Total Sal, Ben, Serv & Supp	\$8,113,455	\$10,077,405	\$6,681,857	\$1,198,450	\$963,800	\$1,410,100	\$0	\$1,733,500	\$11,987,707	\$1,910,302	19.0%	
<u>Technology:</u>												
Technology-Hardware	44,211	\$76,000	\$0	\$0	\$0	\$0	\$75,000	\$0	\$75,000	(\$1,000)	(1.3%)	
Technology-Hardware Support	7,838	10,000	0	0	0	0	\$10,000	0	10,000	0	0.0%	
Technology-Software Lic & Maint	44,847	64,145	0	0	0	0	\$213,400	0	213,400	149,255	232.7%	
Technology-Software Support & Maint	10,005	75,000	0	0	0	0	\$99,500	0	99,500	24,500	32.7%	
Technology-Cloud Services	2,805	1,100	0	0	0	0	\$2,600	0	2,600	1,500	136.4%	
Technology-Website Support	8,618	30,500	0	0	0	0	\$41,500	0	41,500	11,000	36.1%	
Technology-Infrastructure Support	89,864	227,600	0	0	0	0	\$177,900	0	177,900	(49,700)	(21.8%)	
Technology-V3 Software	0	180,000	0	0	0	0	\$745,000	0	745,000	565,000	313.9%	
Technology- Hosting	733,773	310,000	0	0	0	0	\$325,000	0	325,000	15,000	4.8%	
Technology-Data Communication	62,173	118,500	0	93,500	0	0	25,000	0	118,500	0	0.0%	
Total Technology	\$1,004,136	\$1,092,845	\$0	\$93,500	\$0	\$0	\$1,714,900	\$0	\$1,808,400	\$715,555	65.5%	

VENTURA COUNTY EMPLOYEES' RETIREMENT ASSOCIATION
 COMBINED UNITS
 PROPOSED BUDGET
 FISCAL YEAR 2023 - 2024

	2021-22 ACTUAL	2022-23 ADOPTED/ ADJUSTED	Budgets Subject to Administration CAP			Budgets Exempt from Administration CAP			2023-2024 PROPOSED COMBINED	PROPOSED/ ADJUSTED VARIANCE	% INCREASE/ (DECREASE)
			2023-2024 PROPOSED Administrative	2023-2024 PROPOSED IT Support -CAP	2023-2024 PROPOSED Admin-Disability	2023-2024 PROPOSED Investment	2023-2024 PROPOSED IT-Exempt-CAP	2023-2024 PROPOSED Other Expense			
Capitalized Expenses:											
Capitalized Structures	\$12,110	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	0.0%
Total Capitalized Expenses	\$12,110	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	0.0%
Total Before Contingency	\$9,129,700	\$11,170,250	\$6,681,857	\$1,291,950	\$963,800	\$1,410,100	\$1,714,900	\$1,733,500	\$13,796,107	\$2,625,857	23.5%
Budget Contingency	845,000	861,500	1,324,600						1,324,600	463,100	53.8%
Total	\$9,974,700	\$12,031,750	\$8,006,457	\$1,291,950	\$963,800	\$1,410,100	\$1,714,900	\$1,733,500	\$15,120,707	\$3,088,957	25.7%

VENTURA COUNTY EMPLOYEES' RETIREMENT ASSOCIATION
ADMINISTRATIVE
PROPOSED BUDGET
FISCAL YEAR 2023-2024

2021-2022 ACTUAL	2022-23 ADOPTED/ ADJUSTED	2023-24 PROPOSED Administrative	PROPOSED/ ADJUSTED VARIANCE	% INCREASE/ (DECREASE)
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Salaries and Benefits:

Full-Time Equivalents	24.5	25.5	27.7	2.2	8.6%
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Salaries:

Regular Salary	\$2,381,570	\$2,950,700	\$3,761,400	\$810,700	27.5%
Overtime	0	0	0	\$0	0.0%
Extra-Help/Temporary Services	133,336	232,300	50,000	(\$182,300)	(78.5%)

Total Salaries	2,514,906	3,183,000	3,811,400	628,400	19.7%
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Benefits:

Supplemental Payments	58,747	122,292	142,300	\$20,008	16.4%
Vacation Redemption	252,107	119,000	156,100	\$37,100	31.2%
Retirement Contributions	365,011	443,000	443,100	\$100	0.0%
OASDI Contribution	142,713	192,000	250,300	\$58,300	30.4%
FICA-Medicare	39,107	48,400	55,300	\$6,900	14.3%
Flexible Credit Allowance	320,388	387,500	461,100	\$73,600	19.0%
Retiree Health Insurance	50,887	62,400	49,500	(\$12,900)	(20.7%)
Life Insurance	886	1,100	1,100	\$0	0.0%
Unemployment Insurance	6,102	4,600	0	(\$4,600)	(100.0%)
Mgmt Disability Insurance	15,262	21,900	27,900	\$6,000	27.4%
Workers Compensation Insurance	36,206	32,900	43,500	\$10,600	32.2%
401K Plan Contribution	55,913	74,900	95,500	\$20,600	27.5%

Total Benefits	1,343,329	1,509,992	1,725,700	215,708	14.3%
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Total Salaries & Benefits	\$3,858,235	\$4,692,992	\$5,537,100	\$844,108	18.0%
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Services & Supplies:

Board Member Stipend	\$10,000	\$18,000	\$18,000	\$0	0.0%
Other Professional Services	60,296	76,950	80,000	\$3,050	4.0%
Auditing	46,450	111,380	65,000	(\$46,380)	(41.6%)
Temporary Services	0		0	\$0	0.0%
Legal	141,191	75,000	80,000	\$5,000	6.7%
Election Services	6,495	0	0	\$0	0.0%
Advertising	0	3,000	3,000	\$0	0.0%
Printing	23,858	30,000	60,000	\$30,000	100.0%
Postage	40,419	35,000	75,000	\$40,000	114.3%
Courier	0	3,300	3,500	\$200	6.1%
Copy Machine	5,063	5,000	5,000	\$0	0.0%
Insurance - General Liability	15,596	17,000	25,000	\$8,000	47.1%
Insurance - Fiduciary Liability	109,825	110,000	147,000	\$37,000	33.6%
Cost Allocation Charges	45,070	49,566	68,603	\$19,037	38.4%
Education Allowance	0	4,000	4,000	\$0	0.0%
Training/Travel-Staff	5,188	29,700	30,000	\$300	1.0%

VENTURA COUNTY EMPLOYEES' RETIREMENT ASSOCIATION
ADMINISTRATIVE
PROPOSED BUDGET
FISCAL YEAR 2023-2024

	2021-2022 ACTUAL	2022-23 ADOPTED/ ADJUSTED	2023-24 PROPOSED Administrative	PROPOSED/ ADJUSTED VARIANCE	% INCREASE/ (DECREASE)
Training/Travel-Trustee	14,074	20,700	20,000	(\$700)	(3.4%)
Travel-Due Diligence-Staff	0	0	0	\$0	0.0%
Travel-Due Diligence-Trustee	0	0	2,000	\$2,000	100.0%
Mileage-Staff	280	3,500	4,000	\$500	14.3%
Mileage -Trustee	492	4,000	4,000	\$0	0.0%
Mileage-Due Diligence-Staff	0	0	0	\$0	0.0%
Mileage-Due Diligence-Trustee	0	0	1,000	\$1,000	100.0%
Auto Allowance	7,475	6,900	6,500	(\$400)	(5.8%)
Facilities-Security	3,470	3,450	4,000	\$550	15.9%
Facilities-Maint & Repairs	676	2,500	2,500	\$0	0.0%
Equipment-Maint & Repairs	0	2,000	2,000	\$0	0.0%
General Office Expense	3,745	3,500	4,000	\$500	14.3%
Books & Publications	6,132	7,720	6,500	(\$1,220)	(15.8%)
Office Supplies	9,550	15,000	10,000	(\$5,000)	(33.3%)
Memberships & Dues	10,863	12,420	13,000	\$580	4.7%
Offsite Storage	5,213	5,200	5,500	\$300	5.8%
Rents/Leases-Structures	263,310	276,564	290,654	\$14,090	5.1%
Building Operating Expense	10,224	7,545	8,000	\$455	6.0%
Non-Capital Equipment	0	0	0	\$0	0.0%
Non-Capital Furniture	3,876	2,000	2,000	\$0	0.0%
Depreciation /Amortization	92,567	92,570	95,000	\$2,430	2.6%
Total Services & Supplies	\$941,396	\$1,033,465	\$1,144,757	\$111,292	10.8%
Total Sal, Ben, Serv & Supp	\$4,799,632	\$5,726,457	\$6,681,857	\$955,400	16.7%
<u>Capitalized Expenses:</u>					
Capitalized Structures	\$0	\$0	\$0	\$0	0.0%
Total Capitalized Expenses	\$0	\$0	\$0	\$0	0.0%
Total	\$4,799,632	\$5,726,457	\$6,681,857	\$955,400	16.7%

VENTURA COUNTY EMPLOYEES' RETIREMENT ASSOCIATION
INFORMATION TECHNOLOGY (I/T) SUPPORT-CAP (Subject to CAP)
PROPOSED BUDGET
FISCAL YEAR 2023-2024

2021-2022 ACTUAL	2022-23 ADOPTED/ ADJUSTED	2023-24 PROPOSED Admin IT-CAP	PROPOSED/ ADJUSTED VARIANCE	% INCREASE/ (DECREASE)
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Salaries and Benefits:

Full-Time Equivalents	4.0	5.0	6.0	1.0	20.0%
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Salaries:

Regular Salary	\$508,800	\$651,200	\$798,000	\$146,800	22.5%
Overtime	0	0	0	\$0	0.0%
Extra-Help/Temporary Services	0	0	0	\$0	0.0%
Total Salaries	508,800	651,200	798,000	146,800	22.5%

Benefits:

Supplemental Payments	19,000	24,000	29,200	\$5,200	21.7%
Vacation Redemption	25,300	29,500	15,700	(\$13,800)	(46.8%)
Retirement Contributions	87,100	109,200	103,700	(\$5,500)	(5.0%)
OASDI Contribution	35,500	46,300	56,000	\$9,700	21.0%
FICA-Medicare	8,800	11,400	13,700	\$2,300	20.2%
Flexible Credit Allowance	53,500	80,600	104,300	\$23,700	29.4%
Retiree Health Insurance	0	0	0	\$0	0.0%
Life Insurance	200	200	200	\$0	0.0%
Unemployment Insurance	1,300	1,000	0	(\$1,000)	(100.0%)
Mgmt Disability Insurance	3,800	4,800	5,900	\$1,100	22.9%
Workers Compensation Insurance	5,800	7,200	9,200	\$2,000	27.8%
401K Plan Contribution	9,200	15,400	19,500	\$4,100	26.6%
Total Benefits	249,500	329,600	357,400	27,800	8.4%
Total Salaries & Benefits	\$758,300	\$980,800	\$1,155,400	\$174,600	17.8%

Services & Supplies:

Training/Travel-Staff	31,300	40,200	40,000	(200)	(0.5%)
Mileage-Staff	300	300	300	0	0.0%
Facilities-Security	300	500	500	0	0.0%
Facilities-Maint & Repairs	1,000	800	1,000	200	25.0%
Books & Publications	500	500	500	0	0.0%
Memberships & Dues	400	750	750	0	0.0%
Non-Capital Furniture	0	5,000	0	(5,000)	(100.0%)
Total Services & Supplies	\$33,800	\$48,050	\$43,050	(\$5,000)	(10.4%)

Total Sal, Ben, Serv & Supp	\$792,100	\$1,028,850	\$1,198,450	\$169,600	16.5%
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Technology:

Technology-Software Lic & Maint	0	2,000	0	(2,000)	(100.0%)
Technology-Data Communication	86,000	93,500	93,500	0	0.0%
Total Technology	\$86,000	\$95,500	\$93,500	(\$2,000)	(2.1%)

Total	\$878,100	\$1,124,350	\$1,291,950	\$167,600	14.9%
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VENTURA COUNTY EMPLOYEES' RETIREMENT ASSOCIATION
ADMIN - DISABILITY
PROPOSED BUDGET
FISCAL YEAR 2023-2024

2021-2022 ACTUAL	2022-23 ADOPTED/ ADJUSTED	2023-24 PROPOSED Admin-Disb	PROPOSED/ ADJUSTED VARIANCE	% INCREASE/ (DECREASE)
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Salaries and Benefits:

Full-Time Equivalents	3.0	3.0	3.8	0.8	27%
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Salaries:

Regular Salary	\$294,549	\$306,300	\$464,600	\$158,300	51.68%
Overtime	0	-	0	\$0	0.00%
Extra-Help/Temporary Services	0	-	0	\$0	0.00%
Total Salaries	294,549	306,300	464,600	158,300	51.68%

Benefits:

Supplemental Payments	10,315	10,700	18,000	\$7,300	68.22%
Vacation Redemption	11,682	4,700	7,900	\$3,200	68.09%
Retirement Contributions	48,946	48,100	57,700	\$9,600	19.96%
OASDI Contribution	19,324	23,100	35,500	\$12,400	53.68%
FICA-Medicare	4,519	5,300	7,700	\$2,400	45.28%
Flexible Credit Allowance	48,868	51,400	68,900	\$17,500	34.05%
Retiree Health Insurance	0	-	0	\$0	0.00%
Life Insurance	121	100	200	\$100	100.00%
Unemployment Insurance	748	500	0	(\$500)	(100.00%)
Mgmt Disability Insurance	2,184	2,300	3,400	\$1,100	47.83%
Workers Compensation Insurance	4,606	3,400	5,400	\$2,000	58.82%
401K Plan Contribution	5,390	5,600	7,500	\$1,900	33.93%
Total Benefits	156,703	155,200	212,200	57,000	36.73%
Total Salaries & Benefits	\$451,252	\$461,500	\$676,800	\$215,300	46.65%

Services & Supplies:

Other Professional Services	\$93,582	\$109,000	\$110,500	\$1,500	1.38%
Hearing Officers	50,759	114,000	120,000	\$6,000	5.26%
Legal	19,333	65,000	55,000	(\$10,000)	(15.38%)
Postage	354	500	700	\$200	40.00%
Training/Travel-Staff	0	800	800	\$0	0.00%
Mileage-Staff	0	0	0	\$0	0.00%
Facilities-Security	0	0	0	\$0	0.00%
Office Supplies	0	0	0	\$0	0.00%
Memberships & Dues	0	0	0	\$0	0.00%
Total Services & Supplies	\$164,027	\$289,300	\$287,000	(\$2,300)	(0.80%)

Total	\$615,279	\$750,800	\$963,800	\$213,000	28.4%
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**VENTURA COUNTY EMPLOYEES' RETIREMENT ASSOCIATION
INVESTMENT
PROPOSED BUDGET
FISCAL YEAR 2023-2024**

	2021-2022 ACTUAL	2022-23 ADOPTED/ ADJUSTED	2023-24 PROPOSED Investment	PROPOSED/ ADJUSTED VARIANCE	% INCREASE/ (DECREASE)
<u>Salaries and Benefits:</u>					
Full-Time Equivalents	1.0	1.0	2.0	1.0	100.0%
<u>Salaries:</u>					
Regular Salary	\$297,238	\$314,400	\$574,300	\$259,900	82.7%
Overtime	0	0	0	0	0.0%
Extra-Help/Temporary Services	0	0	0	0	0.0%
Total Salaries	297,238	314,400	574,300	259,900	82.7%
<u>Benefits:</u>					
Supplemental Payments	0	18,608	37,200	18,592	99.9%
Vacation Redemption	17,092	14,900	16,700	1,800	12.1%
Retirement Contributions	19,692	17,700	28,000	10,300	58.2%
OASDI Contribution	9,193	8,900	19,900	11,000	123.6%
FICA-Medicare	4,606	6,000	6,600	600	10.0%
Flexible Credit Allowance	12,665	13,000	25,900	12,900	100.0%
Retiree Health Insurance	0	0	0	0	0.0%
Life Insurance	40	40	100	60	150.0%
Unemployment Insurance	745	500	0	(500)	(100.0%)
Mgmt Disability Insurance	1,070	2,300	4,300	2,000	87.0%
Workers Compensation Insurance	3,412	3,600	6,800	3,200	88.9%
401K Plan Contribution	8,936	10,000	18,300	8,300	83.0%
Total Benefits	77,451	95,548	163,800	68,252	71.4%
Total Salaries & Benefits	\$374,689	\$409,948	\$738,100	\$328,152	80.0%
<u>Services & Supplies:</u>					
Legal	\$555,067	\$500,000	\$615,000	\$115,000	23.0%
Training/Travel-Staff	780	9,200	15,000	\$5,800	63.0%
Training/Travel-Trustee	0	15,000	5,000	(\$10,000)	100.0%
Travel-Due Diligence-Staff	0	19,100	10,000	(\$9,100)	100.0%
Travel-Due Diligence-Trustee	0	21,100	5,000	(\$16,100)	100.0%
Mileage-Staff	80	700	500	(\$200)	100.0%
Mileage -Trustee	0	500	500	\$0	100.0%
Mileage-Due Diligence-Staff	0	700	500	(\$200)	100.0%
Mileage-Due Diligence-Trustee	0	700	500	(\$200)	100.0%
General Office Expense	0	2,400	0	(\$2,400)	0.0%
Books & Publications	9,396	10,450	15,000	\$4,550	43.5%
Office Supplies	0	0	0	\$0	0.0%
Memberships & Dues	4,330	4,400	5,000	\$600	13.6%
Total Services & Supplies	\$569,653	\$584,250	\$672,000	\$87,750	15.0%
Total Sal, Ben, Serv & Supp	\$944,342	\$994,198	\$1,410,100	\$415,902	41.8%
Total	\$944,342	\$994,198	\$1,410,100	\$415,902	41.8%

Note - The investment budget does not include investment expenses, including investment manager fees either paid directly via VCERA issued check, deducted from directly from investment by the respective investment manager or via a capital call where the investment fee may not be clearly identified until the quarterly report is received. These fees are a cost to the pension plan and are detailed in the Schedule of Investment Management Fees that are provided to the Retirement board on a periodic basis (quarterly effective in the new fiscal year, where previously they were provided monthly).

**VENTURA COUNTY EMPLOYEES' RETIREMENT ASSOCIATION
INFORMATION TECHNOLOGY - EXEMPT-CAP
PROPOSED BUDGET
FISCAL YEAR 2023-2024**

	2021-2022 ACTUAL	2022-23 ADOPTED/ ADJUSTED	2023-24 PROPOSED IT - EXEMPT	PROPOSED/ ADJUSTED VARIANCE	% INCREASE/ (DECREASE)
<i>Technology:</i>					
Technology-Hardware	\$61,207	\$76,000	\$75,000	(\$1,000)	(1.3%)
Technology-Hardware Support	0	10,000	10,000	\$0	0.0%
Technology-Software Lic & Maint	85,605	62,145	213,400	\$151,255	243.4%
Technology-Software Support & Maint	0	75,000	99,500	\$24,500	32.7%
Technology-Cloud Services	811	1,100	2,600	\$1,500	136.4%
Technology-Website Support	7,820	30,500	41,500	\$11,000	36.1%
Technology-Infrastructure Support	157,304	227,600	177,900	(\$49,700)	(21.8%)
Technology-V3 Software	554,623	180,000	745,000	\$565,000	313.9%
Technology- Hosting	278,472	310,000	325,000	\$15,000	4.8%
Technology-Data Communication	48,600	25,000	25,000	\$0	0.0%
Total Technology	\$1,194,443	\$997,345	\$1,714,900	\$717,555	71.9%
Total	\$1,194,443	\$997,345	\$1,714,900	\$717,555	71.9%

**VENTURA COUNTY EMPLOYEES' RETIREMENT ASSOCIATION
OTHER EXPENDITURES
PROPOSED BUDGET
FISCAL YEAR 2023-2024**

	2021-2022 ACTUAL	2022-23 ADOPTED/ ADJUSTED	2023-24 PROPOSED Administration	PROPOSED/ ADJUSTED VARIANCE	% INCREASE/ (DECREASE)
<u>Services & Supplies:</u>					
Actuary-Valuation	\$64,000	\$65,000	\$65,000	\$0	0.0%
Actuary-GASB 67	13,500	13,500	13,500	\$0	0.0%
Actuary-Assump/Exp	0	0	0	\$0	0.0%
Actuary-415 Calculation	25,112	20,000	30,000	\$10,000	50.0%
Actuary-Misc Hrly Consult	28,694	18,000	70,000	\$52,000	288.9%
Actuary-Actuarial Audit	0	0	55,000	\$55,000	0.0%
Depreciation /Amortization	1,460,594	1,460,600	1,500,000	\$39,400	2.7%
Total Services & Supplies	\$1,591,900	\$1,577,100	\$1,733,500	\$156,400	9.9%
Total Sal, Ben, Serv & Supp	\$1,591,900	\$1,577,100	\$1,733,500	\$156,400	9.9%
Total	\$1,591,900	\$1,577,100	\$1,733,500	\$156,400	9.9%