

VENTURA COUNTY EMPLOYEES' RETIREMENT ASSOCIATION

BOARD OF RETIREMENT

FINANCE COMMITTEE MEETING

MAY 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: +1 213-338-8477, using Meeting ID: 874-6467-6160. 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 Board 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 March 6, 2023.

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).

B. Internal Audit - Discussion.

IV. **OLD BUSINESS (continued)**

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

V. **NEW BUSINESS**

- A. Actuarial Audit – RFP Development.
 1. Staff Letter by Chief Financial Officer.
 2. Draft RFP for Actuarial Audit (Redline).
- B. Finance Committee Charter – Update.
 1. Staff Letter by Chief Financial Officer.
 2. Charter: Finance Committee (Redline).
- C. Annual Administrative Budget Policy – Update.
RECOMMENDED ACTION: Approve.
 1. Staff Letter by Chief Financial Officer.
 2. Annual Administrative Budget Policy (Redline).

VI. **PUBLIC COMMENT**

VII. **STAFF COMMENT**

VIII. **BOARD MEMBER COMMENT**

IX. **ADJOURNMENT**

VENTURA COUNTY EMPLOYEES' RETIREMENT ASSOCIATION

BOARD OF RETIREMENT

FINANCE COMMITTEE MEETING

APRIL 12, 2023

MINUTES

**TRUSTEES
PRESENT:**

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

**TRUSTEES
ABSENT:**

**STAFF
PRESENT:**

Linda Webb, Retirement Administrator
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:

4:00 p.m.

ITEM:

I. CALL TO ORDER

A. Roll Call.

Chair Goulet called the Finance Committee meeting of April 12, 2023, to order at 4:00 p.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 March 6, 2023.

MOTION: Approve.

Moved by Joe, seconded by Roberts

Vote: Motion carried

Yes: Joe, Roberts, Goulet

No: -

Absent: -

Abstain: -

IV. OLD BUSINESS

A. Post-retirement Health Insurance Payment.

1. Staff Letter by Retirement Administrator.
To be Provided.

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.

Chair Goulet reminded the Finance Committee that he had asked that the item be placed on today's agenda at a recent Board meeting and the Retirement Administrator was given the task of developing a list of the potential liabilities to VCERA. He had spoken to her yesterday, and she apologized because she said that she was unable to complete the task in time for today's meeting, so he suggested that the committee continue the item.

Ms. Webb said that she appreciated their patience because she just hadn't been able to work on that analysis because there had been too many other equally important items that she had been working on.

Chair Goulet then said he would continue the item.

V. NEW BUSINESS

A. Fiscal Year 2022-23 Quarterly December 31, 2022, Financial Statements and Budget Summaries.

RECOMMENDED ACTION: Approve.

1. Staff Letter by Chief Financial Officer.
2. Draft Staff Letter for April 17, 2023, Disability and Business Meeting.
3. Financial Statements.
4. Budget Summaries.

Ms. Marshall said that she was requesting that the Finance Committee receive and file the Fiscal Year Ending 2022-23 Quarterly Financial Statements and Budget Summaries. Staff had completed work on the 6 month financial reports for the fiscal year that ended on December 31, 2022. Overall, the pension plans net position was \$7 billion, as of December 31, 2022, decreasing by \$57,000 as compared to the prior year's Annual Comprehensive Financial Report (ACFR). The total operating budget was \$12 million as of December 31st and the Actual Year to Date total was, \$4.5 million, so the available amount was \$7.5 million, and the percent expended as of December 31st was 37.8%. While there were some variances in the budget line items by categories, Salaries and Benefits, Service and Supplies, Technology, and Contingency, the percent expended did not exceed the budget in any of the categories.

Chair Goulet noted that on Page 5 of the Financial Statements, there was a negative amount of over \$500,000 related to management fees. He then asked what the reason was for the large negative amount in the report.

Ms. Marshall explained that bundled in the management fees was the carried interest, which was making it a negative amount. Also, once the investment manager reached a certain performance ratio, then it would become a positive amount.

Chair Goulet then said that he recalled that he had previously spoke to Ms. Marshall about the line item. He also reminded Ms. Marshall that, hereafter, it was unnecessary to prepare both a staff letter and a draft letter to the VCERA Board for the financials since they were duplicates.

MOTION: After Finding Nothing of Concern, Approve and Recommend the Board Receive and File.

Moved by Roberts, seconded by Joe

Vote: Motion carried
Yes: Joe, Roberts, Goulet
No: -
Absent: -
Abstain: -

B. Mid-Year Budget Update for Fiscal Year 2022-23

RECOMMENDED ACTION: Receive and File.

1. Draft Staff Letter for April 17, 2023, Disability and Business Meeting.
2. Budget Summary Projections (Attachment A).

Ms. Marshall explained that the item compared the adopted budget for respective cost centers to actual expenses incurred through December 31, 2022 as well as projected expenditures based staff's best estimate. The projection for June 30, 2022 was \$10.2 million, which meant that 85.2% would be expended, and while there were some projected cost overruns in the Disability and Other Expenses budget, staff was not requesting any budgetary adjustments. If necessary, staff would return to the Board after year end, and request appropriation adjustments between object levels to close out the year.

Chair Goulet provided minor corrections related to spelling and grammar in the report. He also noted that on page 2 of the staff letter, it stated that staff was continuing to work from home. He then said it was true as of December 2022, however, currently most of the staff was working in the office.

Ms. Webb remarked that all staff were in the office on Monday but were able to work from home for a maximum of 2 days out of the week. Also, staff's schedules were carefully coordinated so that they could provide in-person coverage all throughout the week to members.

MOTION: After Finding Nothing of Concern, Approve with Edits and Recommend the Board Receive and File.

Moved by Roberts, seconded by Joe

Vote: Motion carried
Yes: Joe, Roberts, Goulet
No: -
Absent: -
Abstain: -

C. Future Actuarial Audit Discussion.

To be Provided.

1. Staff Letter by Chief Financial Officer.

Ms. Marshall noted that she had indicated that there would be a staff letter for the item, but she said that she would be providing a verbal update instead. The VCERA Charter stated that at least every 6 years that an Actuarial Audit be done. Therefore, staff was requesting direction on whether the committee believed they should proceed with planning for an Actuarial Audit.

Ms. Webb remarked that there was an Actuarial Audit done about 7 years ago and so it was time for another audit, if they wanted to stay on the same schedule, which had some positives and negatives to it. There was currently a lot of changes going on, from an actuarial perspective because the

Alameda Decision, such as the pending corrections to retirement calculations, as well as some data issues. Also, there was a pending potential request from the County for VCERA to perform another special study, which was related to the addition of a Cost-of-Living-Adjustment (COLA) for the California Nurses Association, which had about 700 members. Currently, the County had asked Segal Consulting to perform a special study to find out the cost and the timeframe, and depending on the timetable, they were planning to ask the Board of Retirement to adopt new alternate rates that were different from the ones in the previous valuation, since there would be a little bit of a “dip” in the Unfunded Actuarial Accrued Liability (UAAL), with the addition of the group in question. So, it might be an unstable time to try to conduct an actuarial audit, especially if there was a change in the actuarial valuation, that was just finished. However, she was not opposed to having an actuarial audit, but she was just noting the potential complications.

Trustee Joe asked what was involved in having an actuarial audit performed, since he was not a part of the Board of Retirement the last time one was performed.

Ms. Webb explained that the Board would just provide another Actuary the same information that was provided to their current Actuary, Segal Consulting, to have them replicate the same report with the same information.

Chair Goulet remarked that as he recalled the contractor that performed the audit did not perform a full replication of the valuation report, instead they evaluated the processes that VCERA’s Actuary used to ensure that they were using the correct processes. He also believed that it wasn’t a terribly expensive exercise, so it couldn’t have been a full replication.

Chair Goulet stated that he understood the complications mentioned by Ms. Webb, but the Board had just approved a review of the Board’s Charter and it seemed to him that they should comply with it.

Ms. Webb replied that she was fine with that decision, and they could simply take the RFP that was used that last time and modify and send it out to secure a new Auditor.

Trustee Roberts remarked that he believed it would be better to have an audit performed sooner rather than later, given all of the potential complications that were on the horizon.

Ms. Webb said that she believed that the Finance Committee should then recommend to the Board that they appoint a committee to review and edit a RFP and then the fiscal staff could send it out. Once the replies to the RFP were received the committee would then review and rank each of the offers from the service providers and provide a recommendation on an Auditor.

Chair Goulet noted that the Actuarial activities were specifically excluded from the responsibilities of the Finance Committee, although it did not mean that they could not perform the procedural work for the RFP. Therefore, they could make a recommendation to the Board that they be given the responsibility, instead of the Board appointing a separate committee.

MOTION: Recommend that VCERA Proceed with an Actuarial Audit and assign the Finance Committee the responsibility of developing the RFP and evaluating the responses to the RFP to make a recommendation to the Board for the selection of an Auditor.

Moved by Joe, seconded by Roberts

Vote: Motion carried

Yes: Joe, Roberts, Goulet

No: -

Absent: -
Abstain: -

D. New Investment Position Update.
To be Provided.

1. Staff Letter by Chief Financial Officer.

Ms. Marshall said that she would again provide a verbal update. The Job Description for the position was complete and the title of the position was Administrative Services Director IV (Investment Officer). There was also a request from staff for the Board to approve adding this position at the upcoming Disability & Business meeting of April 17th.

Ms. Webb added that there would be a letter on the agenda for the Board meeting of April 17th to request that the Board add the position and Ms. Marshall and the CIO had calculated the salary and benefit cost for the position. Also, given the time it would take to approve the request and finalize the recruitment, staff did not believe it would have an impact on the current budget.

VI. PUBLIC COMMENT

None.

VII. STAFF COMMENT

None.

VIII. BOARD MEMBER COMMENT

Chair Goulet said that if they recall, when the Board was dealing with the compensation issue for their executive managers, there was a proposal to grant them a Fixed COLA, and Supervisor Long had opposed that, so he was wondering if she had voted yes on providing a COLA to the County employees covered by the CNA Union. He then asked Ms. Webb if she knew how Ms. Long voted.

Ms. Webb said that she was not aware of how she voted.

Chair Goulet said that he would like to know, because she was so against providing a COLA to VCERA's 5 employees, and now the County had approved a COLA for 700 employees.

Ms. Webb remarked that it was probably not the last COLA that would be negotiated by the Unions and approved by the County.

IX. ADJOURNMENT

The Chair adjourned the meeting at 4:51 p.m.

Approved,

ART GOULET, Finance Committee Chair



May 15, 2023

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

SUBJECT: RECEIVE AND DISCUSS – STAFF ANALYSIS OF THE RETIREMENT HEALTH INSURANCE PREMIUM'S POTENTIAL LIABILITY

Dear Finance Committee:

The Finance Committee has directed staff to develop an analysis of the Retirement Health Insurance Premium's (RHIP) potential liability. The following information summarizes the analysis location and outcome.

ATTACHMENT A

- Page 1 of 2: Past, current, and future RHIP cost per month, per eligible retiree,
- Page 1 of 2: 12-, 24-, 36-, 48-, and 60-month potential liability per eligible retiree,
- Page 2 of 2: Applicable Resolution (Sec. 504), dated March 2022
- Page 2 of 2: Current Retiree Health Benefit obligations through FY 27-28

RECOMMENDATION: RECEIVE, DISCUSS, AND FILE.

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

Sincerely,

La Valda R. Marshall
Chief Financial Officer

Attachment: Retiree Health Insurance Payment Analysis

COUNTY OF VENTURA

Management, Confidential Clerical and Other Unrepresented Employees Resolution



March 8, 2022

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.

**AMENDED AND RESTATED MEMORANDUM OF AGREEMENT BY AND BETWEEN
THE COUNTY OF VENTURA AND THE VENTURA COUNTY EMPLOYEES'
RETIREMENT ASSOCIATION
FOR RISK MANAGEMENT SERVICES**

This amended and restated memorandum of agreement (AGREEMENT), hereby amends the Memorandum of Agreement by and between the County of Ventura ("COUNTY"), and the Ventura County Employees Retirement Association ("VCERA") entered into in or about September, 2016, and is to be effective upon the adoption by both the Ventura County Board of Supervisors and the VCERA Board of Retirement.

WHEREAS, on January 25, 2016, the VCERA Board of Retirement adopted by resolution Government Code Section 31522.10, thereby allowing VCERA to appoint certain employees as employees of VCERA; and

WHEREAS, pursuant to California Government Code section 31522.10, the VCERA Board of Retirement may appoint certain personnel designated therein as employees of VCERA subject to the terms and conditions of employment established by the Board of Retirement ("VCERA employees"); and

WHEREAS, the Board of Retirement is the governing body as to its personnel appointed pursuant to Government Code section 31522.10 and the Board of Supervisors is the governing body for all other employees of the COUNTY assigned to work at VCERA; and

WHEREAS, VCERA desires to participate on its behalf and for the benefit of the VCERA employees in the COUNTY's Risk Management program, including but not limited to workers' compensation coverage and benefits afforded under the California Labor Code (e.g., reviewing/advising on work restrictions and conducting interactive process through the County's Human Resources department); and

WHEREAS, in the event VCERA is not covered under the COUNTY's insurance policies, the COUNTY and VCERA desire that COUNTY shall assist VCERA in the procurement of insurance.

NOW, therefore, the parties hereto agree as follows:

1. PURPOSE

The purpose of this AGREEMENT is to provide a means by which VCERA may contract with the COUNTY to participate in the COUNTY's Risk Management programs for the VCERA employees, to the same extent VCERA does as an agency of the County of Ventura and, where VCERA employees are not covered by COUNTY insurance policies, to provide a means by which the COUNTY shall assist VCERA in obtaining insurance policies on behalf of VCERA employees.

2. DURATION

As it relates to the VCERA employees only, this AGREEMENT will remain in effect from the date of execution by all parties until terminated by either party in writing, which is to be provided to the other party at least 365 days prior to the requested termination date. Notwithstanding the requested termination date, VCERA shall continue Risk Cost Allocation Plan contributions for VCERA employees to the Risk Management Internal Service Funds (ISF) for the remainder of the fiscal year within which termination becomes effective.

This AGREEMENT shall have no effect on coverage, contributions to the Risk Management ISFs or services provided to COUNTY employees assigned to work at VCERA. VCERA shall contribute to the Risk Management ISFs in the same manner and to the same extent as the COUNTY's agencies and departments, so long as and for each fiscal year that COUNTY employees are assigned to work at VCERA.

In the event of termination by either party, with respect to coverage afforded to VCERA employees, the COUNTY will remain responsible for adjusting and paying covered claims incurred during the operation of this AGREEMENT, unless other mutually agreeable arrangements are made.

3. SERVICES

- A. With respect to VCERA employees, VCERA may participate in COUNTY's self-insured Workers' Compensation Program, including the workers' compensation claim and benefit administration, safety and loss prevention consultations, and access to any safety training, to the same extent and at the same or comparable cost as COUNTY agencies and departments incur for the same or comparable services.
- B. VCERA agrees that it shall abide by all administrative policies and procedures and cooperate in the investigation necessary for the administration of COUNTY workers' compensation program in which VCERA is a participant for both VCERA employees and COUNTY employees assigned to work at VCERA.
- C. VCERA will be responsible for the payment and administration of any salary supplement or other contractual benefit related to industrial injuries and disability retirement, and this AGREEMENT is limited to administration and payment of benefits required by the California Labor Code for workers' compensation and the services the COUNTY currently provides in connection with applications filed under the CERL for disability retirement.
- D. Under this AGREEMENT workers' compensation coverage shall be provided for "VCERA employees" and members of the VCERA Board of Retirement.

- E. To the extent VCERA employees are not covered under the COUNTY's insurance policies, COUNTY will assist VCERA in procuring an insurance policy on behalf of VCERA employees, to cover general liability and property insurance and any other identified insurance coverages. VCERA will pay the premiums for any such insurance policy(ies) procured on its behalf as set forth in Section 4, below. COUNTY's Risk Management division will assist with broker meetings and in the application process. COUNTY's Risk Management division will assist in identifying risks and, unless VCERA requests otherwise, will continue to handle all claims and civil litigation as identified by those claims that are covered by insurance. County's Risk Management division will provide the insurance carrier with notice of claims for those claims covered by the insurance policy and will issue responsive correspondence to covered claims and will timely provide copies of such communications to VCERA. Neither COUNTY nor COUNTY's Risk Management division shall be liable for any claims made on behalf of VCERA employees in excess of any procured policy limit.

4. COMPENSATION FOR SERVICES

- A. For workers' compensation insurance coverage, VCERA agrees to compensate the COUNTY at the rates charged by the COUNTY in the same manner as charges are made to COUNTY agencies and departments. Payment for the services provided to VCERA by COUNTY for the benefit of VCERA employees and COUNTY employees assigned to work at VCERA shall be in the same manner as charges to County agencies and departments, through payroll assessments each pay period for workers' compensation coverage and periodic billings for liability and insurance coverage. If VCERA disagrees with the proposed amount to be charged, VCERA will raise such disagreement during the budget development process. Any such disagreements not raised during the budget development process are waived. VCERA agrees to compensate COUNTY for services relating to the VCERA employees using the rate methodology used for County and non-COUNTY entities for the same or similar services.
- B. For all insurance policies other than workers' compensation, COUNTY agrees to assist VCERA in the procurement of insurance policies, including but not limited to general liability policies, employment liability policies, and cyber liability policies on behalf of VCERA employees. VCERA agrees that it will be wholly responsible for the cost of any such insurance policies procured, including but not limited to the cost of premiums, any deductible, and any liability in excess of the policy limits and that COUNTY shall not be liable for any costs related to the procurement of the desired insurance policies or any liabilities arising under such policies. VCERA agrees that it will either be billed directly by the insurance carrier or will reimburse the COUNTY for any amounts paid by the COUNTY on VCERA's behalf, provided, however, that the COUNTY agrees that all amounts it previously charged VCERA for insurance coverage while VCERA was not

listed as a separate insured on such policies will result in a credit to VCERA toward future premiums for such coverage until such credit is exhausted. VCERA agrees that, except for workers' compensation claims County shall not be liable, through insurance coverage or otherwise, for any claims asserted by VCERA employees that arose prior to the execution of this Amended and Restated Memorandum of Agreement.

- C. Costs/Liabilities associated with the research, development, and/or implementation of this AGREEMENT or any other extraordinary expense associated with or caused by the setup and/or administration of the terms of this AGREEMENT, including fees for consultants retained for the benefit of VCERA, VCERA employees or COUNTY employees working at VCERA will be charged to, and paid by, VCERA; provided, however, that an itemization of such costs/liabilities already incurred by the COUNTY must be provided to the VCERA Board prior to entering into this AGREEMENT and any future costs must be authorized by the VCERA Board prior to payment.

5. DELEGATION AND ASSIGNMENT

VCERA may not assign its rights or delegate its obligations hereunder, either in whole or in part, without prior written consent of the COUNTY.

6. CONFIDENTIALITY

Except as required to carry out the terms of this AGREEMENT, VCERA agrees to maintain the confidentiality of all COUNTY and COUNTY-related records and information pursuant to all statutory laws relating to privacy and confidentiality that currently exist or exist at any time during the term of this AGREEMENT. COUNTY shall designate when a COUNTY or COUNTY-related record or information is private or confidential. All such records and information shall be considered confidential and shall be kept confidential by VCERA and VCERA's employees and agents, unless otherwise required by law. VCERA further agrees to maintain the confidentiality of any proprietary information identified as such by COUNTY and made available to it by COUNTY in the course of performing obligations under this AGREEMENT unless COUNTY agrees in writing to its release, or pursuant to court order.

Except as required to carry out the terms of this AGREEMENT, COUNTY agrees to maintain the confidentiality of all VCERA and VCERA-related records and information that relate to VCERA employees pursuant to all statutory laws relating to privacy and confidentiality that currently exist or exist at any time during the term of this AGREEMENT. VCERA shall designate when a VCERA or VCERA-related record or information is private or confidential, as it relates to VCERA employees. All such records and information shall be considered confidential and shall be kept confidential by COUNTY and COUNTY's employees and agents, unless otherwise required by law. COUNTY further agrees to maintain the confidentiality of any proprietary information identified as such by VCERA and made available to it by VCERA in the course of performing obligations under this AGREEMENT unless VCERA agrees in writing to its release, or pursuant to court order.

VCERA and COUNTY agree to comply with all applicable state and federal statutes and regulations regarding the confidentiality of medical information including the California Confidentiality of Medical Information Act (Civil Code sec. 56 et seq.) and the Health Insurance Portability and Accountability Act (Act Aug. 21, 1996, P.L. 104-191).

7. NO DEFENSE OR INDEMNITY

Nothing in this AGREEMENT shall be construed to constitute any agreement by the COUNTY to defend or indemnify VCERA or its employees, or for VCERA to defend or indemnify the County or its employees, for any claim arising under this agreement.

8. NOTICE

Where required to be given under this AGREEMENT, notice shall be in writing and deemed given when delivered personally or deposited in the United States mail, postage prepaid, certified, addressed as follows:

VCERA: Retirement Administrator
Ventura County Employees' Retirement Association
1190 S. Victoria Avenue, Suite 200
Ventura, CA 93003

cc: VCERA Board Chair
Ventura County Employees' Retirement Association
1190 S. Victoria Avenue, Suite 200
Ventura, CA 93003

COUNTY: Chief Executive Officer
County of Ventura
Hall of Administration L#1940
800 S. Victoria Avenue
Ventura, CA 93009

cc: Risk Manager
County of Ventura
Hall of Administration
800 S. Victoria Avenue
Ventura, CA 93009

9. WAIVER OF DEFAULT OR BREACH

Waiver of any default shall not be considered a waiver of any subsequent default. Waiver of any breach of any provision of this AGREEMENT shall not be considered a waiver of any subsequent breach. Waiver of any default or breach shall not be considered a modification of the terms of this AGREEMENT.

10. AMENDMENT

Except as otherwise provided herein, the AGREEMENT may be modified or amended only in writing signed by authorized representatives of both parties.

11. SEVERABILITY

If any provision of this AGREEMENT, or any portion thereof, is found by a court of competent jurisdiction to be unenforceable or invalid for any reason, such provision shall be severable and shall not in any way impair the enforceability of any other provision of this AGREEMENT.

12. VENUE

The venue for any legal action filed by either party in state court to enforce any provision of this AGREEMENT shall be Ventura County, California.

13. ENTIRE AGREEMENT

This AGREEMENT constitutes the entire agreement between the parties relating to the specific subject of this AGREEMENT and supersedes all previous agreements, promises, representations, understanding and negotiation, whether written or oral, among the parties with respect to the subject matter hereof.

IN WITNESS WHEREOF, this AGREEMENT was executed by the parties hereto as of the date last approved and made is effective as of July 12, 2022

Ventura County Employees' Retirement Association

By Mike Sedell

Mike Sedell, Chair
VCERA Board of Retirement

County of Ventura

By Matt LaV

CHAIR OF THE BOARD OF SUPERVISORS

APPROVED AS TO FORM:
NOSSAMAN, LLP

By Ashley K. Dunning

Ashley K. Dunning, Partner

APPROVED AS TO FORM:
Office of the County Counsel,
Ventura County

By Tiffany North

Tiffany North, County Counsel

: SEVET JOHNSON
Clerk of the Board of Supervisors
County of Ventura, State of
California



ATTEST: DR. SEVET JOHNSON
Clerk of the Board of Supervisors
County of Ventura, State of California

By: Don Key
Deputy Clerk of the Board

Ventura County Employees' Retirement Association (VCERA)
Retiree Health Insurance Premium (PHIP) Projected Annual Liability per Eligible Retiree
Potential Liability (FY's 2022-23 thru 2032-33)

Fiscal Year		Rate per Month		Mid FY Rate %% Increase	12-Month Liability per Eligible Retiree	Retiree Benefit Begins	24-Month Liability per Eligible Retiree	36-Month Liability per Eligible Retiree	48-Month Liability per Eligible Retiree	60-Month Liability per Eligible Retiree
		Jul - Dec	Jan - Jun							
2021	2022	\$ 1,257.23	\$ 1,284.39	2.2%	\$ 15,249.72					
2022	2023	\$ 1,284.39	\$ 1,340.66	4.4%	\$ 15,750.30	2021-2022	\$ 31,000.02			
2023	2024	\$ 1,342.00	\$ 1,408.00	4.9%	\$ 16,500.00	2022-2023	\$ 32,250.30	\$ 47,500.02	\$ 67,782.30	\$ 91,203.30
2024	2025	\$ 1,408.00	\$ 1,480.00	5.1%	\$ 17,328.00	2023-2024	\$ 33,828.00	\$ 49,578.30	\$ 71,142.00	\$ 95,767.67
2025	2026	\$ 1,480.00	\$ 1,554.00	5.0%	\$ 18,204.00	2024-2025	\$ 35,532.00	\$ 52,032.00	\$ 74,703.30	\$ 100,557.25
2026	2027	\$ 1,554.00	\$ 1,631.00	5.0%	\$ 19,110.00	2025-2026	\$ 37,314.00	\$ 54,642.00	\$ 78,439.67	\$ 105,576.71
2027	2028	\$ 1,631.00	\$ 1,712.55	5.0%	\$ 20,061.30	2026-2027	\$ 39,171.30	\$ 57,375.30	\$ 82,353.25	\$ 110,851.35
2028	2029	\$ 1,712.55	\$ 1,798.18	5.0%	\$ 21,064.37	2027-2028	\$ 41,125.67	\$ 60,235.67	\$ 86,466.71	\$ 116,393.91
2029	2030	\$ 1,798.18	\$ 1,888.09	5.0%	\$ 22,117.58	2028-2029	\$ 43,181.95	\$ 63,243.25	\$ 90,790.05	
2030	2031	\$ 1,888.09	\$ 1,982.49	5.0%	\$ 23,223.46	2029-2030	\$ 45,341.05	\$ 66,405.41	\$ 95,329.55	
2031	2032	\$ 1,982.49	\$ 2,081.62	5.0%	\$ 24,384.64	2030-2031	\$ 47,608.10	\$ 69,725.68		
2032	2033	\$ 2,081.62	\$ 2,185.70	5.0%	\$ 25,603.87	2031-2032	\$ 49,988.50	\$ 73,211.97		

Source: RHIP rates are published annually in the VC Budget Development Manual.
Rates: Beginning FY 2023-24, PHIP monthly rates are projected to increase by 5%.

Ventura County Employees' Retirement Association (VCERA)
 Retiree Health Insurance Premium (PHIP) Coverage Analysis, per current Retirees
 Potential Liability (FY's 2022-23 thru 2032-33)

County of Ventura Management, Confidential Clerical and Other Unrepresented Employee Resolution
 Dated: March 8, 2022

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.

Count	Retiree Health Benefit Recipients	FY 2023-24								FY 2022-23				FY 2021-22					
		BUDGET - \$1,342 per mth (Jul - Dec'23) \$1,408 per mth (Jan - Jun'24)								ACTUAL = \$1,284.39 per mth (Jul - Dec'22) = \$1,340.66 per mth (Jan - Jun'23)				ACTUAL = \$1,257.23 per mth (Jul - Dec'21) = \$1,284.39 per mth (Jan - Jun'22)					
		Annual (12 months)	Months Budgeted	06.30.2024 Months Remaining	Start Date		Start Date	Start Date	Start Date	Start Date	Start Date	Months Projected to Expire	06.30.2023 Months Remaining	Start Date	End Date	Amount	Months Expired	06.30.2022 Months Remaining	Start Date
1	SP	\$ 16,500.00	12	0	Jul-19		Jul-19	Jul-19	Jul-19	Jul-19	12	12	Jul-19	Jun-24	\$ 15,249.72	12	24	Jul-19	Jun-24
2	KS (Deceased 7/26/2022)	\$ -	0	23	Dec-19		Dec-19	Dec-19	Dec-19	Dec-19	6	23	Dec-19	Dec-22	\$ 15,249.72	12	29	Dec-19	Nov-24
3	JS	\$ 16,500.00	12	22	May-21		May-21	May-21	May-21	May-21	12	34	May-21	Apr-26	\$ 15,249.72	12	46	May-21	Apr-26
4	HS	\$ 16,500.00	12	32	Mar-22		Mar-22	Mar-22	Mar-22	Mar-22	12	44	Mar-22	Apr-27	\$ 5,137.56	4	56	Mar-22	Apr-27
		<u>\$ 49,500.00</u>		<u>77</u>							<u>42</u>	<u>113</u>			<u>\$ 50,886.72</u>	<u>40</u>	<u>155</u>		
	Comparison with \$1 in FY 2021-22		97%													100%			

Note KS (Deceased 7/26/2022) Refund due (Aug - Dec'2022)

Count	Retiree Health Benefit Recipients	FY 27-28								FY 2025-26				FY 2024-25					
		PROJECTION - \$1,554 per mth (Jul - Dec'26) -\$1,631 per mth (Jan - Jun'27)								PROJECTION - \$1,480 per mth (Jul - Dec'25) -\$1,554 per mth (Jan - Jun'26)				PROJECTION - \$1,408 per mth (Jul - Dec'24) \$1,480 per mth (Jan - Jun'25)					
		Annual (12 months)	Months Budgeted	06.30.2024 Months Remaining	Start Date		Start Date	Start Date	Start Date	Start Date	Start Date	Months Projected to Expire	06.30.2023 Months Remaining	Start Date	End Date	Amount	Months Expired	06.30.2022 Months Remaining	Start Date
1	JS		0	0							10	0	May-21	Apr-26	\$ 17,328.00	12	10	May-21	Apr-26
2	HS	\$ 12,586.00	8	0	Mar-22		Mar-22	Mar-22	Mar-22	Mar-22	12	8	Mar-22	Apr-27	\$ 17,328.00	12	20	Mar-22	Apr-27
		<u>\$ 12,586.00</u>		<u>0</u>							<u>22</u>	<u>8</u>			<u>\$ 34,656.00</u>	<u>24</u>	<u>30</u>		
	Comparison with \$1 in FY 2021-22		25%													68%			



May 15, 2023

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

SUBJECT: RECEIVE AND FILE - FINANCE COMMITTEE DIRECTION, INTERNAL AUDIT SERVICES STATUS, DISCUSSION, AND REQUEST FOR PROPOSAL (RFP) PLANNING.

Dear Finance Committee:

In July 2021, the FY 2021-22 adopted budget authorized \$60,000 for internal audit services. Unlike financial audits, in which the scope is standardized, internal audits have a much broader scope and can be more specific. There are several different types of internal audits; such as, compliance, agreed upon procedures, economy and efficiency, internal controls, to name a few. Staff received Finance Committee direction to pursue the internal audit services. Based on the Finance Committee's suggestions, staff returned with options, including issuance of a request for proposal, to procure a professional services contract for performance of an internal audit.

In August 2021, staff recommended that the internal audit service be focus on examining, evaluating, and improving VCERA operational process and procedure efficiencies. The Finance Committee directed staff to do further research to find internal auditors to send an RFP to and then bring back a Request for Proposal (RFP) – Internal Audit Services for the committee to review.

In January 2022, staff provided the Finance Committee with a status on the internal audit request for proposal (RFP). Staff announced that the RFP for internal audit services was paused due to availability of the Chief Financial Officer (CFO) to allow the CFO to focus on the annual comprehensive financial report (ACFR). At this time, staff requested direction on the specific type of internal audit (i.e., types are listed below) the Finance Committee would like performed.

- Compliance,
- Operational,
- Performance and,
- Information Technology

At this time, staff respectfully request Finance Committee's direction on internal audit service type and requirements. If the Finance Committee believes a risk assessment is appropriate, an audit plan would be developed that would identify several audit areas that would be reviewed over the next several years and could be updated periodically to keep the plan current. If the Finance Committee would like to review a particular division for efficiency and effectiveness, such as VCERA Administration, Operations, Fiscal or Information Technology, then a performance audit would be appropriate. Finally, if the Finance Committee prefers to just review a specific process(es)/procedure(s), such as member contributions, retiring a member, accounts payable,

INTERNAL AUDIT

May 15, 2023

Page 2 of 2

financial reporting, etc. then an operational audit would be the appropriate audit. If an operational or compliance audit is the Finance Committee's preference, the Finance Committee would need to provide specific audit areas to be reviewed and assist staff in developing scope and criteria so an agreed upon procedures document can be created for the RFP.

In July 2022 the current year adopted budget authorized \$60,000 for internal audit services. To date, no internal audit services expenses have been expended.

RECOMMENDATION: RECEIVE AND FILE

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

Sincerely,

A handwritten signature in blue ink that reads "LaValda R. Marshall".

La Valda R. Marshall
Chief Financial Officer

Attachment A: Internal Audit Service Types

INTERNAL AUDIT SERVICE TYPES

	Service Types	Service Type Description
1	Internal Audit Service - Compliance	A compliance audit is an examination of conformity and adherence of a particular area, process, or system to policies, plans, procedures, laws, regulations, contracts, or other requirements that govern the conduct of the area, process, or system subject to audit.
2	Internal Audit Service - Operational	An operational audit is a review mainly focused on the internal controls of key processes, procedures, or systems. The main objective is to improve productivity, as well as efficiency and effectiveness of the operation.
3	Internal Audit Service - Performance	A Performance audit is an independent examination of a program, function, operation or the management systems and procedures to assess whether the entity is achieving economy, efficiency, and effectiveness in the employment of available resources.
4	Internal Audit Service – Information Technology (IT)	An information technology (IT) audit is an examination of the management controls within IT applications, operating systems, databases, or the infrastructure. Reviews may be focused exclusively on IT or performed in conjunction with a compliance, operational, or financial audit.

May 22, 2023

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

SUBJECT: (1) APPROVE THE ATTACHED REQUEST FOR PROPOSALS (RFP) FOR ACTUARIAL AUDITING SERVICES; (2) DIRECT STAFF TO ISSUE THE RFP TO THE IDENTIFIED CANDIDATES; and (3) DIRECT STAFF TO REVIEW THE RESPONSES TO THE RFP AND DEVELOP A RECOMMENDATION TO THE BOARD REGARDING THE FIRM THAT SHOULD BE SELECTED FOR THE ENGAGEMENT.

Dear Board Members:

As the Board instructed, staff, working with the Finance Committee, has drafted a Request for Proposal (RFP) for actuarial audit services. Staff is requesting direction to issue the RFP to the identified candidates, review the responses to the RFP and to develop a recommendation to the Finance Committee and Board regarding the firm that should be selected for the engagement.

The VCERA Board of Retirement's Service Provider Selection Policy indicates that the Board of Retirement shall select the actuarial audit vendor. The policy also provides guidance on the search process and what information should be provided to the Board by Finance Committee and Retirement Administrator, as appropriate. In accordance with the Policy, staff recommends proceeding with an RFP based on the criteria and guidelines set forth below.

Type of service provider being sought and supporting rationale.

The last actuarial audit occurred in 2017. While we have no reason to believe our actuarial valuations are in error or cause for concern, it is certainly best practice to conduct a periodic actuarial audit.

Objectives and selection criteria to be met and their relative importance.

To be developed by staff and Finance Committee.

Projected timeline for the search process.

See No. 6 under the heading below.

A description of the search process deemed most appropriate and cost effective in the circumstances, and including:

1. *Whether a search consultant is to be used in the process.*
A: No
2. *Due diligence efforts to be undertaken (for example, site visits & reference checks).*
A: Minimum requirements in RFP, such as firm's longevity, clients, legal issues, etc., as well as any additional criteria as deemed by the Board.

3. *Evaluation criteria to be used and their relative weights.*
A: After meeting minimum RFP requirements, selection committee to rate based on ability, relevant experience, qualified personnel, firm stability, fee proposal, general qualify and adequacy of response, quality of references and other factors.
4. *Whether a Request for Proposal (RFP), or a variation thereof, is to be used with supporting rationale.*
A: Yes, RFP is standard practice and recommended to ensure best selection process.
5. *Whether a sole source approach is to be used, with supporting rationale.*
A: No; competitive RFP process is recommended.
6. *Other pertinent information that the Retirement Administrator believes may assist the Board in better understanding the search process.*
A: Staff recommends the actuarial audit be conducted to replicate the most recent valuation, through June 30, 2022. The Finance Committee and/or Board may opt to interview finalist firms before selection.

Projected Timeline:

- Request for Proposal (RFP) issued: June 5, 2023
- Notice of Intent to Propose Due June 16, 2023
- Proposal Submission Due Date July 10, 2023
- Proposal Evaluation July and August 2023
- Finalist Presentations As needed
- Approval by Finance Committee August 15, 2023
- Approval by Board of Retirement August, 2023
- Estimated Contract Commencement September 2023

RECOMMENDATION:

(1) APPROVE THE ATTACHED REQUEST FOR PROPOSALS (RFP) FOR ACTUARIAL AUDITING SERVICES; (2) DIRECT STAFF TO ISSUE THE RFP TO THE IDENTIFIED CANDIDATES; and (3) DIRECT STAFF TO REVIEW THE RESPONSES TO THE RFP AND DEVELOP A RECOMMENDATION TO THE BOARD REGARDING THE FIRM THAT SHOULD BE SELECTED FOR THE ENGAGEMENT.

The RFP was reviewed and approved by the Finance Committee at its May 15, 2023 meeting. Staff will be happy to answer any questions at today's disability and business board meeting.

Sincerely,



La Valda R. Marshall
Chief Financial Officer

Attachment: RFP

VENTURA COUNTY EMPLOYEES'
RETIREMENT ASSOCIATION (VCERA)

REQUEST FOR PROPOSAL FOR
ACTUARIAL AUDIT SERVICES

Issued ~~April 3, 2017~~ June 5, 2023

PROPOSAL SUBMISSION DEADLINE: ~~May 5,~~
2017 July 10, 2023

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Ventura County Employees' Retirement Association

INTRODUCTION

The Ventura County Employees' Retirement Association (VCERA), issues this Request for Proposal (RFP) to qualified actuarial firms for actuarial audit services. The actuarial audit services ~~shall~~should provide an independent actuarial opinion as to the accuracy and veracity of valuation results, actuarial assumptions, application of actuarial ~~cost~~ method and associated activities currently performed by VCERA's actuarial consultant, The Segal Company ("Segal"). The successful proposer will perform a complete replication audit of the June 30, ~~2016-2022~~ Actuarial Valuation and Review, prepare a written report of the audit, and present the report and any findings in person to the VCERA Board of Retirement.

VCERA PURPOSE STATEMENT

The Ventura County Employees' Retirement Association (VCERA) was established in 1947 for employees of the County of Ventura pursuant to the provisions of the County Employees' Retirement Law of 1937 (CERL), California Government Code sections 31450 through 31897.

VCERA PLAN PROVISIONS

VCERA is a cost-sharing, multiple-employer, governmental defined benefit pension plan covering the employees of the County of Ventura, the Ventura County Courts, the Air Pollution Control District (APCD), the Ventura Regional Sanitation District (VRSD), and VCERA, pursuant to CERL and the Public Employees' Pension Reform Act (California Government Code sections 7522 through 7522.74 "PEPRA"). VCERA operates as an independent governmental entity separate and distinct from the County of Ventura. VCERA administers the pension trust fund of the County of Ventura.

VCERA currently administers retirement benefits for approximately ~~8,5009,077~~ active members and ~~6,5008,007~~ retired members and beneficiaries, and ~~2600-3,812~~ ~~vested~~ inactive vested members. The active membership is comprised of general and safety classifications with the general membership having three tiers (Tier 1, Tier 2, and PEPRA) and the safety classifications having two tiers (Classic and PEPRA).

Member contribution rates are established based on an assumed member entry age of 36 for general members and 27 for safety members. The Employer contribution rate is established based on the Plan Actuary's recommendation. VCERA currently administers (as of July 1, ~~2016~~2022) plan net assets having a market value of approximately ~~\$4.397.02~~ billion and actuarial value of ~~\$4.597.28~~ billion.

VCERA FUNDING POLICY

Participating members are required by statute and collective bargaining agreements to contribute a percentage of covered salary based on certain actuarial assumptions and their age at entry into the Plan. The funding objective of the Plan is to establish contribution rates that, over time, will remain level as a percentage of payroll unless Plan benefit provisions are changed.

Actuarial funding is based on the Entry Age Normal Cost Method. Under this method, the employer contribution rate provides for current cost (normal cost), plus a level percentage of payroll to amortize the unfunded actuarial accrued liability (UAAL).

For actuarial valuation purposes, plan assets are valued at Actuarial Value. Under this method, the assets used to determine employer contribution rates take into account market value by recognizing the differences between the actual and expected investment return over the amortization period indicated below. The contribution requirements of participating members and the employers are established and may be amended by the VCERA Board of Retirement.

VCERA ACTUARIAL INFORMATION

VCERA engages an independent actuarial services firm, Segal, to conduct an annual Actuarial Valuation, and a triennial Actuarial Experience Study.

Summary information contained in the most recent Actuarial Valuation, as of June 30, ~~2016~~2022, is outlined below:

- Valuation Date: June 30, ~~2016~~2022
- Actuarial Value of Assets: \$~~4.67~~.3 billion
- Actuarial Cost Method: Entry Age Normal Actuarial Cost Method
- Amortization Method: Level percent of payroll
- Amortization Period: In 2004, the Board elected to amortize the UAAL as of June 30, 2004 over a ~~declining~~-15-year ~~closed~~ period. Actuarial gains and losses after June 30, 2004 are also amortized over ~~separate~~-15-year ~~declining amortization~~closed periods.

Effective with the June 30, 2012 valuation, UAAL that arises due to assumption changes is amortized over ~~a separate~~-20-year ~~declining amortization~~closed periods. Earlier assumption or plan changes are amortized over ~~a separate~~-15-year ~~closed~~ periods. Also, any change in the UAAL that arises due to retirement incentives is annualized ~~over separate declining amortization periods of~~ up to ~~a~~ 5-year closed period.

- Asset Valuation Method: Five-year smoothed market
- Investment Rate of Return Assumption: 7.~~2~~5%
- Inflation Assumption: ~~3.00~~2.75%
- Cost of Living Adjustments: ~~32.75~~32.75% maximum (contingent on CPI increases), only applicable to General Tier 1 and Safety (including PEPRA safety) classifications. Certain Tier 2 and PEPRA Tier 2 classifications receive fixed ~~2.00~~2.00% annual increases.

An Actuarial Experience Study was last performed for the period covering July 1, ~~2011-2017~~ through June 30, ~~2014~~2020, and another is scheduled to be performed for the period covering July, 1, ~~2014-2020~~ through June 30, ~~2017~~2023, in November, ~~2017~~2023.

MINIMUM QUALIFICATIONS

DRAFT

The actuarial auditing firm must meet all of the Minimum Qualifications. Failure to do so may result in rejection of the proposal.

1. The firm must be a professional actuarial services firm that provides actuarial valuation, experience studies, actuarial audits and pension consulting services for public pension plans.
2. The firm must have performed actuarial services for a minimum of 10 years.
3. The Primary Actuary performing the services must be a Fellow of the Society of Actuaries and an enrolled actuary. Any Supporting Actuary must be either a Fellow, enrolled, or have 10 years of pension consulting experience.
4. The firm must have all necessary permits and licenses. Liability, professional errors and omissions insurance in the amount of \$1,000,000 must be in effect at the time the proposal is submitted and throughout the term of the agreement.
5. The firm must provide its own work facilities, equipment, supplies, and support staff to perform the required services.

SCOPE OF SERVICES

VCERA seeks one qualified actuarial firm to perform a full replication actuarial audit of assumptions, methods, calculations and experience used in VCERA's Actuarial Valuation as of June 30, ~~2016~~2022.

The actuarial auditing scope shall include practice concepts, actuarial conduct standards, assumptions, methodology, and contribution rate calculations. Assumption correctness shall also be tested, along with methodology and verification of assumption disclosure. Changes from prior valuations, governmental reporting adherence and accuracy of plan provision summaries should also be considered. The audit shall verify demographics used for experience studies, i.e., salary scales, number of terminations, ageage, and service determinations plus benefit calculations.

1. Minimum audit subject matter shall include:
 - Discussion of the appropriateness of the actuarial assumptions.
 - Review of the actuarial assumptions and methodology for compliance with CERL and PEPPRA, VCERA's regulations and policies, and for compliance with generally recognized and accepted actuarial principles and practices which are consistent with Actuarial Standards of Practice, the Code of Professional Conduct and Qualifications Standards for Public Statements of Actuarial Opinion of the American Academy of Actuaries.
 - Accuracy of funding computations.
 - Appropriateness of established reserve accounts.

- Appropriateness of recommended employer and employee contribution rates.
 - Assessment of the validity of the June 30, ~~2016-2022~~ valuation using a mathematical model of plan activity or sampling based on the same data, methods, and assumptions used by Segal.
 - Evaluation of the test results and reconciliation of any significant discrepancies between the findings, assumptions, methodology, rates, and adjustments of the auditing firm and Segal.
 - Assessment of whether the valuation appropriately reflects information required to be disclosed under required reporting standards (GASB, etc.).
2. The completed audit and review report shall include (at minimum):
- An evaluation and an opinion on the reasonableness and accuracy of the valuation results (including a determination of actuarial accrued liability, normal cost, and actuarial required contributions), experience study findings, actuarial assumptions, and appropriateness and application of the actuarial cost method.
 - Recommendations (if any) for reasonable alternatives to the actuarial assumptions used in the June 30, ~~2016-2022~~ Actuarial Valuation.
 - Recommendations to improve the quality and reader understanding of the Actuarial Valuation report.
 - A comparison of existing actuarial methodology, assumptions and recommendations versus information generated by the replicative audit of the Actuarial Valuation.

PROPOSAL REQUIREMENTS

Background and Financial Information

1. Describe the proposing organization's structure. Include the following:
 - Ownership information of the firm. Describe any material changes in organizational structure, or ownership that have occurred in the past 5 years. Provide names of all entities with any senior tier of ownership stakes. Detail affiliated companies and/or joint ventures.
 - Background information. How long has the firm been providing actuarial consulting services to public pension clients?
 - What is the importance (percentage) of actuarial services within the firm? What percentage of revenue comes from actuarial services?

2. Provide the latest two ~~years'~~ years audited financial reports for the firm. Provide additional information necessary to demonstrate financial stability, including total revenue, net income/loss, assets, liabilities, and net worth for each year. Provide proof of liability, professional errors and omissions insurance in the amount of \$1,000,000.
3. Over the past five years, has your organization or any officer or principal been involved in any business litigation or other legal proceedings related to any actuarial consulting activities or actuarial auditing services? If so, provide a brief explanation and indicate the current status.
4. Has your firm, within the last ten years, been censured or fined by any regulatory body? If so, indicate the dates and describe the situation.
5. Is the firm affiliated with any other firm(s) offering non-actuarial services that could represent conflicts of interest? If yes, briefly describe your firm's policies and procedures for doing business with these affiliates while safeguarding against conflicts of interest.
6. Do you, your parent company, or any affiliated company have any business relationships with Segal? If so, describe that relationship.
7. List and describe any professional relationship your firm or any of your actuarial consulting group staff have with any member of the VCERA Board of Retirement, staff or plan sponsors.
8. Has anyone in your firm provided any gifts, entertainment, meals or paid travel expenses for any member of the VCERA Board of Retirement, or VCERA staff in the last twelve months? If yes, describe the expense and the purpose.

Personnel Information

1. How many actuaries does your firm employ?
2. Describe the background of the professionals in the firm's actuarial consulting services group:
 - What percentage are currently Fellows of the Society of Actuaries? Enrolled actuaries?
 - What ongoing educational programs are supported and/or required?

3. For the key executives and professionals in the actuarial auditing consulting group assigned to VCERA, including the Primary Actuary and Supporting Actuaries please provide resumés (or biographies) that include the following information:

- Name

DRAFT

- Title
 - Responsibilities within the firm. If a person has multiple responsibilities, indicate the percentage of time spent on each function in a footnote to the table.
 - Years of relevant experience
 - Years with the firm
 - Degrees and professional designations.
 - Institution awarding each degree and designation
 - Publications authored and/or presentation summary
4. For the Primary Actuary and all Supporting Actuaries, list their public fund actuarial audit assignments for the past five years. Include for each assignment the date of the final audit report, whether the auditor served as the Senior or Supporting Actuary, and the client's name and size (number of pension plan members and annuitants). Include clients' contact information for references.
 5. Are there any potential conflicts of interest with the proposed Senior and/or Supporting Actuaries within the VCERA assignment? Are there any potential conflicts of interest related to other client relationships? If so, provide details on the entity or activity.
 6. Does the firm have a transition plan to deal with the possible sudden departure of key professionals assigned to VCERA's actuarial auditing project? Describe the plan.

In the event an actuary must be replaced, the replacement must meet the same standards as outlined in this proposal and be acceptable to VCERA. Failure to provide a new replacement acceptable to VCERA will constitute a breach of the firm's contract.

Proposed Actuarial Auditing Methods

1. Provide an estimated timeline for completion of the work that includes each stage of the process. Be sure to include a time estimate for information or data gathering required from VCERA and/or its current consulting actuary. Indicate points in the audit and review when your firm plans to interact with VCERA staff at the VCERA office.
2. Describe your firm's approach to recommendations regarding the amortization of unfunded liabilities.
3. Describe your approach to measuring funded status and funding progress in order to facilitate the assessment of trends over several valuations for a client.
4. Describe your quality control processes for actuarial audit reports and recommendations. How are these services monitored and reviewed?

5. Provide an example of one recent actuarial audit report for current or former client.

Actuarial Auditing Experience and References

1. List client relationships where only actuarial auditing services similar to those required for this RFP have been or are being provided.
2. For all current public pension plan full-service actuarial clients, state the client's name, the first year of your initial contract with the plan, and their asset and membership size as of June 30, ~~2016~~2022.
3. Provide the name, title, address, and telephone number for at least three client references for whom your firm has provided actuarial audit services similar to those required under this RFP. (VCERA reserves the right to contact any of the individuals/agencies provided.) Include the following detail:
 - The client for whom the firm most recently completed an actuarial audit.
 - The scope of the actuarial auditing services required for these reference clients.
 - The client for whom the Primary Actuary most recently completed an actuarial audit.
4. List any pension plan clients that have terminated their actuarial service contracts with your firm in the last five years. Include the client firm's name, size (number of pension plan members and annuitants), date of contract termination, and reason(s) for contract termination.
5. Within the last five years, has your firm been notified by any actuarial consulting services client that your firm is in default of its contract, or that conditions exist jeopardizing continuation of that contract? If so, state the client firm's name, year the notice was received, reasons for the notice, and resolution or current status of the relationship.
6. Have your firm's actuarial consulting service products been audited by another actuarial firm within the last five years? If so, state the number of such audits and whether any resulted in revisions to your clients' annual valuation results, actuarial assumptions, or actuarial cost methods.

Additional Required Information

1. Describe your firm's legal resources, both in-house and external consultants, if retained.
- ~~2.~~ Describe the coverage levels for errors and omissions insurance and any fiduciary or professional liability insurance your firm carries. Is the coverage on a per-client basis, or is the dollar figure applied to the firm as a whole? List the insurance carriers.

3.2. How does the firm monitor and measure actuarial client satisfaction and actuarial audit satisfaction?

4.3. Describe the resources your firm has that specifically address the needs of public fund clients.

Actuarial Audit Cost Structure

1. Describe the cost structure you propose for VCERA's actuarial audit engagement, including administrative, third-party, travel, and all other costs associated with the proposed engagement.
2. Describe how fees are determined for your firm's actuarial auditing services.

Proposal Organization

Proposals should be organized in the following manner:

1. Cover Letter
2. Table of Contents
3. Executive Summary
4. Firm and Personnel Background Information and Qualifications
- 5.4. Audit and Review Performance Methodology
- 6.5. Cost Structure
7. References
8. Requested Contract Specifications
9. Attachments

Proposal Submissions

Proposals should include the following and preceding information to illustrate the firm's capabilities.

A cover letter is required, which shall include the following:

1. A statement that the attached proposal is complete as submitted.
2. A statement that all prices, cost schedules, and/or other factors contained in the proposal are valid for 120 days from the final proposal submittal closing date.
3. Certification of non-discriminatory practices in the firm's services.

4. Mandatory signature of the representative(s) who are authorized to legally bind the firm.
5. Identification of any sections of the proposal that the firm is designating as confidential.

VCERA has made every effort to include enough information in this proposal for the firm to prepare a responsive proposal. VCERA strongly discourages any contact with Board members while the selection process is pending, unless contact had been initiated by the Board or staff. Proposals will be evaluated by executive management and an ad hoc Board review committee.

During the evaluation process, VCERA may identify areas where additional information or clarification may be needed. If required, VCERA may provide to any semi-finalist firm a description of issues to be explored. These areas may include fees, personnel availability, or any other matter the review committee deems important for assessment. These issues will be exclusive to each semi-finalist; under no circumstances will the issues be disclosed between prospective firms. When this process is completed, final scores will be tallied and a firm will be selected. Award will be made to the responding firm whose proposal is deemed to be the most advantageous to VCERA, taking into consideration all stated criteria and evaluation factors.

VCERA anticipates that the proposal submittal, review, and selection process will take approximately 90 to 120 days. The process timeline follows:

- A. **Distribution of RFPs.** RFPs mailed to vendors and posted on VCERA's website on ~~April 3, 2017~~ June 5, 2023.
- B. **Information Requests.** Written requests for additional information from VCERA must be received no later than ~~April 14~~ June 16, 2023. If additional information is desired, requests should be in writing to:

Ventura County Employees' Retirement Association
Linda Webb, Retirement Administrator
1190 S. Victoria, Suite 200
Ventura, CA 93003-6572
linda.webb@vcera.org

- C. **Proposal Submission.** Proposals must be received in writing by **5:00 P.M. Pacific Daylight Time on Friday, ~~May 5~~ July 10, 2023 (the final submission deadline)**. On the outside of the sealed response package, clearly mark: "Response to RFP – Actuarial Audit". Proposals submitted by fax will not be accepted. Please submit five proposals and related information (one original and four copies) to:

Ventura County Employees' Retirement Association
Linda Webb, Retirement Administrator
1190 S. Victoria, Suite 200
Ventura, CA 93003-6572
linda.webb@vcera.org

- D. **Firm Proposal.** All proposals shall be firm and may not be withdrawn or modified for a period of 120 days following the final submission deadline.
- E. **Proposal Review.** VCERA will schedule sessions to review and evaluate the proposals. VCERA anticipates selecting one or more firms as finalists by the end of ~~May~~July, 2017~~2023~~.
- F. **Notification for Interview.** If more than one firm is selected as a semi-finalist, interviews may be scheduled. VCERA anticipates sending written notification during the week of ~~May 29~~July 28, 2023~~17~~ if interviews are needed.
- G. **Interviews.** If required, VCERA will schedule presentations of the finalists in ~~June-August, 2017~~2023. Note that there may not be any oral presentations; each proposal is expected to be complete in and of itself.
- H. **Final Notification.** Notification to firms of VCERA's decision to award a contract for actuarial audit services will be by mail, on or after ~~June 19, 2017~~August 18, 2023.
- I. **Contract Effectiveness.** Depending on contract negotiations, the selected firm will officially become VCERA's provider for the replication actuarial audit, for the June 30, ~~2016-2022~~ actuarial valuation only.

VCERA will make every effort possible to administer the proposal process in accordance with the terms and dates discussed in this section; however, VCERA reserves the right to modify the proposal process and dates if necessary.

EVALUATION OF PROPOSALS

Proposals will be screened initially to determine if they have met the conditions set forth under Minimum Qualifications. Proposals that are non-compliant will be eliminated. After Minimum Qualifications have been satisfied, the evaluation criteria will be the following:

- Ability. The firm's ability to provide the requested services.
- Related Experience. The firm's demonstrated, related experience in providing services comparable to VCERA's needs. Expertise in all aspects of actuarial auditing, preferably as it relates to public entities and CERL and PEPRA.
- Qualified Personnel assigned to provide necessary services.
- Firm Stability. The firm's stability, professionalism and reputation as compared to other firms providing actuarial auditing services.
- Assigned Individuals. The credentials and experience of the person(s) who would be assigned to VCERA's account.
- Fee Proposal. Reasonableness and competitiveness of the fee structure/costs proposed by the firm.
- General quality and adequacy of response, including completeness of response, conformity to terms and conditions.

- Quality of references. Level of satisfaction of present and/or former clients.
- Other Factors. Any other factors that would be in the best interest of VCERA to consider which were not previously described.

PROPOSAL OBLIGATIONS

The contents of the proposal and any clarifications thereto submitted by the successful firm shall become part of the contractual obligation and will be incorporated by reference into the Contract.

CONTRACT TERMS

The Contract shall be a combination of the specifications, terms, and conditions of the RFP, any written clarifications or changes made to this RFP, the offer contained in the successful proposal, and any additional contractual terms and conditions agreed to mutually and in writing by the parties. Negotiation, execution and amendment of the contract and operational oversight of services provided under the contract for actuarial auditing, are the responsibility of VCERA's Retirement Administrator, Linda Webb.

The firm selected from the current search shall not be eligible to bid on any VCERA full-service actuarial proposal that may be issued within the twelve-month period following publication of the actuarial audit report or issued as a result of the actuarial audit.

PUBLIC RECORD REQUESTS

During the RFP review, presentation, and discussion time period, VCERA will not disclose any information derived from the submissions. Once an award is made, the proposals become public record, and may be disclosed upon request. If you are submitting any information you consider to be proprietary, the information must be marked as such. Please be aware, the marking of information as "proprietary" does not necessarily preclude its disclosure. Should a public information request be presented, the laws of the State of California shall prevail.

The California Public Records Act, Government code sections 6250, et.seq. provides that access to information concerning the conduct of the people's business is a fundamental and necessary right of every person in the state.

Public records are defined as any writing relating to the conduct of the public's business and are open to inspection during normal business hours.

There are specific exceptions to the Public Records Act. In the event VCERA receives a request of any proposal submitted pursuant to this Request for Proposal, it is the responsibility of the organization whose proposal has been requested to assert any rights to confidentiality that may exist. VCERA will not make that assertion on behalf of the prospective actuarial auditor. Absent a judicial determination that the documents are exempt from disclosure, they will be subject to inspection.

Submission by a vendor constitutes a complete waiver of any claims whatsoever against VCERA, and/or its agents, officers, or employees, that VCERA has violated a vendor's right to

privacy, disclosed trade secrets or caused any damage by allowing the proposal to be inspected.

PROPOSAL WITHDRAWAL OR MODIFICATION

Proposals may be withdrawn or modified by a written, faxed or emailed request from respondent no later than 3 business days prior to the final submission deadline.

ERRORS/CLARIFICATIONS

If any ambiguity, conflict, discrepancy, omission or other error is discovered in this RFP, the firm should immediately notify VCERA, Attention Linda Webb, in writing, requesting modification or clarification of the document. Modifications of material consequence will be made by addenda issued to all participating respondents.

COLLUSION AFFIDAVIT/CONFLICT OF INTEREST

By submitting a proposal, the firm certifies that the quoted prices are genuine and not the result of collusion or any other activity which would tend to directly or indirectly influence the process.

The firm further certifies the firm has no real or potential conflicts of interest that would prevent the firm from acting in the best interests of VCERA.

FINAL COMMENTS

VCERA reserves the right to reject any and all proposals, with or without cause, and to request additional information from the proposing firms.

VCERA will not reimburse responding firms for any expenses incurred in preparing proposals and/or presentations in response to this RFP. All responses and accompanying documentation become the property of VCERA at the time the proposals are opened, and will not be returned.

A response to this RFP must be prepared and submitted according to the specifications set forth in this document. Failure to adhere to these specifications may be cause for rejection of the proposal. Any correction and/or resubmission of a proposal shall be submitted **a minimum of 3 days prior** to the proposal submission deadline.

All proposals shall be firm and may not be withdrawn for a period of 120 days following the final submission deadline .

VCERA reserves the right to conduct discussions with prospective firms, to accept revisions of proposals, if solicited, and to negotiate pricing changes.

VCERA reserves the right to use all available means to evaluate the firms, including review of submitted proposals, reference checks, interviews and presentations. The review committee is under no obligation to contact firms for clarification of proposals, but may do so at any time prior to contract award.



May 22, 2023

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

SUBJECT: REVIEW AND APPROVE FINANCE COMMITTEE CHARTER - UPDATE

Dear Board Members:

The Finance Committee Charter is scheduled to be reviewed at least every three years. It was last reviewed in May of 2021. Due to the significance of this update, staff recommends that these updates occur this fiscal year.

This updated Finance Committee Charter was presented to the Finance Committee at its May 15th meeting. Before you today is the updated version reflective of all Finance Committee recommended changes.

RECOMMENDATION: APPROVE PROPOSED CHANGES TO THE FINANCE COMMITTEE CHARTER

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

Sincerely,

La Valda R. Marshall
Chief Financial Officer

VENTURA COUNTY EMPLOYEES' RETIREMENT ASSOCIATION

FINANCE COMMITTEE CHARTER

Redline (May 2023)

I. Introduction

The Board is responsible for the oversight of the financial and operational controls at VCERA, the accuracy of financial and actuarial reporting released by VCERA, the budgeting of VCERA's resources, and the general safekeeping of VCERA's assets. To assist the Board with these responsibilities, the Board has established a Finance committee, to be comprised of not fewer than four (4) trustees, and for which the operation, and duties are set forth below.

II. Operation and Duties

Committee Operation

1) The Finance Committee shall operate as follows:

a) The presence of a majority of committee members shall constitute a quorum for a meeting.

~~b)~~ All actions and/or recommendations of the committee shall be by affirmative vote of the majority of the members present at a meeting of the committee, and only if a quorum is present.

~~b) —~~

c) All actions of the committee shall subsequently be approved by the Board to be effective, unless otherwise provided herein.

d) The committee shall meet at least annually but may meet as frequently as is deemed necessary by the committee or Chair of the committee, in consultation with the Retirement Administrator.

e) Meetings of the committee shall be open to the public and noticed and held in accordance with the Brown Act

f) The committee shall keep minutes of its meetings.

g) The Retirement Administrator and Chief Financial Officer shall serve as the staff contact for the Committee.

Committee Duties

Accounting and Audit Functions

2) The Finance Committee shall:

- a) Meet at least annually with the financial auditors and Management to review the audit process, examine, and approve the objectives and scope of financial audits,

REDLINE

reporting on internal controls, the duties and responsibilities of the financial auditor, and the timing and estimated budget of the annual financial audit.

Meet at least four times a year, with the option to hold additional meetings as needed. The committee is authorized to invite relevant individuals, such as management or auditors, to attend meetings and provide necessary information; however, non-committee members of the Board may only attend meetings as members of the public.

b) _____

b)c) Review and comment on any claims or contingencies that could have a material effect on the financial condition of VCERA and the way they have been disclosed in the financial statements.

e)d) Review and comment on Quarterly Budget Summaries. Statement of Fiduciary Net Position, Statement of Changes to Fiduciary Net Position, Schedule of Investments, Cash and Cash Equivalents, Schedule of Investment Management Fees, and other financial documents that may arise from time to time, prior to submittal to the Board.

d)e) Review and comment on the appropriateness of accounting policies and financial reporting practices, any significant proposed changes thereto, and any new or pending developments in accounting and reporting standards that may have an impact on VCERA.

e)f) Meet with the financial auditor to discuss the annual financial statements, review the findings of the financial auditor, and review any response thereto by Management.

f)g) Review and comment on the Management Discussion and Analysis section of the Plan's Annual Comprehensive ~~Annual~~ Financial Report (ACFRCAFR) and all other financial information contained in the ~~CAFR~~ ACFR as deemed appropriate, prior to Board approval.

g)h) Serve as the primary liaison, on behalf of the Board, for all matters related to financial audits, examinations, investigations, or inquiries from financial authorities.

h)i) Review and comment on the findings or comments of any regulatory agencies concerning financial information or reporting of VCERA and Management's response thereto.

i)j) Review the engagement of the financial auditor at least every five (5) years with regards to performance, internal quality control procedures, fees, qualifications, and independence and then make recommendations to the Board on these matters.

j)k) Review and comment on any internal audit plans that may be established and coordinate special investigations, audits, or other compliance efforts of VCERA

as may be necessary and inform the Board of such investigations or audits.

Budgeting

- 3) The Finance Committee shall:

- a) Review and comment on the proposed Operating Budget prior to Board approval.
- b) Periodically review the budget process and format with Management.

Other Duties

- 4) The Finance Committee shall:
 - a) Be available to advise the Board and Management as required or requested on financial matters, and perform any other duties assigned by the Board.

5) III. Review

- 5)1) The Board shall review this charter at least once every 3 years to ensure that it remains relevant and appropriate.

VI. History

- 6)2) ~~The Board last approved this charter on May 22, 2023. Prior to this, the The Board last approved this policy on this charter on~~ May 24, 2021. This charter was originally adopted by the Board on March 29, 2021.



May 22, 2023

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

SUBJECT: REVIEW AND APPROVAL OF ANNUAL ADMINISTRATIVE BUDGET POLICY - UPDATE

Dear Board Members:

To ensure its relevance and effectiveness, the Administrative Budget Policy is scheduled to be reviewed every three years. It was last reviewed in June of 2013.

This updated Annual Administrative Budget Policy was presented to the Finance Committee at its May 15th meeting, Before you today is the updated version reflective of all Finance Committee recommended changes.

RECOMMENDATION: APPROVE PROPOSED CHANGES TO THE ANNUAL ADMINISTRATIVE BUDGET POLICY.

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

Sincerely,

La Valda R. Marshall
Chief Financial Officer

VENTURA COUNTY EMPLOYEES' RETIREMENT ASSOCIATION

ANNUAL ADMINISTRATIVE BUDGET POLICY

(redline-May 2023)

I. Background and Objectives

- 1) The purpose of this Annual Administrative Budget Policy is to establish the process by which the annual administrative budget of the Ventura County Employees' Retirement Association (VCERA) is presented to, deliberated upon, and approved by the Board of Retirement (Board).
- 2) The primary objectives of this policy are ~~to~~:
 - a) To provide the Retirement Administrator and the Board with a clear process for establishing its annual administrative budget.
 - b) To ensure that the budget is presented and adopted in a timely manner to avoid problems transitioning from one fiscal year to the next.

II. Principles and Assumptions

- 3) Sections 31522.1 and 31522.2 of the California Government Code authorize the Board to appoint the personnel necessary to administer the VCERA.
- 4) Section 31580.2 of the California Government Code provides when such personnel have been appointed, the Board shall adopt an annual budget covering the entire expense of administration of the retirement system.
- 5) Section 31580.2 of the California Government Code also provides that the entire expense of administration shall be paid from the earnings of the retirement fund and limits the expense of administration at the higher of (a) twenty-one hundredths of 1 percent (or 21/100, 21 basis points or 0.21%) of the accrued actuarial liability of the retirement system, or (b) two million dollars (\$2,000,000), subject to annual cost of living adjustments, ("the cap"), and further provides that expenditures for computer software, computer hardware, and computer technology consulting services in support of these computer products shall not be considered a cost of administration.
- 6) The "accrued actuarial liability of the retirement system" in any given fiscal year, shall be based on the most recent actuarial valuation of the system. Although no specific date for determining VCERA's total accrued liability for this purpose is set in the California Government Code, for VCERA purposes, the date in practice has been, and is intended to continue to be, June 30 of the immediate prior fiscal year.

6)

- 7) Article XVI, Section 17 of the Constitution of the State of California grants

plenary and fiduciary authority to the Board for the administration of the system, subject to certain requirements.

- 8) The duties and responsibilities of the Board require an open and cogent process for setting the administrative spending parameters for the fiscal year.

- 9) The Retirement Administrator is charged with the responsibility to administer the Association within the budget parameters established by the Board in its annual administrative budget.
- 10) Although not a cost of administration, as set forth in item 5) above, proposed expenditures for computer software, computer hardware and computer technology consulting services in support of these computer products shall be included in the annual budget.

III. Guidelines

11) General Provisions:

a) The development of the proposed budget is the responsibility of the Retirement Administrator.

a)b) The review of the proposed budget is the responsibility of the Finance Committee for public discussion and deliberation for the committee to recommend a Proposed Budget Packet to the Board.

b)c) The final review, approval and adoption of the Budget is the responsibility of the Retirement Board.

12) Proposed Budget – Board Packet:

a) The proposed budget will be published on the VCERA website, and provided to the Board and agenda distribution recipients, not less than 25 days prior to the Board's budget hearing in order to provide the Board and members of the public adequate time for review.

13) The Retirement Board's Budget Deliberations:

a) The Board will hold a public hearing to consider the proposed budget ~~at its a s-~~ combines June Disability and Business meeting.

b) Should a second public hearing be required, due to the need for significant changes or additional discussion, the Board will hold a second June public hearing to consider the proposed budget. ~~at its June Business meeting.~~

14) Adoption, Amendment and Review:

a) At the conclusion of its hearing(s), the Board will adopt the proposed budget, as it may have been revised, as the budget for the ensuing fiscal year.

b) The Retirement Administrator may ask the Board to amend the budget for the then current fiscal year by presentation of the reasons for the amendment, its impact, the program/~~policy~~policy, or goal changes involved in the amendment and the cost of the amendment for the remainder of the fiscal year.

~~b)-~~

- c) The Retirement Administrator will provide ~~monthly~~ quarterly budget status reports to the Finance Committee and Board, with comments on significant (the higher of ~~fifteen~~ fifteen percent or \$100,000) ~~line item~~ line-item account deviations from the adjusted budget, and a mid-year budget review and comments on all expenditure variations at the Board's ~~January or~~ February or March meeting. The mid-year review may be used to explore program initiatives for the following fiscal year.

IV. Policy Review

- 15) The Board shall review this policy at least every three (3) years to ensure that it remains relevant and appropriate.

V. Policy History

- 1) The Board last reviewed this policy on May 22, 2023. Prior to this, tThe Board ~~last~~ reviewed and approved this policy on July 1, 2013. This policy was originally adopted by the Board on June 16, 2003.

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