

**VENTURA COUNTY EMPLOYEES' RETIREMENT ASSOCIATION**

**BOARD OF RETIREMENT**

**DISABILITY MEETING**

**September 9, 2013**

**MINUTES**

**DIRECTORS** William W. Wilson, Chair, Public Member  
**PRESENT:** Steven Hintz, Treasurer-Tax Collector  
Joseph Henderson, Public Member  
Mike Sedell, Public Member  
Tom Johnston, General Employee Member  
Deanna McCormick, General Employee Member  
Arthur E. Goulet, Retiree Member  
Chris Johnston, Alternate Safety Employee Member  
Will Hoag, Alternate Retiree Member

**DIRECTORS** Tracy Towner, Vice Chair, Safety Employee Member  
**ABSENT:** Peter C. Foy, Public Member

**STAFF** Donald C. Kendig, Retirement Administrator  
**PRESENT:** Henry Solis, Chief Financial Officer  
Lori Nemiroff, Assistant County Counsel  
Glenda Jackson, Program Assistant  
Angie Tolentino, Retirement Benefits Specialist

**PLACE:** Ventura County Employees' Retirement Association  
Second Floor Boardroom  
1190 South Victoria Avenue  
Ventura, CA 93003

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

**ITEM:**

**I. INTRODUCTION OF MEETING**

Chairman Wilson called the Disability Meeting of September 9, 2013, to order at 9:00 a.m.

II. APPROVAL OF AGENDA

MOTION: Mr. Goulet moved, seconded by Ms. McCormick, to approve the Agenda.

Motion passed unanimously. Mr. Towner and Mr. Foy absent. Mr. C. Johnston voting.

III. APPROVAL OF MINUTES

A. Business Meeting of July 15, 2013.

MOTION: Mr. Henderson moved, seconded by Mr. Goulet, to approve the Minutes.

Motion passed unanimously. Mr. Towner and Mr. Foy absent. Mr. C. Johnston voting.

B. Special Meeting of August 5, 2013.

MOTION: Mr. Goulet moved, seconded by Mr. Henderson, to approve the Minutes.

Motion passed unanimously. Mr. Towner and Mr. Foy absent. Mr. C. Johnston voting.

IV. PENDING DISABILITY APPLICATION STATUS REPORT

Mr. Goulet reminded Risk Management that three cases are still awaiting their action and would like to see them finalized and off the list. Mr. Paul Hilbun, Risk Management, responded that they are implementing the new Board-approved format and will have them to VCERA in the next week.

MOTION: Mr. Goulet moved, seconded by Mr. T. Johnston, to receive and file the pending disability application status report.

Motion passed unanimously. Mr. Towner and Mr. Foy absent. Mr. C. Johnston voting.

V. APPLICATIONS FOR DISABILITY RETIREMENT

- A. Application for Service Connected Disability Retirement; Mark Hara, Case No. 12-008.

Stephen D. Roberson and Paul Hilbun were present representing the County of Ventura Risk Management. Mark E. Singer, Attorney at Law, was present representing the applicant. The applicant, Mark Hara, was not present.

After statements by both parties, the following motion was made:

MOTION: Mr. Goulet moved, seconded by Mr. T. Johnston, to adopt the Hearing Officer's recommendation and grant a service connected disability retirement subject to the receipt of a supplemental hearing officer report on the correct effective date.

Motion passed unanimously. Mr. Towner and Mr. Foy absent. Mr. C. Johnston voting.

- B. Application for Non-Service Connected Disability Retirement; Patricia Peters, Case No. 13-004.

Paul Hilbun was present representing the County of Ventura Risk Management. The applicant, Patricia Peters, was present.

Both parties declined to make comments.

MOTION: Mr. Goulet moved, seconded by Mr. T. Johnston, to adopt the Hearing Officer's recommendation and grant a non-service connected disability retirement.

Motion passed unanimously. Mr. Towner and Mr. Foy absent. Mr. C. Johnston voting.

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

VI. INVESTMENT INFORMATION

- A. Receive and File Ad Hoc RFP Committee Investment Consultant Search Results.

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

MOTION: Mr. Goulet moved, seconded by Mr. Henderson, to receive and file the Ad Hoc RFP Committee Investment Consultant search results report.

Motion passed unanimously. Mr. Towner and Mr. Foy absent. Mr. C. Johnston voting.

- B. Receive Investment Consultant Finalist Presentation, Strategic Investment Solutions (SIS) – Peter Keliuotis, Managing Director and Patrick Thomas, Senior Vice President. (45 Minutes)

No action taken.

- C. Receive Investment Consultant Finalist Presentation, NEPC, Inc. – Donald Stracke, Sr. Consultant and Allan Martin, Partner. (45 Minutes)

No action taken.

- D. Receive Investment Consultant Finalist Presentation, Wurts & Associates, Inc. (Wurts) – Scott Whalen, Executive Vice President, Senior Consultant and Ed Hoffman, Senior Consultant (45 Minutes)

No action taken.

- E. Investment Consultant Search & Selection Discussion.

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

MOTION: Mr. Goulet moved, seconded by Ms. McCormick, to engage SIS as VCERA's Investment Consultant.

Motion failed with Judge Hintz, Mr. Henderson, Mr. C. Johnston and Mr. T. Johnston voting no. Mr. Towner and Mr. Foy absent. Mr. C. Johnston voting.

After further discussion by the Board and Staff, the following motion was made:

VI. INVESTMENT INFORMATION (continued)

E. Investment Consultant Search & Selection Discussion. (continued)

MOTION: Judge Hintz moved, seconded by Mr. Henderson, to engage NEPC as VCERA's Investment Consultant.

Motion passed unanimously. Mr. Towner and Mr. Foy absent. Mr. C. Johnston voting.

F. Receive and File Western Asset TRU Bond Fund Transition Update and Consider Authorizing the Chair to Execute Necessary Documents.

After discussion, the following motion was made:

MOTION: Mr. Henderson moved, seconded by Judge Hintz, to receive and file staff update and to authorize the Chair to execute all necessary documents once the review is finalized.

Motion passed unanimously. Mr. Towner and Mr. Foy absent. Mr. C. Johnston voting.

Staff and Board Counsel indicated that the matter would be brought back to the Board, if any special considerations surface that required its input and decision before execution.

VII. OLD BUSINESS

A. Receive and File Quarterly PAS (VCERIS) Report, PAS 2013-06 Monthly Status Report, and PAS 2013-07 Monthly Status Report and Consider Monthly Reporting Proposal.

1. July 15, 2013 VCERIS Quarterly Report.
2. PAS 2013-06 Monthly Status Report.
3. PAS 2013-07 Monthly Status Report.

After discussion, the following motion was made:

MOTION: Mr. Henderson moved, seconded by Mr. T. Johnston, to receive and file the Quarterly PAS (VCERIS), the PAS 2013-06 and PAS 2013-07 Monthly Status Reports and to direct the Retirement Administrator to provide monthly project status reports to the Board.

Motion passed unanimously. Mr. Towner and Mr. Foy absent. Mr. C. Johnston voting.

VII. OLD BUSINESS (continued)

- B. Receive and File Trustee Art Goulet Letter - Frequency of VCERIS Reports.

MOTION: Mr. Henderson moved, seconded by Mr. Goulet, to receive and file Trustee Goulet's letter on frequency of VCERIS Reports.

Motion passed unanimously. Mr. Towner and Mr. Foy absent. Mr. C. Johnston voting.

- C. Receive and File Staff's Cover Letter and Risk Management's Response on its Intended Use of the 'Referral for Independent Medical Examination' Template.

1. County of Ventura CEO Risk Management Letter – "Risk Management's Intended Use of 'Referral for Independent Medical Examination' Document."

After discussion, the following Motion was made:

MOTION: Mr. C. Johnston moved, seconded by Judge Hintz, to adopt the renaming of the Independent Medical Examinations (IME's) to Applicant Medical Report, Respondent Medical Report, and VCERA Medical Report, based on source of funding and to direct staff to instruct hearing officers to use this new naming convention in their reports.

Motion passed with Mr. Henderson, Mr. Sedell and Mr. Wilson voting no. Mr. Towner and Mr. Foy absent. Mr. C. Johnston voting.

After further discussion, the following Motion was made:

MOTION: Mr. Henderson moved, seconded by Mr. Goulet, to receive and file Risk Management's Response on its Intended Use of the 'Referral for Independent Medical Examination' Template.

Motion passed unanimously. Mr. Towner and Mr. Foy absent. Mr. C. Johnston voting.

VII. OLD BUSINESS (continued)

- D. Receive and File Disability Retirement Process Review and Consultant Recommendations, and Consider the Consultant Recommendations and Proposed Consultant Contract Extension.

After discussion, the following Motion was made:

MOTION: Mr. Goulet moved, seconded by Mr. Henderson, to approve the extension of the disability consultant's contract to December 31, 2013.

Motion passed unanimously. Mr. Towner and Mr. Foy absent. Mr. C. Johnston voting.

1. Disability Retirement Procedures Consultant Final Report – Annette Paladino. (30 minutes)

During discussion, the following Motions were made to adopt Consultant recommendations and provide direction for the amendment of the hearing procedures:

MOTION: Mr. T. Johnston moved, seconded by Mr. Henderson, to adopt Recommendation No. 6 to implement telephonic hearing setting conferences prior to hearings in all cases.

Motion passed unanimously. Mr. Towner and Mr. Foy absent. Mr. C. Johnston voting.

MOTION: Mr. T. Johnston moved, seconded by Judge Hintz, to adopt Recommendation Nos. 7, 8 and 9 to eliminate the 120-day period for an applicant to submit additional documentation in support of his/her application, provide Risk Management with a third option to recommend an application be placed in "suspense" status until the permanency of the incapacity can be ascertained, and establish a deadline of 120 days (with one 60 day extension) from the receipt of a completed application for Risk Management to file a Notice of Position.

Motion passed unanimously. Mr. Towner and Mr. Foy absent. Mr. C. Johnston voting.

MOTION: Mr. T. Johnston moved, seconded by Mr. Henderson, to adopt Recommendation No. 10 to set a 60-day time frame from service of "Notice of Opposition" to assign a hearing officer to a case.

Motion passed with Mr. Goulet voting no. Mr. Towner and Mr. Foy absent. Mr. C. Johnston voting.

VII. OLD BUSINESS (continued)

D. Receive and File Disability Retirement Process Review and Consultant Recommendations, and Consider the Consultant Recommendations and Proposed Consultant Contract Extension. (continued)

1. Disability Retirement Procedures Consultant Final Report – Annette Paladino. (30 minutes) (continued)

MOTION: Mr. T. Johnston moved, seconded by Ms. McCormick, to adopt Recommendation No. 11 to set a 180-day deadline from the receipt of a "Notice of Hearing" by which a hearing must occur and on which the assigned hearing officer's jurisdiction ends and implement a procedure for granting extensions.

Motion passed unanimously. Mr. Towner and Mr. Foy absent. Mr. C. Johnston voting.

MOTION: Mr. Goulet moved, seconded by Mr. T. Johnston, to adopt Recommendation No. 12 to set a 60-day deadline for Risk Management to file a Medical Analysis after filing a "Notice of No Opposition."

Motion passed unanimously. Mr. Towner and Mr. Foy absent. Mr. C. Johnston voting.

MOTION: Mr. Goulet moved, seconded by Judge Hintz, to adopt Recommendation No. 13 to set the time a hearing officer has to issue a report to 60 days after the matter is submitted, with a permissive extension subject to staff approval.

Motion passed unanimously. Mr. Towner and Mr. Foy absent. Mr. C. Johnston voting.

MOTION: Mr. T. Johnston moved, seconded by Judge Hintz, to direct Staff to begin compiling statistics on the disability cases with an initial report in January 2014.

Motion passed unanimously. Mr. Towner and Mr. Foy absent. Mr. C. Johnston voting.



VII. OLD BUSINESS (continued)

D. Receive and File Disability Retirement Process Review and Consultant Recommendations, and Consider the Consultant Recommendations and Proposed Consultant Contract Extension. (continued)

1. Disability Retirement Procedures Consultant Final Report – Annette Paladino. (30 minutes) (continued)

MOTION: Mr. T. Johnston moved, seconded Ms. McCormick, to adopt Recommendation No. 15 to set the July 2016 Disability Meeting as the time for discussion of trustee interest in exploring new hearing procedures in which VCERA staff investigates disability applications and makes recommendations to the Board.

Motion passed unanimously. Mr. Towner and Mr. Foy absent. Mr. C. Johnston voting.

VIII. NEW BUSINESS

- A. Consider Exception to the Board's Travel Policy - Walter Scott Due Diligence Trip – October 2013.

After discussion, the following Motion was made:

MOTION: Mr. T. Johnston moved, seconded by Ms. McCormick, to approve travel policy exceptions allowing for a per diem rate of \$90, five hotel nights in order to save on airfare and approve business class airfare.

Motion passed with Mr. Goulet and Mr. Sedell voting no. Mr. Towner and Mr. Foy absent. Mr. C. Johnston voting.

- B. Receive and File SACRS Fall 2013 Conference Items and Designate Voting Delegates.

After discussion, the following Motion was made:

MOTION: Mr. T. Johnston moved, seconded by Judge Hintz, to receive and file the SACRS Fall 2013 Conference Items.

Motion passed unanimously. Mr. Towner and Mr. Foy absent. Mr. C. Johnston voting.

Mr. Wilson appointed Mr. Hoag as the voting delegate. No action taken to appoint an alternate.

VIII. **NEW BUSINESS (continued)**

- C. Receive and File aiCIO Article: "UBS Calls Time on Risk Parity: Bridgewater's Bob Prince Responds."

1. "UBS Calls Time on Risk Parity: Bridgewater's Bob Prince Responds"

After discussion, the following Motion was made:

MOTION: Ms. McCormick moved, seconded by Mr. T. Johnston, to receive and file the aiCIO Article.

Motion passed unanimously. Mr. Towner and Mr. Foy absent. Mr. C. Johnston voting.

- D. Receive and File August 2013 Due Diligence Trip Report – Trustees Hoag, C. Johnston, and McCormick.

After discussion, the following Motion was made:

MOTION: Mr. Henderson moved, seconded by Mr. T. Johnston, to receive and file the August 2013 Due Diligence Trip Report.

Motion passed unanimously. Mr. Towner and Mr. Foy absent. Mr. C. Johnston voting.

IX. **PUBLIC COMMENT**

None.

X. **BOARD MEMBER COMMENT**

Mr. Goulet reported that AB1380 was signed by the Governor and that SB13 is still pending (also not providing any clarity on base pay, presently containing provisions for the negotiation of items to be removed from base pay but not added to it) and that Contra Costa County recently changed its interpretation to base pay only.

XI. ADJOURNMENT

The meeting was adjourned at 2:05 p.m.

Respectfully submitted,



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DONALD C. KENDIG, ~~CEO~~CA, Retirement Administrator

Approved,



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WILLIAM W. WILSON, Chairman