

# VENTURA COUNTY EMPLOYEES' RETIREMENT ASSOCIATION

## BOARD OF RETIREMENT

### DISABILITY MEETING

January 6, 2014

#### AGENDA

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

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

**ITEM:**

- |      |   |                 |
|------|---|-----------------|
| I.   | <b><u>CALL TO ORDER</u></b>   | Master Page No. |
| II.  | <b><u>APPROVAL OF AGENDA</u></b>  | 1 - 3           |
| III. | <b><u>APPROVAL OF MINUTES</u></b>   |                 |
|      | A. Business Meeting of December 16, 2013.   | 4 - 12          |
| IV.  | <b><u>RECEIVE AND FILE PENDING DISABILITY APPLICATION STATUS REPORT</u></b>                                 | 13 - 60         |
| V.   | <b><u>APPLICATIONS FOR DISABILITY RETIREMENT</u></b>  |                 |
|      | A. Consider Application for Non-Service Connected Disability Retirement; Gregory D. Danko; Case No. 13-025. | 61 - 123        |
|      | 1. Application for Non-Service Connected Disability Retirement and Supporting Documentation.                |                 |
|      | 2. Hearing Notice served on December 27, 2013.  |                 |

**V. APPLICATIONS FOR DISABILITY RETIREMENT (continued)**

- |    |  |           |
|----|--|-----------|
| B. | Consider Application for Non-Service Connected Disability Retirement; Glenn R. Bledsoe; Case No. 13-027.         | 124 – 171 |
|    | 1. Application for Non-Service Connected Disability Retirement and Supporting Documentation.                     |           |
|    | 2. Hearing Notice served on December 18, 2013.   |           |
| C. | Consider Application for Service Connected Disability Retirement; Joe A. Martinez III; Case No. 11-028.          | 172 – 255 |
|    | 1. Application for Service Connected Disability Retirement and Supporting Documentation.                         |           |
|    | 2. Hearing Notice served on December 18, 2013.   |           |
| D. | Consider Application for Non-Service Connected Disability Retirement; Armando E. Serrano; Case No. 13-028.       | 256 – 348 |
|    | 1. Application for Non-Service Connected Disability Retirement and Supporting Documentation.                     |           |
|    | 2. Hearing Notice served on December 19, 2013.   |           |
| E. | Consider Application for Service Connected Disability Retirement; James Waldron; Case No. 13-012.                | 349 - 590 |
|    | 1. Application for Service Connected Disability Retirement and Supporting Documentation.                         |           |
|    | 2. Hearing Notice served on December 24, 2013.   |           |
| F. | Consider Application for Non-Service and Service Connected Disability Retirement; Traci Salmon; Case No. 13-011. | 591 – 689 |
|    | 1. Application for Non-Service and Service Connected Disability Retirement and Supporting Documentation.         |           |
|    | 2. Hearing Notice served on December 24, 2013.   |           |

V. **APPLICATIONS FOR DISABILITY RETIREMENT (continued)**

- G. Application for Service Connected Disability Retirement; David J. Nadon; Case No. 11-008. 690 - 1516
1. Letter to the Board Re Distribution of Record to Board members under Government Code section 31534(b), and Notice of Setting of Hearing on February 3, 2014, for Consideration of Application for Service Connected Disability Retirement, Submitted by Tim Thonis, Interim Retirement Administrator, Dated January 6, 2014.
  2. All other evidence received by the Hearing Officer.

VI. **STANDING ITEM**

- A. Review Monthly PAS (VCERIS) Report for November 2013. **RECOMMENDED ACTION: Receive and File.** 1517 - 1524

VII. **OLD BUSINESS**

- A. Staff Update on Hearing Officer Search. **RECOMMENDED ACTION: Receive and File.** 1525
- B. IRS Tax Determination Update. **RECOMMENDED ACTION: Receive and File.** 1526 - 1527

VIII. **PUBLIC COMMENT**

IX. **STAFF COMMENT**

X. **BOARD MEMBER COMMENT**

XI. **ADJOURNMENT**

# VENTURA COUNTY EMPLOYEES' RETIREMENT ASSOCIATION

## BOARD OF RETIREMENT

### BUSINESS MEETING

December 16, 2013

### MINUTES

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

**DIRECTORS** Mike Sedell  
**ABSENT:**  
**STAFF** Tim Thonis, Interim Retirement Administrator  
**PRESENT:** Henry Solis, Chief Financial Officer  
Lori Nemiroff, Assistant County Counsel  
Glenda Jackson, Program Assistant

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

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

**ITEM:**

#### I. **CALL TO ORDER**

Chairman Wilson called the Business Meeting of December 16, 2013, to order at 9:00 a.m.

**II. APPROVAL OF AGENDA**

MOTION: Approve the Agenda.

Moved by Goulet, seconded by T. Johnston.

Vote: Motion carried

Yes: Goulet, Henderson, Hintz, T. Johnston, McCormick, Towner, Wilson

No: -

Absent: - Foy, Sedell

Abstain: -

**III. APPROVAL OF MINUTES**

A. Disability Meeting of December 2, 2013.

MOTION: Approve the Minutes as corrected to delete Foy and Sedell as voting yes, Master Page No. 6, Agenda item II.A.

Moved by Goulet, seconded by T. Johnston.

Vote: Motion carried

Yes: Goulet, Henderson, Hintz, T. Johnston, McCormick, Towner, Wilson

No: -

Absent: Foy, Sedell

Abstain: -

**IV. CONSENT AGENDA**

A. Approve Regular and Deferred Retirements and Survivors Continuances for the Month of November 2013.

B. Receive and File Report of Checks Disbursed in November 2013.

C. Receive and File Asset Allocation as of November 30, 2013.

D. Receive and File Statement of Plan Net Position, Statement of Changes in Plan Net Position, Investments & Cash Equivalents, and Schedule of Investment Management Fees October 31, 2013.

- E. Receive and File Budget Summary for FY 2013-14 Month ending November 2013.

MOTION: Approve the Consent Agenda.

Moved by Henderson, seconded by Hintz.

Vote: Motion carried

Yes: Goulet, Henderson, Hintz, T. Johnston, McCormick, Towner, Wilson

No: -

Absent: Foy, Sedell

Abstain: -

**END OF CONSENT AGENDA**

**V. STANDING ITEM**

- A. Receive an Oral Update on Pensionable Compensation and PEPRRA.

Received an oral report from Board Counsel on two Superior Court cases in San Diego and Contra Costa counties. The County of San Diego Deputy Sheriff's Association sued regarding the inclusion of pickups in the 50/50 normal cost rate calculations applied to new employees. The Court ruled that the pick-ups did not need to be included for employees hired after January 1, 2013.

In Contra Cost County (AB197 consolidated cases), as you may recall in the Phase I, the Judge had ruled that the Retirement System did not have the authority or discretion to include in comp earnable annual leave buy-backs that were in excess of what members could earn during the measurement period. In Phase II, the Judge was going to consider whether employees nevertheless acquired a vested right to have those amounts included by virtue of the settlement agreements that were entered into after the Ventura Decision. A ruling is expected in the near future.

No action taken.

**VI. INVESTMENT INFORMATION**

Trustee Foy arrived at 9:12 a.m.

- A. Receive Annual Investment Presentation, RREEF America III – Jay Miller, Portfolio Manager. (30 Minutes)

Jay Miller was present on behalf of RREEF America III to review the firm's organization, investment results for VCERA's accounts, investment process and outlook.

No action taken.

- B. Receive Annual Investment Presentation, Blackrock – Anthony Freitas, CFA. (30 Minutes)

Anthony Freitas and Tim Murray were present on behalf of Blackrock to review the firm's organization, investment results for VCERA's accounts, investment process and outlook.

No action taken.

- C. NEPC – Don Stracke, Senior Consultant.

1. Receive and File NEPC Investment Summary Report as of November 30, 2013.

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

MOTION: Receive and file the Report.

Moved by Henderson, seconded by T. Johnston.

Vote: Motion carried  
Yes: Foy, Goulet, Henderson, Hintz, T. Johnston, McCormick, Towner, Wilson  
No: -  
Absent: Sedell  
Abstain: -

NEPC will provide the Investment Summary Report in two different formats for Board review at the January 27, 2014 Business Meeting.

2. Receive and File 2014 Investment Work Plan.

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

MOTION: Receive and file the Investment Work Plan.

Moved by Henderson, seconded by T. Johnston.

Vote: Motion carried  
Yes: Foy, Goulet, Henderson, Hintz, T. Johnston, McCormick, Towner, Wilson  
No: -  
Absent: Sedell  
Abstain: -

3. Consider Investment in Western TRU Bond Portfolio.

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

MOTION: Adopt the recommendation of NEPC to not transition the Western Asset Management portfolio to an unconstrained strategy at this time.

Moved by Henderson, seconded by T. Johnston.

Vote: Motion carried  
Yes: Foy, Goulet, Henderson, Hintz, T. Johnston, McCormick, Towner, Wilson  
No: -  
Absent: Sedell  
Abstain: -

4. Consider SACRS Peer Comparison Report (RV Kuhns).

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

MOTION: Receive and file the Report.

Moved by Goulet, seconded by T. Johnston.

Vote: Motion carried  
Yes: Foy, Goulet, Henderson, Hintz, T. Johnston, McCormick, Towner, Wilson  
No: -  
Absent: Sedell  
Abstain: -

**VII. OLD BUSINESS**

A. Consider Approval of Custodial Fee Proposal.

1. Custodial Fee Proposal – Yolanda Diaz, State Street Bank and Trust.

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

MOTION: Continue the item to the January 27, 2014 Business meeting to allow time for Board Counsel to negotiate an updated State Street contract, with new fee schedule, to be retroactively applied to January 1, 2014.



Moved by Goulet, seconded by Henderson.

Vote: Motion carried

Yes: Foy, Goulet, Henderson, Hintz, T. Johnston, McCormick,  
Towner, Wilson

No: -

Absent: Sedell

Abstain: -

B. Receive and File Corrected 2014 Calendar for Investment Manager Presentations.

1. 2014 Investment Manager Presentation Calendar.

After Board discussion, the following motion was made:

MOTION: Receive and file the Corrected 2014 Calendar.

Moved by T. Johnston, seconded by Henderson.

Vote: Motion carried

Yes: Foy, Goulet, Henderson, Hintz, T. Johnston, McCormick,  
Towner, Wilson

No: -

Absent: Sedell

Abstain: -

**VIII. NEW BUSINESS**

A. Consider VCERA Authorization Signatures and Investment Management Authorization Letter.

1. Clifton Investment Group.

A. Clifton Authorization Form.

2. Resolution of the Board of Retirement Delegating Authority to the Chief Financial Officer and Interim Retirement Administrator to Provide Investment Instructions to Blackrock Asset Management.

A. Blackrock Asset Management Specimen Signature Form.

3. Investment Manager Memorandum; Appointment of Interim Retirement Administrator and Authorization to Provide Instruction.

4. Consider Authorization for Subpoena Signature Authority.

After Board discussion, the following motion was made:

MOTION: Approve items VIII.A. 1 through 4 under New Business.

Moved by Hintz, seconded by McCormick.

Vote: Motion carried

Yes: Foy, Goulet, Henderson, Hintz, T. Johnston, McCormick,  
Towner, Wilson

No: -

Absent: Sedell

Abstain: -

B. Distribution of June 30, 2013 Actuarial Valuation Report with Supporting Letters; The Segal Company.

1. June 30, 2013 Actuarial Valuation Report.

2. Three-year Phase-in of Employer Contribution Rates.

3. Options for Allocating the Cost Associated with Cessation of Member Contributions After 30 Years of Service for Non-PEPRA Tiers.

After Board discussion, the following motion was made:

MOTION: Authorize distribution of Actuarial Report and Supplemental Materials to all employee organizations recognized by the County of Ventura.

Moved by Henderson, seconded by T. Johnston.

Vote: Motion carried

Yes: Foy, Goulet, Henderson, Hintz, T. Johnston, McCormick,  
Towner, Wilson

No: -

Absent: Sedell

Abstain: -

C. Request for Authorization to Request Publication of Decision in Porter v. Board of Retirement of the Orange County Employees' Retirement System Concerning Effective Date of Disability Retirement.

After Board discussion, the following motion was made:

MOTION: Authorize staff to request Publication of Decision in Porter v. Board of Retirement of the Orange County Employees' Retirement System Concerning Effective Date of Disability Retirement.

Moved by Henderson, seconded by Goulet.

Vote: Motion carried

Yes: Foy, Goulet, Henderson, Hintz, T. Johnston, McCormick, Towner, Wilson

No: -

Absent: Sedell

Abstain: -

**IX. PUBLIC COMMENT**

None.

**X. STAFF COMMENT**

The Interim Retirement Administrator updated the Board on the recent press related to an Internet hacking situation that included VCERA's payroll vendor, ADP, as a victim. Staff contacted ADP and found there was no impact on VCERA. Staff will monitor the situation and bring back any updates to the Board as necessary.

The Interim Retirement Administrator wished the Board a Happy Holiday season.

Board Counsel commented about a recommendation on the December 17, 2013 Board of Supervisors Agenda to recommend reappointment of Mr. Henderson and Mr. Sedell to the Board of Retirement.

**XI. BOARD MEMBER COMMENT**

Vice Chair Towner commented that the January 27, 2014 Board Meeting could be a long meeting.

XII. ADJOURNMENT

The meeting was adjourned at 11:07 a.m.

Respectfully submitted,



TIM THONIS, Interim Retirement Administrator

Approved,

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WILLIAM W. WILSON, Chairman



# Project Status Report: PAS Project



Reporting to: VCERA  
Written by: Kim Zierath

Report Date: 12/15/13  
Reporting Period: 11/01/2013 – 11/30/2013

## Project Segment: Deployment Phase – Rollout 1

November project activities continued to focus on Segment D – Track 2 design and testing activities, completing Segment C and Segment D - Track 1 testing activities, extracting ADP data from ReportSmith, and continuing data conversion activities from RDBS.

The following activities were conducted in November:

### Project Management:

- One of the primary VCERA project resources, Rebekah, was out on medical leave for the majority of the month. This has caused testing for Segment D to be slightly behind schedule, but it is anticipated that it will be back on track within the first quarter of next year. We do not expect there to be any impact to the overall project schedule.
- The project team continued to work with Novanis on their updated SOW. Vitech provided Novanis with sample file formats for annotations and metadata so that Novanis can provide a more accurate SOW.
- The Board approved VCERA's request to lease the upstairs office space for the project and the project team relocated to the new space.

### Implementation Phase – Rollout 1:

- Weekly build releases for Segment D Track 2 were received and Michelle and Rebekah continued creating test cases and identifying data requirements.
- The project team met with Julie and Henry to discuss the option to import health plan rates data directly into V3 from the HR departments. This option saves VCERA some data conversion hours and eliminates the need to manually update the data on an on-going basis. VCERA needs to confirm with the various departments that they can support this process.
- The project team met with ADP to identify future options available to VCERA. VCERA expects to primarily use ADP to print checks/advices. The project team is waiting for ADP to provide their standard interface file format.
- The project team met with Jo Ford and a technical resource from Vitech to discuss V3 Imaging QA setup options that might be available to the project team while design and interface of V3 imagine is developed. It was determined in the meeting that Jo would be able to set up the current desktop and scanner for this purpose and the Vitech team could time share these resources with VCERA operational activities.
- Weekly test review and demo sessions continued to be held. These are very beneficial to ensuring report defects and issues are understood and adequately categorized and that new release functionality is operating as expected and understood by Michelle and Rebekah prior to them executing related tests.
- The overall project is on schedule for the November 2015 completion date.



# Project Status Report: PAS Project



Reporting to: VCERA  
Written by: Kim Zierath

Report Date: 12/15/13  
Reporting Period: 11/01/2013 – 11/30/2013

- Continued working with plan sponsors to develop the new transmittal. Both plan sponsors are making progress.

### Testing:

- Weekly test review and demo sessions for delivered functionality continued to be held. These are very beneficial to ensuring reported defects and issues are understood and appropriately categorized and that new release functionality is operating as expected and understood by Michelle and Rebekah prior to them executing related tests.
- Testing statistics on delivered functionality as of 11/30/13:

<b>Tests Executed</b>	
<b>Priority</b>	<b># Tests Executed</b>
High	338
Med	690
Low	175
Total Executed	1203
<b>Open Defects/Issues</b>	
<b>Severity</b>	<b># Open</b>
High	12
Med	78
Low	58
Total Open	148

(Note that these statistics are a snapshot as of the last day of the month. The number of tests run and open defects/issues change daily. Also, as of November's status report we have modified how we are reporting this information. We are combining issues and defects together rather than just reporting defects.)



# Project Status Report: PAS Project



Reporting to: VCERA  
Written by: Kim Zierath

Report Date: 12/15/13  
Reporting Period: 11/01/2013 – 11/30/2013

## Data Conversion:

- Continued updating data mapping documents to reflect changes required as a result of new design requirements and data conversion issues. This will be a continual process through the end of the project.
- MBS updated/refined QA sheets for all files converted.
- MBS delivered Cycle 7a data conversion files. Vitech has loaded this data and the scorecards are being reviewed
- Jerry provided the ADP data extracted from ReportSmith to MBS.
- Kim, Hammad and Al Gates met to discuss initial estimates for additional data conversion hours that may be needed. The estimates cannot be finalized until the final data mapping JAD sessions the week of 12/9/13. The group will meet again in January to discuss final estimates and options.
- Continued having weekly data scorecard review sessions for open data conversion issues. The team determined the frequency of the meetings should be changed to bi-weekly for now.
- Data cleansing continued.

## Infrastructure / Hosting:

- No reportable items.

Project risks are continually being assessed throughout the project duration. Risks will be added to the table below as they are identified.

ISSUES / RISKS – Explanation of Issues	MITIGATION – Explanation of Action Needed
<p>Auditor-Controller not able to provide transmittal requirements. This may result in an impact to the project schedule and loss of automation expected with V3.</p>	<p>Auditor-Controller has indicated they may not be able to provide all of the requirements identified in the transmittal specifications. We are working closely with Auditor-Controller to try to determine how much time they need to thoroughly analyze and develop the system enhancements that would be necessary to meet VCERA's requirements. We anticipate being able to provide the Board with the details and their time requirements at the May 6<sup>th</sup> Board meeting.</p> <p>UPDATE (12/1) – Auditor-Controller is continuing to assess the development cost and time requirements for the automated solution. They have also indicated that the manual work-around identified to be used if the automated solution cannot be completed would be very time-consuming for them to produce. The project team is going to meet in December to identify possible alternatives that could be used until the automated solution is available.</p> <p>UPDATE (11/1) – Auditor-Controller has identified a</p>





# Project Status Report: PAS Project



Reporting to: VCERA  
Written by: Kim Zierath

Report Date: 12/15/13  
Reporting Period: 11/01/2013 – 11/30/2013

	<p>potential solution for reporting retroactive adjustments. They are continuing to assess the development cost and time requirements to determine if the project timeline can be met. County counsel has not provided their written opinion yet. Continuing to monitor.</p> <p>UPDATE (10/1) – County counsel has not provided their written opinion yet. Continuing to monitor.</p> <p>UPDATE (9/1) – Auditor-Controller is aware of the data requirements and the proposed back-up solution. Auditor-Controller and VCERA are waiting for written County Counsel opinion supporting the requirements of Auditor-Controller to provide needed payroll data to VCERA. Both parties are open to other process alternatives that provide the necessary data. Continuing to monitor.</p> <p>UPDATE (8/1) – No change. Continuing to monitor.</p> <p>UPDATE (7/1) – Auditor-Controller has continued to work on identifying automated solutions to providing VCERA with the data required for V3. They have not provided an estimated time that they would be able to provide the data. We will continue to monitor this risk.</p> <p>UPDATE (6/1) – Auditor-Controller provided their initial response, generally indicating they would not provide the new information VCERA is requesting. The Board directed Auditor-Controller and VCERA to work together to find solutions that would work. Both offices are committed to working together. Additionally, since Auditor-Controller's initial response was submitted, legal provided an opinion to Auditor-Controller that they are legally required to provide the data being requested so they now understand a solution is required. The change to the big bang approach will allow additional time to develop the best solutions. Auditor-Controller has contracted with the original developer for VCHRP to analyze what system changes would be needed and how long it would take to implement those changes. Once we have the results of that analysis we may be able to remove this risk.</p> <p>UPDATE (5/1) – Auditor-Controller informed us on 4/29 that they were just finishing their response to our formal request and would deliver it to VCERA on Friday, 5/3. This will not provide us adequate time to review their response and prepare options to present to the Board at the May 6<sup>th</sup> Board meeting. We will work to</p>
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# Project Status Report: PAS Project



Reporting to: VCERA  
Written by: Kim Zierath

Report Date: 12/15/13  
Reporting Period: 11/01/2013 – 11/30/2013

	<p>complete the analysis and prepare our proposed options as quickly as possible.</p> <p>UPDATE (4/1) – We are preparing a formal request for the critical data required from Auditor-Controller. The request will ask them to provide us a timeline they would need to fully analyze/develop the system enhancements they would need to provide the data. We do not anticipate having their response in time to present to the Board at the May 6<sup>th</sup> Board meeting. We will present to the Board as soon as we have the information and can create a revised plan proposal.</p>
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The milestones below have been changed to reflect the new implementation plan approved 7/15/13.

## Work Segments



# Project Status Report: PAS Project



Reporting to: VCERA  
Written by: Kim Zierath

Report Date: 12/15/13  
Reporting Period: 11/01/2013 – 11/30/2013

Deployment Phase - Rollout 1 Project Plan Tasks	% Complete	Milestone Date	Date Completed
Segment A Data Mapping Documents Completed	100%	10/26/2012	11/30/2012*
Segment A Functionality Completed	100%	11/30/2012	11/30/2012
Segment B Data Mapping Documents Completed	100%	12/28/2012	1/28/2013*
Segment B Functionality Completed	100%	02/22/2013	4/5/2013
Segment C Functionality Completed	100%	04/12/2013	6/28/2013
Segment D Track 1 Functionality Delivered	100%	09/02/2013	9/5/2013
Segment D Track 2 Functionality Delivered	65%	12/30/2013	
Segment F Functionality Delivered	10%	3/24/2014	
Segment G Functionality Delivered	10%	7/28/2014	
Segment H Functionality Delivered	15%	8/25/2014	
Parallel Testing of Transmittal Files Begins	0%	10/20/2014	
Segment I Functionality Delivered	10%	12/29/2014	
UAT Begins	0%	3/20/2015	
VCERA Accepts System for Production	0%	7/6/2015	

\*Please note that data mapping updates can occur throughout the project as a result of new functionality design. The 100% completion indicates initial data mapping efforts are complete.



# Project Status Report: PAS Project



Reporting to: VCERA  
Written by: Kim Zierath

Report Date: 12/15/13  
Reporting Period: 11/01/2013 – 11/30/2013

## Vitech Contract Limits

Contract-Limited Item	Contract Limit	Currently Assigned to Vitech/Used	Number Remaining for Vitech
Documents / Letters	20	13	7
Reports / Queries	25	7	18
Workflows	10	11	0
Interfaces	6	3	3
Data Conversion Hours	3,500	2,967	533

## Planned Tasks for Next Period

- Identify alternative solutions for the manual work-around for adjustment data.
- Continue working with Auditor-Controller and VRSD to develop solutions for the transmittal files.
- RIS and ADP data conversion script development.
- Continue analyzing data extracted from RDBS and loaded into V3.
- Conduct final RIS/ADP data mapping JAD.
- Receive and evaluate new SOW from Novanis.
- Continue conducting data cleansing activities.
- Finalize Segment C testing.
- Continue writing test cases for Segment D functionality and identifying data requirements.
- Continue executing Segment D testing.
- Sign-off Segment D design document.



# Project Status Report: PAS Project



Reporting to: VCERA  
Written by: Kim Zierath

Report Date: 12/15/13  
Reporting Period: 11/01/2013 – 11/30/2013

## Signatures

The content of this report has been reviewed and approved by:

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**Tim Thonis**  
**Interim Retirement Administrator**  
**VCERA Project Sponsor**

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**Date**

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**Hammad Zaigham**  
**Vitech Project Manager**

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**Date**

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**Kim Zierath**  
**Linea Project Manager**

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**Date**

# VENTURA COUNTY EMPLOYEES' RETIREMENT ASSOCIATION

1190 South Victoria Avenue, Suite 200  
Ventura, CA 93003-6572  
(805) 339-4250 • Fax: (805) 339-4269  
<http://www.ventura.org/vcera>

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January 6, 2014

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

## **SUBJECT: STATUS UPDATE – HEARING OFFICER SEARCH**

Dear Board Members:

### **Recommendation**

Receive and file staff update on hearing officer search.

### **Background**

Over the course of the past twelve months, several of VCERA's hearing officers requested not to be assigned additional disability cases, and their contracts were not renewed. In response to a shrinking hearing officer panel, VCERA staff initiated a search and subsequently received applications from twelve attorneys requesting to be added to the panel. VCERA's hearing officers decide approximately 25 – 30 disability cases annually.

### **Discussion**

Staff and counsel have taken the initial steps to evaluate the applications. Our evaluations include reviewing examples of written decisions, corresponding with other '37 Act retirement systems where panel applicants are currently hearing cases and checking references. Staff plans to finish our evaluations by the end of January.

### **Conclusion**

Staff's goal is to provide recommendations for additional hearing officers at the February 3, 2014 disability meeting.

I will be pleased to respond to any questions you may have on this matter at the January 6, 2014 disability meeting.

Sincerely,



Tim Thonis  
Interim Retirement Administrator



# VENTURA COUNTY EMPLOYEES' RETIREMENT ASSOCIATION

1190 South Victoria Avenue, Suite 200  
Ventura, CA 93003-6572  
(805) 339-4250 • Fax: (805) 339-4269  
<http://www.ventura.org/vcera>

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January 6, 2014

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

## **SUBJECT: STATUS UPDATE – IRS DETERMINATION OF PLAN TAX QUALIFICATION**

Dear Board Members:

### **Recommendation**

Receive and file staff update on VCERA Plan Tax Qualification Determination.

### **Background**

Several years ago, the Internal Revenue Service (IRS) began focusing on whether public retirement systems nationwide complied with tax qualification rules. Prior IRS focus was mainly on those private sector retirement plans that were subject to ERISA (Employee Retirement Income Security Act). In response to the IRS focus, the State Association of County Retirement Systems (SACRS) engaged the law firm of Hanson Bridgett (HB) in 2009 to review the CERL (County Employees Retirement Law) from a tax compliance perspective and '37 Act retirement systems began studying how to file for tax determination. HB subsequently offered retirement system staff training sessions designed to review a multitude of compliance issues associated with a tax determination filing. VCERA staff participated in the HB training sessions in early 2010, compiled the information necessary for a tax determination filing throughout the balance of the year and submitted, with assistance from HB, a timely application by the January 31, 2011 deadline.

### **Discussion**

In late November, VCERA received correspondence from HB requesting additional information related to the 2011 tax determination filing. The majority of HB's request related to VCERA's "Voluntary Correction Program" (VCP) filing. As the Board will recall from previous discussions, the VCP filing is an integral part of the overall tax determination filing and provides protection against issues/mistakes ("failures") in plan operations and/or documentation. VCERA staff provided HB with the requested information and now awaits the IRS decision.

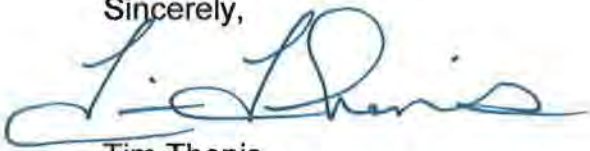
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**Conclusion**

HB indicated that VCERA's and SACRS' earlier work was well received by the IRS and we trust this additional submission answers any remaining questions related to the January 2011 filing. IRS tax determination filings are required every 5 years with VCERA's next filing scheduled for January 2016.

I will be pleased to respond to any questions you may have on this matter at the January 6, 2014 disability meeting.

Sincerely,

A handwritten signature in blue ink, appearing to read "Tim Thonis", written over a horizontal line.

Tim Thonis  
Interim Retirement Administrator