

VENTURA COUNTY EMPLOYEES' RETIREMENT ASSOCIATION

BOARD OF RETIREMENT

DISABILITY MEETING

May 5, 2014

AGENDA

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

TIME: 9:00 a.m.

ITEM:

- | | Master Page
No. |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------|
| I. <u>CALL TO ORDER</u> | |
| II. <u>APPROVAL OF AGENDA</u> | 1 – 5 |
| III. <u>APPROVAL OF MINUTES</u> | |
| A. Business Meeting of April 21, 2014. | 6 – 12 |
| IV. <u>RECEIVE AND FILE PENDING DISABILITY APPLICATION
STATUS REPORT</u> | 13 – 62 |
| V. <u>APPLICATIONS FOR DISABILITY RETIREMENT</u> | |
| A. Application for Non-Service Connected Disability
Retirement; Marinis, Brinda K.; Case No. 12-044. | 63 – 96 |
| 1. Summary of Evidence, Findings of Fact, Conclusions
of Law, and Recommendations, submitted by
Hearing Officer John L. Rosenthal, dated March 19,
2014. | |
| 2. Applicant's Objection to the Summary of Evidence,
Findings of Fact, Conclusions of Law and
Recommendations, submitted by Applicant, Brinda
K. Marinis, dated March 24, 2014. | |

V. APPLICATIONS FOR DISABILITY RETIREMENT (continued)

3. Respondent's Reply to Summary of Evidence, Findings of Fact, Conclusions of Law, and Recommendations, submitted by B. Derek Straatsma, Attorney at Law, dated March 25, 2014.
 4. Hearing Notice served on April 28, 2014.
- B. Application for Service Connected and Non-Service Connected Disability Retirement; Sotelo, Jorge; Case No. 12-024. 97 – 116
1. Summary of Evidence, Findings of Fact, Conclusions of Law, and Recommended Decision, submitted by Hearing Officer Irene P. Ayala, dated April 2, 2014.
 2. Applicant's Objection to Hearing Officer's Recommendation, submitted by Applicant, Jorge Sotelo, dated April 15, 2014.
 3. Respondent's Reply to Applicant's Objections to Hearing Officer's Recommendation, submitted by Marshall W. Graves, Attorney at Law, dated April 16, 2014.
 4. Hearing Notice served on April 28, 2014.
- C. Application for Service Connected Disability Retirement; Torres, Sylvia; Case No. 13-008. 117 – 130
1. Summary of Evidence, Findings of Fact, Conclusions of Law and Recommendation, submitted by Hearing Officer Paul E. Crost, dated March 28, 2014.
 2. Respondent's Reply to the Hearing Officer's Recommended Decision, submitted by B. Derek Straatsma, Attorney at Law, dated April 7, 2014.
 4. Hearing Notice served on April 28, 2014.
- D. Application for Service Connected Disability Retirement; Chavez, Susan A.; Case No. 13-009. 131 – 141

V. APPLICATIONS FOR DISABILITY RETIREMENT (continued)

1. Recommendation from Staff to Consider Service Connected Disability Retirement Application Withdrawn, Without Prejudice.
 2. Respondent's Third Amended Notice of Taking the Deposition of Applicant Susan Chavez, submitted by Stephen D. Roberson, Attorney at Law, dated December 3, 2014.
 3. Letter from Applicant, Susan Chavez, dated December 31, 2013.
 4. Letter to VCERA Staff from Stephen D. Roberson, Attorney at Law, dated January 27, 2014.
 5. Letter to VCERA Staff from Stephen D. Roberson, Attorney at Law, dated March 18, 2014.
 6. Letter to VCERA Staff from Stephen D. Roberson, Attorney at Law, dated April 22, 2014.
 7. Letter to Applicant from Stephen D. Roberson, Attorney at Law, dated April 28, 2014.
 8. Hearing Notice served on April 28, 2014.
- E. Application for Service Connected Disability Retirement; Thomas, Lillian, Case No. 04-051. 142 – 145
1. Recommendation from Staff to Consider Service Connected Disability Retirement Application Withdrawn, with Prejudice.
 2. Recommendation to Consider Application Withdrawn, with Prejudice, submitted by Hearing Officer Michael Prihar, dated March 11, 2014.
 3. Hearing Notice served on April 11, 2014.
- F. Application for Service Connected Disability Retirement; Hillberg, Donald; Case No. 10-028. 146 – 217

V. APPLICATIONS FOR DISABILITY RETIREMENT (continued)

1. Recommendation from Staff to set Disability Hearing on June 2, 2014, pursuant to Government Code 31534(b).
2. Job Analysis of Helicopter Maintenance Technician, submitted by Pat DeSimone, M.S., dated February 11, 2014.
3. Memorandum Re: Reasonable Accommodation from Rebecca Willhite, Human Resources Manager, Ventura County Sheriff's Office Support Services Division, dated March 14, 2014.
4. Hearing Officer's Proposed Findings and Recommendation, submitted by Hearing Officer Richard C. Anthony, dated October 18, 2013.
5. Applicant's Response to Job Analysis, submitted by Laurence D. Grossman, Attorney at Law, dated April 3, 2014.
6. Respondent's Objection to the Hearing Officer's Proposed Findings and Recommendation, submitted by B. Derek Straatsma, Attorney at Law, dated November 1, 2013.
7. Applicant's Brief in Support of the Hearing Officer's Findings of Fact and Recommendations, submitted by Laurence D. Grossman, Attorney at Law, dated November 12, 2013.
8. Hearing Notice served on April 11, 2014.

VI. OLD BUSINESS

- A. Receive an Oral Update from Personnel Review Committee.
- B. Hearing Officer Panel Recommendations.
RECOMMENDED ACTION: Approve.

218 – 219

VI. OLD BUSINESS (continued)

- C. Recommendation to Adopt a 50:50 Employer Contribution Rate Structure for Certain Employee Labor Groups
RECOMMENDED ACTION: Approve.

1. Letter from County of Ventura (Not Received).
2. Staff Letter with Attachment. 220 – 227
3. Draft Letter to Board of Supervisors Recommending Employer and Employee Contribution Rates; FY 2014/15 228 – 230

VII. NEW BUSINESS

- A. Board Member Report on Pension Bridge Conference; Arthur E. Goulet and Deanna McCormick. 231
RECOMMENDED ACTION: Receive and File.
- B. Authorization to Attend the Brown Armstrong Audit, GAAP and GASB Update, May 29 – 30, 2014, Bakersfield, California. **RECOMMENDED ACTION: Approve.**
1. Letter from Staff. 232
 2. Brown Armstrong Audit, GAAP and GASB Update Registration Information. 233
- C. Recommendation to Utilize Linea Solutions Resources for VCERIS (PAS) Project 234 – 235
RECOMMENDED ACTION: Approve.

VIII. INFORMATIONAL

- A. Invitation to Attend Real Estate Investment Workshop – Deutsche Asset & Wealth Management; Chicago, IL, June 3 – 4, 2014. 236 – 239

IX. PUBLIC COMMENT

X. STAFF COMMENT

XI. BOARD MEMBER COMMENT

XII. ADJOURNMENT

VENTURA COUNTY EMPLOYEES' RETIREMENT ASSOCIATION

BOARD OF RETIREMENT

BUSINESS MEETING

April 21, 2014

MINUTES

DIRECTORS Tracy Towner, Chair, Safety Employee Member
PRESENT: William W. Wilson, Vice Chair, Public Member
Steven Hintz, Treasurer-Tax Collector
Peter C. Foy, Public Member
Mike Sedell, 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 Joseph Henderson, Public Member
ABSENT:

STAFF Tim Thonis, Interim Retirement Administrator
PRESENT: Henry Solis, Chief Financial Officer
Lori Nemiroff, Assistant County Counsel
Chantell Garcia, Retirement Benefits Specialist
Stephanie Caiazza, Program Assistant
Julie Stallings, Retirement Operations Manager
Christina Stevens, Fiscal Manager

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

Chair Tracy Towner, called the Business Meeting of April 21, 2014, to order at 9:02 a.m.

II. APPROVAL OF AGENDA

MOTION: Approve the Agenda.

Moved by Hintz, seconded by McCormick.

Vote: Motion carried.

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

No: -

Absent: Henderson

III. APPROVAL OF MINUTES

A. Disability Meeting of April 7, 2014.

MOTION: Approve the Minutes.

Moved by Goulet, seconded by Wilson.

Vote: Motion carried.

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

No: -

Absent: Henderson

Abstain: Foy

IV. CONSENT AGENDA

A. Approve Regular and Deferred Retirements and Survivors Continuances for the Month of March 2014.

B. Receive and File Report of Checks Disbursed in March 2014.

- C. Receive and File Budget Summary for FY 2013-14 Month Ending March 2014.

MOTION: Approve the Consent Agenda.

Moved by Wilson, seconded by Goulet.

Vote: Motion carried.

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

No: -

Absent: Henderson

END OF CONSENT AGENDA

V. STANDING ITEM

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

Ms. Nemiroff provided an update on several PEPRA litigation cases, AB197, and various pension initiatives. Ms. Nemiroff stated that one PEPRA cleanup bill is pending, and that she and Mr. Goulet are working on provisions in the bill legislation that need clarification.

VI. ANNUAL INVESTMENT PRESENTATIONS

- A. Receive Annual Investment Presentation, Sprucegrove Investment Management, Peter Ellement, Co-President and Senior Portfolio Manager, and Mark Shevitz- Fairhaven Partners (30 Minutes).

Peter Ellement and Mark Shevitz were present on behalf of Sprucegrove Investment Management to discuss their annual investment results.

VII. INVESTMENT INFORMATION

- A. NEPC – Don Stracke, Senior Consultant, and Lynda Dennen, Senior Consultant.
1. Receive and File Preliminary Performance Report, Month Ending March 31, 2014.
 2. Receive and File Pimco Watch List Report
 3. Receive and File Manager Guideline Violation Letter from PIMCO.

MOTION: Receive and file items 1-3, and consider again at future meetings.

Moved by Foy, seconded by Sedell.

Vote: Motion carried.

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

No: -

Absent: Henderson

4. Asset Liability Study.

Don Stracke and Lynda Dennen were present on behalf of NEPC to discuss their Asset Liability Study.

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

MOTION: Receive and file, and consider again at future meetings.

Moved by Goulet, seconded by McCormick.

Vote: Motion carried.

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

No: -

Absent: Henderson

VIII. NEW BUSINESS

A. Application for Reinstatement to Active Membership Pursuant to GC 31680.4 & 31680.5 - Carlotta Barnes

1. Letter from Staff.
2. Request for Additional Data Conversion Assistance.
3. Offer of Employment.
4. Medical Clearance.

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

MOTION: Approve reinstatement of Carlotta Barnes to active membership pursuant to GC 31680.4 & 31680.5

Moved by Wilson, seconded by Hintz.

Vote: Motion carried.

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

No: -

Absent: Henderson

B. Authorization to Attend National Association of Public Pension Attorneys (NAPPA) Conference, June 25-27, 2014, Nashville, Tennessee.

1. Letter from Staff.

2. NAPPA 2014 Legal Education Conference Announcement.

Staff recommended approval of the authorization for Ms. Nemiroff to attend the NAPPA conference.

MOTION: Approve.

Moved by Hintz, seconded by T. Johnston.

Vote: Motion carried.

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

No: -

Absent: Henderson

C. VCERIS Monthly Report – March 2014.

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

MOTION: Receive and file.

Moved by Goulet, seconded by Hintz.

Vote: Motion carried.

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

No: -

Absent: Henderson

IX. INFORMATIONAL

A. Adams Street IPO Announcement.

B. CalPERS Study on Economic Impacts in California.

- C. Reason Foundation Pension Reform Actuarial Analysis.
- D. SACRS Memo on Sustaining Public DB Plans.
- E. Loomis Sayles Announcement of President and CFO.
- F. SACRS Dinner Invitation from Eaton Vance and Hexavest.

X. PUBLIC COMMENT

None.

XI. STAFF COMMENT

The Interim Retirement Administrator announced that Stephanie Caiazza was promoted to Program Assistant and will be involved with the Board of Retirement's meetings and events.

Next, he stated that the County of Ventura had yet to submit a written recommendation in favor of a 50:50 cost allocation option for legacy members for the Board of Retirement's consideration, leaving little time for the Board to take action before it is considered by the Board of Supervisors on or before May 15, 2014.

The Interim Retirement Administrator then informed the Board that he and Mr. Towner will meet with the Ventura County Grand Jury on May 2, 2014. Staff will provide an update on this topic at the May 5, 2014 board meeting.

Lastly, the Interim Retirement Administrator stated that his 960 work-hour limit pursuant to GC 31680.6 may be reached before the business meeting of May 19, 2014.

XII. BOARD MEMBER COMMENT

Mr. Hoag provided the Board with an update of the ongoing Retirement Administrator recruitment, stating that one executive search firm contacted him in response to the Request for Proposal and indicated that they are preparing to send a proposal.

Mr. Towner said that the recruitment should be discussed at the board meeting on May 5, 2014.

Members of Board discussed their experiences attending the Blackrock due diligence trip and the Manatt Fiduciary Forum. Attendees were in agreement that although both events were informative and worthwhile, attendees could benefit from further involvement in the planning of the itineraries on upcoming due diligence visits. This will ensure that more time is spent covering topics that are of interest to the Board.

XIII. ADJOURNMENT

The meeting was adjourned at 11:23 a.m.

Respectfully submitted,



TIM THONIS, Interim Retirement Administrator

Approved,

TRACY TOWNER, Chairman

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>

May 5, 2014

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

SUBJECT: HEARING OFFICER RECOMMENDATIONS

Dear Board Members:

Recommendation:

Direct staff to offer Ms. Nancy Beardsley, Mr. Humberto Flores and Mr. Robert Klepa Hearing Officer contracts through June 30, 2015.

Background:

As the Board is aware, VCERA has been evaluating the work experience and sample written decisions of approximately a dozen hearing officers. Previously, the Board approved adding Ms. Catherine Harris and Mr. Ernest Gould to VCERA's Hearing Officer Panel.

Discussion:

Ms. Beardsley has served, since 2008, on disability panels for multiple '37 Act retirement systems including those in Los Angeles, San Diego and Kern counties. Her written reports are well organized and thorough.

Mr. Flores currently serves on LACERA's Hearing Officer Panel and has experience in deciding well over 100 CalPERS disability matters. Staff believes that Mr. Flores' CalPERS experience permits an easy transition to deciding '37 Act disability matters. Mr. Flores' reports are well researched and easy to follow.

Mr. Klepa has no previous experience in deciding '37 Act disability cases, but has experience serving as a Judge Pro Tem in Los Angeles County since 1998. Further, Mr. Klepa has been conducting long term disability claim hearings on behalf of the Los Angeles County CEO's office over the last several years. His written reports to the Los Angeles County CEO were well reasoned.

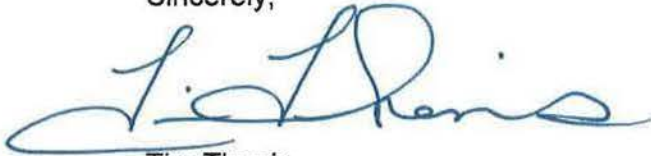
May 5, 2014
Page 2 of 2

Conclusion:

If the Board decides to offer contracts to these individuals, then VCERA's Hearing Officer Panel will be reconstituted to its June 30, 2013 level, thereby providing staff with more options in assigning disability cases.

I will be pleased to respond to any questions you may have on this matter at the May 5, 2014 disability meeting.

Sincerely,

A handwritten signature in blue ink, appearing to read "Tim Thonis", with a large, stylized initial "T" and "H".

Tim Thonis

VENTURA COUNTY EMPLOYEES' RETIREMENT ASSOCIATION

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May 5, 2014

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

SUBJECT: RECOMMENDATION TO ADOPT A 50:50 EMPLOYER CONTRIBUTION RATE STRUCTURE FOR CERTAIN EMPLOYEE LABOR GROUPS

Dear Board Members:

Recommendation:

Adopt Option #2, and the associated Exhibits C & D, from the December 9, 2013, Segal Consulting Letter titled "Ventura County Employees' Retirement Association Options for Allocating the Cost Associated with the Cessation of Member Contributions After 30 Years of Service for Non-PEPRA Tiers." ("Options Letter" - Attached)

Background:

On January 27, 2014, the Board of Retirement (Board) approved Segal Consulting's annual actuarial study. Additionally, the Board approved the recommended three-year phase-in of costs associated with certain economic assumption and actuarial cost method changes. A decision on the "Options Letter" was deferred pending further direction received from the County Executive Office.

Discussion:

VCERA staff understand that the County of Ventura is currently actively engaged in collective bargaining talks with several employee labor groups. An important topic of discussion is the establishment of a 50:50 sharing of plan "normal costs" between employee members and the employer/sponsor. The new rate structure would be analogous to the rate structure established by the PEPRA legislation.

A 50:50 rate structure creates certain issues for the "non-PEPRA"/legacy tiers within VCERA. Specifically, it is difficult to achieve an exact 50:50 split because employee contributions cease after 30 years for certain legacy tier members. In other words, the same contribution rate is applied to different compensation payroll bases resulting in differing amounts of employee and employer contributions. Segal Consulting outlines three options to address this specific issue within the "Options Letter."

May 5, 2014

Page 2 of 2

To the best of staff's knowledge, the County of Ventura is currently negotiating to implement Option #2 – "Cost Goes to the Employers". Under Option #2, the employer contribution rate is adjusted upward to account for all of the costs associated with the cessation of member contributions after 30 years. Exhibits C and D offer the employer and employee contributions associated with Option #2.

Conclusion:

Initially, staff wanted to avoid the Board having to adopt multiple plan rate structures in an effort to keep plan complexities to a minimum. In January, staff believed a 50:50 rate structure could be employed utilizing similar principles as to those utilized in managing the "pick-ups" of employee contributions under Government Code sections 31581.1 and 31581.2. In managing the "pick-ups", VCERA has been indifferent as to who paid the total employee contributions, sponsors or members, so long as the total employee contributions received by VCERA were correct. Staff believed the 50:50 rate structures could be managed similarly; however, staff now gives greater weight to recommending that the Board adopt specific 50:50 contribution rate structures for VCERA's legacy tiers. The rationale to adopt specific 50:50 contribution rate structures include:

- a) Legal: Government Code section 31453 states the Board shall recommend the rates of contributions of members and in county and district contributions as are necessary. Any adopted 50:50 rate structure is calculated differently than the CERL rates included in the June 30, 2013, actuarial study and phase-in letter. Thus, separate adoption should be required.
- b) Fiduciary: Transparency is a key element in all actions taken by the Board. A separate action to add 50:50 contribution rates to VCERA's plan rate structures adds transparency.
- c) Staff: VCERA staff will be called upon to explain much that has been/will be negotiated. Having specifically identifiable rate schedules will assist in providing explanations to employee members affected by the negotiations.

Not all sponsors and member groups will be negotiating a 50:50 type rate structure. The additional rate structure adds to what is already a complex VCERA plan environment, and increases the risk that the respective plan sponsor payroll units will be unable to program the changes correctly. Similarly, it increases the risk that VCERA staff will be unable to validate that correct employer and employee contributions are received.

I will be pleased to respond to any questions you may have on this matter at the May 5, 2014 disability meeting.

Sincerely,



Attachments



100 Montgomery Street Suite 500 San Francisco, CA 94104-4308
T 415.263.8200 www.segalco.com

December 9, 2013

Board of Retirement
Ventura County Employees' Retirement Association
1190 S. Victoria Avenue, Suite 200
Ventura, CA 93003-6572

**Re: Ventura County Employees' Retirement Association
Options for Allocating the Cost Associated with the Cessation of Member
Contributions After 30 Years of Service for Non-PEPRA Tiers**

Dear Members of the Board:

As requested by VCERA staff, we have calculated the employer and member contribution rates based on a 50/50 sharing of Normal Cost for non-PEPRA Tiers under three options that differ in how the cost associated with the cessation of member contributions after 30 years of service for non-PEPRA members is allocated between the employers and the members. The information that follows describes each of the three options and the attached exhibits show the employer and member contribution rates under all three options with the three-year phase-in reflected in the employer rates.

Note that the employer and member contribution rates under Option 1 below were also provided in Appendix C and D in the June 30, 2013 valuation report, where the employer rates are without the three-year phase-in. Exhibit B of the June 30, 2013 phase-in letter contains the employer contribution rates under that same option with the three-year phase-in.

**Options for Allocating the Cost Associated with the Cessation of Member Contributions
After 30 Years of Service**

Under each of the options discussed here, the Normal Cost is first determined without regard to the cessation of member contributions after 30 years of service. For the 50/50 sharing of Normal Costs for non-PEPRA Tiers, the Normal Cost rates are then determined assuming that both the members and the employers will continue to make contributions after 30 years of service and those rates are split equally between the employers and members. However, due to the fact that some non-PEPRA members (mainly Safety) with more than 30 years of service are not required to contribute, the actual Normal Cost as a dollar amount collected from members would be less than 50% of the total Normal Cost (as a dollar amount). In order to be sure that the total Normal Cost is contributed, this shortfall in contributions due to the cessation of member contributions

after 30 years of service needs to be made up, and the associated cost could be allocated between the employers and the members under any of the following three options.

Option 1: The cost goes to members with less than 30 years of service.

Under this option, the member contribution rate has been adjusted upward to account for all of the cost associated with the cessation of member contributions after 30 years of service. The contributions collected from members will total 50% of the Normal Cost (as a dollar amount) and be equal to the dollar amount collected from the employers. The employer and member contributions rates under this Option 1 are shown in the attached Exhibits A and B (after the three year phase-in). Under this option the member rates are higher than the employer Normal Cost rates (because they are not collected from members with over 30 years of service) but the total dollars paid by members and employers is the same.

As mentioned earlier, these rates are also shown in shown in Appendix C and D in the June 30, 2013 valuation report, where the employer rates are without the three year phase-in. Exhibit B of the June 30, 2013 phase-in letter contains the employer contribution rates with the three-year phase-in.

Option 2: The cost goes to the employers.

Under this option, the employer Normal Cost contribution rate has been adjusted upward to account for all of the cost associated with the cessation of member contributions after 30 years of service. The contributions collected from members will total less than 50% of the Normal Cost (as a dollar amount) and the amount collected from the employers will equal the remainder of the Normal Cost (as a dollar amount). Those employer contributions will then be greater than 50% of the Normal Cost, both in dollars and as a rate. The employer and member contribution rates under this Option 2 are shown in the attached Exhibits C and D with the three-year phase-in.

Option 3: Allocate the cost 50/50 to both employers and members.

Under this option, both the employer and member Normal Cost contribution rates have been adjusted upward to each account for the cost associated with the cessation of member contributions after 30 years of service. Under this option, the Normal Cost rates are exactly the same for both the employers and the members. However, the contributions collected from members will still total less than 50% of the Normal Cost (as a dollar amount) and the amount collected from the employers will equal the remainder of the Normal Cost (as a dollar amount). This means the employers will pay more than 50% of the Normal Cost in dollars because the employer rate is applied to all payroll while the same member rate is not applied to payroll for members with over 30 years of service. The employer and member contribution rates under this Option 3 are shown in the attached Exhibits E and F with the three-year phase-in.

The rates shown may be adopted in conjunction with the June 30, 2013 Actuarial Valuation for the fiscal year that extends from July 1, 2014 through June 30, 2015.

We are members of the American Academy of Actuaries and we meet the Qualification Standards of the American Academy of Actuaries to render the actuarial opinion herein.

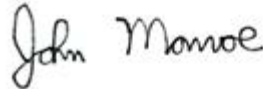
Board of Retirement
Ventura County Employees' Retirement Association
December 9, 2013
Page 2

Please let us know if you have any questions.

Respectfully submitted,



Paul Angelo, FSA, MAAA, FCA, EA
Senior Vice President and Actuary



John Monroe, ASA, MAAA, EA
Vice President and Associate Actuary

AW/hy

Exhibit C

Option 2 – Cost Associated with Cessation of Member Contributions after 30 Years of Service is Paid by the Employers

Recommended Employer Contribution Rates with Three-year Phase-in (Dollar Amounts in Thousands) Based on 50/50 Sharing of Normal Cost for Non-PEPRA Tiers – Under Combined Methodology

	June 30, 2013 Actuarial Valuation					
	BASIC		COLA		TOTAL	
	Rate	Estimated Annual Amount ⁽¹⁾	Rate	Estimated Annual Amount ⁽¹⁾	Rate	Estimated Annual Amount ⁽¹⁾
General Tier 1 Members						
Normal Cost ⁽²⁾	7.75%	\$879	2.52%	\$286	10.27%	\$1,165
UAAL ⁽³⁾	<u>9.63%</u>	<u>1,093</u>	<u>27.88%</u>	<u>3,164</u>	<u>37.51%</u>	<u>4,257</u>
Total Contribution	17.38%	\$1,972	30.40%	\$3,450	47.78%	\$5,422
General PEPRA Tier 1 Members						
Normal Cost	4.70%	\$52	1.80%	\$19	6.50%	\$71
UAAL ⁽³⁾	<u>9.63%</u>	<u>106</u>	<u>27.88%</u>	<u>306</u>	<u>37.51%</u>	<u>412</u>
Total Contribution	14.33%	\$158	29.68%	\$325	44.01%	\$483
General Tier 2 Members w/o COLA						
Normal Cost	7.16%	\$15,196	0.00%	\$0	7.16%	\$15,196
UAAL ⁽³⁾	<u>9.58%</u>	<u>20,332</u>	<u>0.00%</u>	<u>0</u>	<u>9.58%</u>	<u>20,332</u>
Total Contribution	16.74%	\$35,528	0.00%	\$0	16.74%	\$35,528
General PEPRA Tier 2 Members w/o COLA						
Normal Cost	6.83%	\$216	0.00%	\$0	6.83%	\$216
UAAL ⁽³⁾	<u>9.58%</u>	<u>303</u>	<u>0.00%</u>	<u>0</u>	<u>9.58%</u>	<u>303</u>
Total Contribution	16.41%	\$519	0.00%	\$0	16.41%	\$519
General Tier 2 Members w/COLA						
Normal Cost ⁽⁴⁾	7.16%	\$17,243	-0.04%	-\$96	7.12%	\$17,147
UAAL ⁽³⁾⁽⁵⁾	<u>9.58%</u>	<u>23,071</u>	<u>0.92%</u>	<u>2,215</u>	<u>10.50%</u>	<u>25,286</u>
Total Contribution	16.74%	\$40,314	0.88%	\$2,119	17.62%	\$42,433
General PEPRA Tier 2 Members w/COLA						
Normal Cost ⁽⁴⁾	6.83%	\$536	-0.13%	-\$10	6.70%	\$526
UAAL ⁽³⁾⁽⁵⁾	<u>9.58%</u>	<u>752</u>	<u>0.92%</u>	<u>72</u>	<u>10.50%</u>	<u>824</u>
Total Contribution	16.41%	\$1,288	0.79%	\$62	17.20%	\$1,350
All General Members⁽⁶⁾						
Normal Cost	7.16%	\$34,122	0.04%	\$199	7.20%	\$34,321
UAAL	<u>9.58%</u>	<u>45,657</u>	<u>1.21%</u>	<u>5,757</u>	<u>10.79%</u>	<u>51,414</u>
Total Contribution	16.74%	\$79,779	1.25%	\$5,956	17.99%	\$85,735

Exhibit C (continued)

Option 2 – Cost Associated with Cessation of Member Contributions after 30 Years of Service is Paid by the Employers

Recommended Employer Contribution Rates with Three-year Phase-in (Dollar Amounts in Thousands) Based on 50/50 Sharing of Normal Cost for Non-PEPRA Tiers – Under Combined Methodology

	June 30, 2013 Actuarial Valuation					
	BASIC		COLA		TOTAL	
	Rate	Estimated Annual Amount ⁽¹⁾	Rate	Estimated Annual Amount ⁽¹⁾	Rate	Estimated Annual Amount ⁽¹⁾
Safety Members						
Normal Cost ⁽⁷⁾	11.77%	\$19,077	4.68%	\$7,586	16.45%	\$26,663
UAAL	<u>42.20%</u>	<u>68,400</u>	<u>-5.92%</u>	<u>-9,596</u>	<u>36.28%</u>	<u>58,804</u>
Total Contribution	53.97%	\$87,477	-1.24%	-\$2,010	52.73%	\$85,467
Safety PEPRA Members						
Normal Cost	11.27%	\$19	4.87%	\$9	16.14%	\$28
UAAL	<u>42.20%</u>	<u>72</u>	<u>-5.92%</u>	<u>-10</u>	<u>36.28%</u>	<u>62</u>
Total Contribution	53.47%	\$91	-1.05%	-\$1	52.42%	\$90
All Safety Members⁽⁶⁾						
Normal Cost	11.77%	\$19,096	4.68%	\$7,595	16.45%	\$26,691
UAAL	<u>42.20%</u>	<u>68,472</u>	<u>-5.92%</u>	<u>-9,606</u>	<u>36.28%</u>	<u>58,866</u>
Total Contribution	53.97%	\$87,568	-1.24%	-\$2,011	52.73%	\$85,557
All Categories Combined⁽⁶⁾						
Normal Cost	8.33%	\$53,218	1.22%	\$7,794	9.55%	\$61,012
UAAL	<u>17.87%</u>	<u>114,129</u>	<u>-0.61%</u>	<u>-3,849</u>	<u>17.26%</u>	<u>110,280</u>
Total Contribution	26.20%	\$167,347	0.61%	\$3,945	26.81%	\$171,292

⁽¹⁾ Amounts are in thousands, assumed to be paid throughout the year, and are based on June 30, 2013 annual payroll (also in thousands) shown below:

General Tier 1	\$11,348
General PEPRA Tier 1	1,099
General Tier 2	212,229
General PEPRA Tier 2	3,163
General Tier 2C	240,822
General PEPRA Tier 2C	7,847
Safety	162,085
Safety PEPRA	<u>171</u>
Total	\$638,764

⁽²⁾ The total employer rate has been adjusted by 0.39% to account for the cost associated with the cessation of member contributions after 30 years of service.

⁽³⁾ Basic UAAL rates have been calculated on a combined basis for all General Tiers.

⁽⁴⁾ Reflects General Tier 2 member COLA contribution rate of 2.63% based on current bargaining agreements.

⁽⁵⁾ Includes 0.53% in COLA UAAL costs attributed to the first two years of service accrued for the fixed 2% COLA pursuant to Government Code 31627.

⁽⁶⁾ These aggregated rates are provided for informational purposes only as we understand that the intent is to implement the tier specific rates, if possible.

⁽⁷⁾ The total employer rate has been adjusted by 1.08% to account for the cost associated with the cessation of member contributions after 30 years of service.

Exhibit D**Option 2 – Cost Associated with Cessation of Member Contributions after 30 Years of Service is Paid by the Employers
Member Contribution Rates Based on 50/50 Sharing of Normal Cost for Non-PEPRA Tiers**

	Basic		COLA		Total	
	First \$350	Over \$350	First \$350	Over \$350	First \$350	Over \$350
General Tier 1	5.04%	7.56%	1.63%	2.45%	6.67%	10.01%
General Tier 2 without COLA	4.87%	7.30%	0.00%	0.00%	4.87%	7.30%
General Tier 2 COLA	4.87%	7.30%	2.63% ⁽¹⁾	2.63% ⁽¹⁾	7.50%	9.93%
Safety	11.00%	11.00%	4.37%	4.37%	15.37%	15.37%

⁽¹⁾ General Tier 2 members with COLA are required to pay COLA contributions of 2.63% of compensation based on current bargaining agreements.

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>

May 5, 2014

Board of Supervisors
County of Ventura
800 S. Victoria Avenue
Ventura, CA 93009

SUBJECT: APPROVAL OF ANNUAL ACTUARIAL VALUATION OF THE VENTURA COUNTY EMPLOYEES' RETIREMENT ASSOCIATION (Reports on File with Clerk of the Board)

Dear Board Members:

RECOMMENDATION:

Adopt, pursuant to Government Code sections 31453 and 31454, the employer and employee retirement plan contribution rates as detailed in the following:

- Actuarial Valuation and Review as of June 30, 2013, prepared by Segal Consulting (Study)
- Ventura County Employees' Retirement Association Three-Year Phase-In of Employer Contribution Rates. Letter dated December 9, 2013. (Phase-in Letter)
- Ventura County Employees' Retirement Association Options for Allocating the Cost Associated with the Cessation of Member Contributions After 30 Years of Service for Non-PEPRA Tiers. Letter dated December 9, 2013. (50:50 Letter)

FISCAL IMPACTS:

Total annual employer contributions, and the associated employer contribution rates, will increase for most retirement association member categories including all "legacy categories" (members hired before January 1, 2013) of Safety, General Tier 1 and General Tier 2. The only declining employer contribution rate is observed in the General PEPRA Tier 2 category (General members hired after January 1, 2013). Total annual employer contributions are projected to increase to approximately \$180 million based upon a projected total plan compensation payroll of approximately \$639 million (Exhibit A – Phase-in Letter).

Annual employee contributions are expected to increase slightly to \$54.8 from \$54.0 million in the upcoming fiscal year (Study – page v).

The Board of Retirement understands the County of Ventura is presently engaged in collective bargaining sessions with multiple labor groups that may impact the projected annual employer and employee contribution totals presented above, but not the expected aggregate contributions made to the Ventura County Employees' Retirement Association (VCERA).

SUMMARY OF RESULTS FROM THE JUNE 30, 2013, ACTUARIAL VALUATION AND REVIEW:

- VCERA's plan assets earned 13.5% for fiscal year ending June 30, 2013.
- The investment return on the value of assets in the Study was 7% due to the deferral of most of the current year investment gains and recognition of prior year investment gains and losses.
- There were \$6 million in net deferred losses as of June 30, 2013, compared to \$202 million as of June 30, 2012.
- VCERA's funded status, the ratio of valuation value of assets to accrued liabilities is 79.2% as of June 30, 2013, an improvement of 1.5% since June 30, 2012.

DISCUSSION:

A direct comparison between the June 30, 2013, and June 30, 2012, actuarial valuations is difficult due to the incorporation of the new PEPRA member plans in January 2013, the Board of Retirement's decision to "phase-in" costs associated with certain plan economic assumption changes and the potential impact on employer and employee contribution rates due to ongoing collective bargaining.

As indicated above, the investment return on the actuarial valuation of assets during 2013 was less than expected due to the recognition (smoothing) of prior year investment gains and losses. Accordingly, there was an investment loss experienced in 2013 of approximately \$25.5 million. The 2013 investment loss added .35% to the employer contribution rate. Losses on other plan actuarial experience factors increased the employer contribution rate by just over 1%. The employer contribution rate increases generated by investment losses and other plan factors were offset, in part, by the lower than expected growth in individual member salaries. The lower than expected growth in individual member salaries reduced the employer contribution rate by .68%. Overall, the employer contribution rate increased by .76% (Study – page 20).

The Board of Retirement elected, in 2012, to "phase-in" the cost impacts of economic assumption and actuarial cost method changes. Without the "phase-in" of costs, employer contribution rates would have increased by 2.45% of total plan compensation payroll last year. The "phase-in" of assumption change costs is expected to reduce employer contributions by just over \$5 million in the upcoming fiscal year.

The Board of Retirement's adoption of the employer and employee contribution rates detailed in Exhibits C and D of the 50:50 Letter offers the County of Ventura, and certain legacy plan members, a near equal sharing of the plan's "normal costs". Plan "normal costs" are the contribution rate that, if paid annually from a member's first year of membership through the year of retirement, would accumulate to the amount necessary to fully fund the member's retirement related benefits. The implementation of the employer and employee contribution rates detailed in Exhibits C and D will be predicated on successful collective bargaining negotiations.

An important variable to consider when implementing a 50:50 rate structure for legacy plan members is the cessation of employee contributions after thirty years of service. The cessation of employee contributions after thirty years primarily impacts Safety members, but may also impact certain General members. The result of employee contributions ceasing after thirty

May 5, 2014

Page 3 of 3

years is a true 50:50 split becomes problematic because equal contribution rates are applied to disparate employer and employee payroll totals. Segal Consulting developed several 50:50 contribution rate scenarios addressing the allocation of costs associated with the cessation of employee contributions. The Board of Retirement adopted Option #2 and the associated Exhibits C and D based upon VCERA's discussions with the County Executive Office.

The Study and accompanying letters were provided to the County Executive Office in December for use in developing budget projections in the upcoming fiscal year.

Sincerely,

Board of Retirement
Ventura County Employees'
Retirement Association

Attachments

c: Michael Powers, County Executive Officer
Leroy Smith, County Counsel
Jeff Burgh, Assistant Auditor-Controller

VENTURA COUNTY EMPLOYEES' RETIREMENT ASSOCIATION

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May 5, 2014

Board of Retirement
Ventura County Employees' Retirement Association
1190 South Victoria Avenue, Suite 200
Ventura, CA 93003-6572

Dear Board Members:

On April 22 and 23, De McCormick and I attended the Pension Bridge Conference in San Francisco. Following is our report.

Stephen Cummings, CEO of Hewitt Ennis Knupp was the Keynote Speaker. His presentation was entitled "Ten Ways Your Consultant Has Gotten It Wrong", some of which VCERA has experienced.

Subjects that were reviewed included a macroeconomic view, risk parity, tail risk hedging, liability driven investment (primarily as it pertains to corporate pension funds), asset allocation, "next generation" fixed income investments (such as distressed debt and other credit strategies, including direct lending), allocations to protect against rising interest rates (including commodities, ownership of farmland, energy, and infrastructure), currency investments, hedge funds, emerging markets, managed futures, hedge funds, emerging managers (emphasizing that such managers may have new ideas and outlooks), investments based on environmental, social and governance perspectives, secondary and primary private equity, and real estate. The final session was a roundtable of chief investment officers from public pension systems. They talked about asset/liability evaluation, asset allocation for the future, and negotiation of fees. In a continuation of the topic from last year's agenda, there was an emphasis on the importance of risk management throughout the conference.

With all the talk we have heard from various sources about bleak investment opportunities in the near term, we were surprised by the number of bullish managers making presentations, especially in the credit, hedge fund and private equity spaces. Interestingly, these are areas in which NEPC has suggested we should increase our allocations or enter. There were also many cautionary notes about emerging markets and the lack of the rule of law in those countries. When pension fund investors spoke about hedge funds and private equities, they generally expressed concern about lack of transparency, fee levels, and hidden fees.

During casual conversations with managers during breaks, the conversation often drifted to the subject of investment staff. When it was revealed that VCERA had no dedicated investment staff, all managers were quite surprised. Interestingly, when one of the obviously well qualified presenters for a Colorado pension plan, having about \$4B in assets, was asked about investment staff in that organization, he revealed they had 10 professionals, and 2 back office staff who handled record keeping and transactions!

Although Pension Bridge allegedly attempts to match the number of investment managers to the number of pension fund trustees and administrators in attendance, because managers frequently had more than one representative, there were still many more money managers than pension fund people. There were a number of trustees and others from 1937 Act counties, as well as trustees from various city, state, and union plans from throughout the U.S. Pension Bridge conferences are well organized and the agenda and time table are scrupulously adhered to, with subject matters presented thoroughly by informed and capable presenters. However, too much information was crammed into too short a period of time, and there was generally insufficient time for questions.

We'd be happy to answer any questions the Board may have.

Respectfully,



For Arthur E. Goulet & De McCormick

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May 5, 2014

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

**SUBJECT: AUTHORIZATION FOR STAFF TO ATTEND THE BROWN
ARMSTRONG AUDIT, GAAP AND GASB UPDATE, MAY 29 – 30, 2014;
BAKERSFIELD**

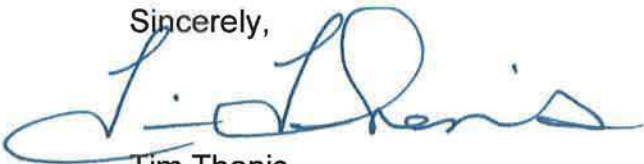
Dear Board Members:

The Board Education and Travel policy provides that approval for travel by a Board or staff member to an educational meeting, conference or seminar shall be made in an open meeting of the Board, except for attendance at SACRS, or in the case of an overnight stay for a staff member or one-day meetings held within the State, attended by staff or the Board's legal advisor, where the Retirement Administrator may approve the travel.

Staff recommends authorization for Ms. Christina Stevens, Fiscal Manager to attend Brown Armstrong's Audit, GAAP and GASB Update (attached) in Bakersfield on May 29 – 30, 2014. The estimated cost for Ms. Stevens to attend is estimated to be \$770, which includes; registration \$240, hotel \$270, and mileage, meals & incidentals of \$260.

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

Sincerely,



Tim Thonis
Interim Retirement Administrator

Attachment

BROWN ARMSTRONG

Certified Public Accountants

Continuing Professional Education

Program Details:

CPE Hours: 8 Hours each day
 5/29: Governmental Auditing
 5/30: Governmental Auditing
Cost: \$120 per person/daily

2-Day Course:
 Thursday May 29, 2014
 Friday, May 30, 2014

Time:
 8:30-4:30

Location: Salon A & B
 Bakersfield Marriott
 at the Convention Center
 801 Truxtun Avenue
 Bakersfield, CA 93301

Day 1:

Instructors: Gregory S. Allison, CPA
 Special Guest Speaker: Jose A. Vera, Director
 Stifel, Nicolaus & Company, Inc.
Class: Audit and GASB Update Plus Special 1 Hour
 Session on Managing Your Outstanding Debt & New
 Regulatory Requirements

The focus on Day 1 will be audit related. There will be a broad overview of the "Super Circular" that recently superceded a variety of OMB curculars. In addition, the "clarity standards" will be reviewed with a particular focus on their impact from a client perspective. Also, proposed revisions to the single audit act will again be revisited. Finally, the audit implications of some of the new GASB standards will be discussed. A special 1 hour session presented by Jose A. Vera will finish off the day.

Day 2:

Instructor: Gregory S. Allison, CPA
Class: GAAP Update

Day 2 will be devoted specifically to GAAP Update and an overview of current accounting and financial reporting issues. The GAAP Update will focus on the implementation of GASB Statement No. 65, 67, and 68. In addition, the session will cover other statements through GASB Statement No. 71, as well as a review of the GASB's technical agenda. Attention will then be turned to recent updates to the GASB's Comprehensive Implementation Guide and an extensive discussion of common governmental accounting and financial reporting challenges and "half-truths."

Please e-mail, fax or mail your registration by May 16th

Organization: _____

Address: _____

City: _____ State: _____ Zip: _____

Phone: _____ Fax: _____

Who's Attending:

	Day 1	Day 2	Total
Name: _____ Email: _____	<input type="checkbox"/>	<input type="checkbox"/>	_____
Name: _____ Email: _____	<input type="checkbox"/>	<input type="checkbox"/>	_____
Name: _____ Email: _____	<input type="checkbox"/>	<input type="checkbox"/>	_____
Name: _____ Email: _____	<input type="checkbox"/>	<input type="checkbox"/>	_____

Choose one: Accept Ebook Purchase Hard Copy (\$25)

Checks payable to Brown Armstrong can be mailed or brought with you the day of the training.

Registration will begin at 8:00 a.m. Class begins at 8:30 a.m.

We're paperless! Materials for the conference will be offered in a PDF format (ebook). The ebook will be emailed to you three days prior to the conference. Registrants may order printed event materials for an additional \$25 fee.

Direct Questions and Registration to:

Jessie Kiefer
 E: jkiefer@bacpas.com

Brown Armstrong
 Accountancy
 Corporation
 4200 Truxtun Ave.,
 Suite 300
 Bakersfield, CA 93309

Tel: (661) 324-4971
 Fax: (661) 324-4997

www.bacpas.com

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May 5, 2014

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

**SUBJECT: VENTURA COUNTY EMPLOYEES' RETIREMENT INFORMATION SYSTEM
(VCERIS) PROJECT RESOURCES**

Dear Board Members:

Recommendation:

Staff requests that the Board authorize the Interim Retirement Administrator to resource the Subject Matter Expert ("SME") component of the ADP-RIS (Retiree Database, 1099-R and Tax Reporting) data conversion with Linea Solutions for an amount not to exceed of \$80,000 for a period to terminate on December 31, 2015. If so approved, a Change Order will be forthcoming at the May 19, 2014 Board Meeting.

Background and Discussion:

On October 15, 2012, the Board authorized MBS to manage the Contributions Data Conversion component of the VCERIS project. Concomitant with that was the Board's consideration regarding resourcing the ADP-RIS data conversion. At that time MBS was "...not able to gauge with any certainty resource involvement required...." One of those uncertainties was how to resource the Subject Matter Expert ("SME") related to the ADP-RIS conversion.

Staff, along with other stakeholders, have investigated numerous solution sets to resource the SME including reallocating and backfilling a current staff position, implementing a search and contracting with a new external resource, or leveraging a resource from the pool of existing contractors.

Staff has determined that utilizing an existing resource who is not a current staff member, who is an expert in VCERA's business processes, who would work within the auspices of a previously vetted contractor would be the most efficient and effective means to expeditiously meet this need.

Ms. Brenda Cummings, a retired long-term VCERA staff member, would be willing to consent to work for Linea Solutions to serve in this capacity.

Board of Retirement
May 5, 2014
Page 2 of 2

Conclusion:

Staff thinks the exemplary qualifications of Ms. Cummings, her in depth familiarity with the project, and the willingness of Linea Solutions to facilitate charging for her hours provides the optimum resourcing strategy.

I would be pleased to answer any questions related to this matter at the May 5, 2014 Board Meeting.

Sincerely,

A handwritten signature in blue ink, appearing to read "T. Thonis", with a large, sweeping flourish at the end.

Tim Thonis
Interim Retirement Administrator

From: DeAWM Real Estate - Communications - Americas [<mailto:amanda-f.callaghan@db.com>]

Sent: Monday, April 28, 2014 8:22 AM

To: Thonis, Tim

Subject: INVITATION | 2014 Real Estate Investments Workshop | Chicago | June 3 - 4

**Deutsche Asset & Wealth Management
Americas Real Estate 2014 Conference Series
2014 Real Estate Investments Workshop**

June 3-4, 2014

**Four Seasons Hotel Chicago
120 East Delaware Place
Chicago, IL 60611**

Please join us....

Register by May 23rd

Deutsche Asset & Wealth Management's regional investor conference and roundtable series gives us the opportunity to share our perspectives on the real estate market with you in smaller, more interactive forums. Commencing with a Welcome Reception the evening before, the event will feature a series of presentations and discussions:

- An update on Deutsche Asset & Wealth Management's real estate business
- Discussion on the economy and its impact on real estate across the country
- Market updates on securities/liquid real asset investments
- A panel-of-peers comprised of clients and consultants
- Investor meetings for RREEF America II and RREEF America III and a breakout discussion for separate account clients

We will end the day with our keynote speaker, Bonnie St. John, the first African-American Olympic Ski Medalist, Amputee, Rhodes Scholar, Former White House Official and Best-selling Author. A cocktail reception will follow.

A detailed agenda outlining the full program can be downloaded below.

[Please click here to download agenda](#)

There will be considerable time throughout the day to engage individually with members of our real estate organization. We hope you will find the sessions compelling and also take advantage of the opportunity to connect with your peers and the Deutsche Asset & Wealth Management real estate team.

We look forward to seeing you in Chicago.

Yours sincerely,

Laura Gaylord

Head of Real Estate, Global Client Group

To register for the Workshop and to arrange hotel accommodations, please follow the "Please Click Here to Register" link below to complete the registration form. If you have any additional questions or concerns, please contact Loretta Culhane at loretta.culhane@db.com or (714) 640-3894.

Regional Conference Series Dates in 2014:

- **March 11 – 2014 Real Estate Outlook - San Francisco**
- **June 3 & 4 – Real Estate Investments Workshop - Chicago**
- **September 18 – Update to our 2014 Real Estate Outlook - New York**

I-033960-1.1

[Please Click Here To Register](#)

No, I cannot attend

If you have a problem clicking on the above link, cut and paste the following into your browser:

<https://registration.db.com/event/m2625a0f-1ETZBX0EKM1NF>

2014 Real Estate Investments Workshop

Preliminary Agenda

Tuesday, June 3, 2014

The Four Seasons
Chicago, IL

Time	Topic
6:30 p.m.	Welcome Dinner – Lakeview Room, Four Seasons

Wednesday, June 4, 2014

The Four Seasons
Chicago, IL

Time	Topic
7:30 – 8:30am	Breakfast – Grand Ballroom Foyer, Four Seasons
8:30 – 9:15am	Welcome & Firm Update <i>Pierre Cherki</i> , Head of Alternatives and Real Assets <i>Todd Henderson</i> , Head of Real Estate, Americas <i>Laura Gaylord</i> , Global Client Group
9:15 – 10:15am	Mid-Year Economic and Real Estate Market Outlook <i>Josh Feinman</i> , Chief Global Economist for DeAWM <i>Mark Roberts</i> , Head of Research & Strategy <i>John Robertson</i> , Head of Liquid Real Assets Josh will provide an overview of global and U.S. economic market conditions. Mark and John will debate implications for private and public real estate investors including identifying key tactical signals for the balance of 2014
10:15 – 10:30am	Break
10:30 – 11:15am	Views from the Property Markets <i>Tim Ellsworth</i> , Head of Real Estate Transactions, Americas <i>Brad Gries</i> , Real Estate Transactions, Central <i>Anne-Marie Vandenberg</i> , Real Estate Debt Financing, Americas <i>Al Diaz</i> , Head of Real Estate Asset Management, Americas In this session, leaders of our real estate transactions and asset management organization will provide an overview of U.S. investment activity with real-time observations on trends across property sectors



Wednesday, June 4, 2014

The Four Seasons
Chicago, IL

Time	Topic
11:15 – 12:00 p.m.	<p>The Real Estate Floodgates are Open...</p> <p>This panel will feature clients and consultants sharing their views on the surging real estate asset class. Are they re-thinking their portfolio allocation strategies? Is there upside left for core real estate or are prices moving away from fundamentals?</p> <p>Moderator: Mark Roberts, Head of Research & Strategy John McClelland, Los Angeles County Employees' Retirement Association Tony Breault, Oregon Public Employees Retirement Fund</p>
12:00 – 1:00 p.m.	<p>Lunch</p>
1:00 – 1:45 p.m.	<p>Liquid Real Assets Update & Outlook</p> <p>Key members of our real estate and infrastructure securities teams will provide an update on the listed markets, including our outlook for the balance of 2014 and key trends and opportunities for investors in the listed space.</p>
1:45 – 2:45 p.m.	<p>Annual Investor Meeting: RREEF America II</p> <p>Designed specifically for investors in RREEF America REIT II, Inc., this session will provide an update on recent performance and investment activity, and a mid-year review of the fund's investment plans and strategic objectives going forward.</p>
2:45 – 3:00 p.m.	<p>Break</p>
3:00 – 4:00 p.m.	<p>CONCURRENT SESSION: Annual Investor Meeting: RREEF America III</p> <p>Designed specifically for investors in RREEF America REIT III, Inc., this session will provide an update and mid-year outlook on the investment portfolio and capital management plans for 2014 and beyond.</p>
3:00 – 4:00 p.m.	<p>CONCURRENT SESSION: Separate Account Roundtable</p> <p>Marc Feliciano, CIO of Real Estate and Head of Real Estate Portfolio Management, Americas, will lead an interactive session on key factors facing separate accounts in 2014</p>
4:00 p.m.	<p>Guest Speaker Bonnie St. John</p> <p>Bonnie is the first African-American to ever win Olympic or Paralympic medals in skiing and today provides insightful and inspiring solutions to the ever changing challenges of the 21st Century workplace</p> <p>Cocktail reception to follow</p>