

VENTURA COUNTY EMPLOYEES' RETIREMENT ASSOCIATION

BOARD OF RETIREMENT

DISABILITY MEETING

June 2, 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 – 4 |
| III. <u>APPROVAL OF MINUTES</u> | |
| A. Business Meeting of May 19, 2014. | 5 – 13 |
| IV. <u>RECEIVE AND FILE PENDING DISABILITY APPLICATION
STATUS REPORT</u> | 14 – 61 |
| V. <u>APPLICATIONS FOR DISABILITY RETIREMENT</u> | |
| A. Application for Non-Service Connected Disability
Retirement; Romuld, Debbie A.; Case No. 14-001. | 62 – 106 |
| 1. Application for Non-Service Connected Disability
Retirement and Supporting Documentation. | |
| 2. Hearing Notice served on May 8, 2014. | |

V. APPLICATIONS FOR DISABILITY RETIREMENT (continued)

- B. Application for Service Connected Disability Retirement, 107 – 135
Diaz, Ester V.; Case No. 12-012.
1. Hearing Officer's Supplemental Report to Previously Submitted Proposed Findings and Recommendation, issued by Richard C. Anthony, dated May 5, 2014.
 2. Hearing Officer's Proposed Findings and Recommendation, issued by Richard C. Anthony, dated September 20, 2013.
 3. VCERA Letter to Hearing Officer Richard C. Anthony, dated January 17, 2014, Requesting Issuance of a Supplemental Report specifying which medical evidence was used to support the recommendation provided on September 20, 2013.
 4. Hearing Notice served on May 13, 2014.
- C. Application for Service Connected Disability Retirement; 136 – 368
Hilberg, Donald; Case No. 10-028.
1. Partial Transcript of Proceedings from December 2, 2013, Board of Retirement Disability Meeting, Prepared by Alssi Barney Ungerman, Inc.
 2. Transcript of Proceedings from April 29, 2013, Disability Hearing, Prepared by Alssi Barney Ungerman, Inc.
 3. Memorandum Re: Reasonable Accommodation from Rebecca Willhite, Human Resources Manager, Ventura County Sheriff's Office of Support Services, dated March 14, 2014.
 4. Job Analysis of Helicopter Maintenance Technician, submitted by Pat DeSimone M.S., dated February 11, 2014.

V. APPLICATIONS FOR DISABILITY RETIREMENT (continued)

5. Applicant's Response to Job Analysis, submitted by Laurence D. Grossman, Attorney at Law, dated April 3, 2014.
6. Hearing Officer's Proposed Findings and Recommendation, submitted by Hearing Officer Richard C. Anthony, dated October 18, 2013.
7. Respondent's Objection to the Hearing Officer's Proposed Findings and Recommendation, submitted by B. Derek Straatsma, Attorney at Law, dated November 1, 2013.
8. 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.
9. Hearing Notice served on May 16, 2014.

VI. OLD BUSINESS

- A. Consideration of 2014/15 Business Plan. 369 – 376
RECOMMENDED ACTION: Approve.
- B. Review and Adoption of Proposed Fiscal Year 2014/15 Budget. 377 – 408
RECOMMENDED ACTION: Approve.

VII. NEW BUSINESS

- A. Review of Ventura County Employees' Retirement Information System (VCERIS) Project Status Report, Month Ending April 2014. 409
RECOMMENDED ACTION: Receive and File.
- B. Review and Consideration of VCERA Board Travel Policy. 410 – 417
RECOMMENDED ACTION: Approve.

- C. Authorization to Attend CALAPRS Trustee Roundtable, June 13, 2014. 418
RECOMMENDED ACTION: Approve.

VIII. INFORMATIONAL

- A. SACRS Public Pension Investment Management Program 2014; July 20 – 23, 2014, U.C. Berkeley. 419 – 430

IX. PUBLIC COMMENT

X. STAFF COMMENT

XI. BOARD MEMBER COMMENT

XII. ADJOURNMENT

VENTURA COUNTY EMPLOYEES' RETIREMENT ASSOCIATION

BOARD OF RETIREMENT

BUSINESS MEETING

May 19, 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
Joseph Henderson, 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 None.
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

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 May 19, 2014, to order at 9:01 a.m.

II. APPROVAL OF AGENDA

Mr. Towner recommended the agenda be amended in order to move New Business Item "IX.C. Review and Adoption of the Fiscal Year 2014/15 Proposed Budget" to the Disability Meeting of June 2nd, 2014.

MOTION: Approve the Agenda, as amended.

Moved by Henderson, seconded by Goulet.

Vote: Motion carried.

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

No: -

Absent: Foy

Mr. Foy arrived at 9:02 a.m.

III. APPROVAL OF MINUTES

A. Disability Meeting of May 5, 2014.

MOTION: Approve the Minutes.

Moved by Goulet, seconded by Henderson.

Vote: Motion carried.

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

No: -

Absent: -

Abstain: Foy

IV. CONSENT AGENDA

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

- B. Receive and File Report of Checks Disbursed in April 2014.
- C. Receive and File Budget Summary for FY 2013-14 Month Ending April 2014.
- D. Receive and File Statements of Fiduciary Net Position, Statements of Changes in Fiduciary Net Position, Investments & Cash Equivalents, and Schedules of Investment Management Fees for the Periods Ending March 31, 2014, and April 30, 2014.

MOTION: Approve the Consent Agenda.

Moved by Henderson, seconded by T. Johnston.

Vote: Motion carried.

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

No: -

Absent: -

END OF CONSENT AGENDA

V. STANDING ITEM

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

Ms. Nemiroff updated the Board regarding the recent development of draft compensation earnable regulations by CalPERS and that a judgment was entered in the AB 197 cases. Ms. Nemiroff further offered to expect future appeals in the AB 197 cases.

VI. ANNUAL INVESTMENT PRESENTATIONS

- A. Receive Annual Investment Presentation, Bridgewater Associates LP, Joel Whidden, Senior Relationship Manager, and David Greely, Senior Research Associate (30 Minutes).

Joel Whidden and David Greely were present on behalf of Bridgewater Associates LP to discuss their annual investment results.

- B. Receive Annual Investment Presentation, Tortoise Capital Advisors LLC, Ken Malvey, Managing Director, and Andy Goldsmith, Head of Institutional Sales and Consultant Relations (30 Minutes).

Ken Malvey and Andy Goldsmith were present on behalf of Tortoise Capital Advisors LLC to discuss their annual investment results.

VII. INVESTMENT INFORMATION

A. NEPC – Don Stracke, Senior Consultant, and Chris Hill, Research Consultant.

1. Receive and File Performance Report Month Ending April 30, 2014.

MOTION: Receive and file.

Moved by Henderson, seconded by Wilson.

Vote: Motion carried.

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

No: -

Absent: -

2. Receive and File Investment Summary – Quarter Ending March 31, 2014.

MOTION: Receive and file.

Moved by Hintz, seconded by T. Johnston.

Vote: Motion carried.

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

No: -

Absent: -

3. Receive and File PIMCO Watch Status Update.

MOTION: Receive and file.

Moved by Goulet, seconded by Wilson.

Vote: Motion carried.

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

No: -

Absent: -

Mr. Towner asked if there were any volunteers for a due diligence trip to PIMCO in late July. Mr. Wilson, Ms. McCormick, and Mr. Goulet volunteered to participate.

4. Receive and File RREEF America III Quarterly Conference Call – Report from Staff.

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

MOTION: Receive and file.

Moved by Henderson, seconded by Sedell.

Vote: Motion carried.

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

No: -

Absent: -

5. VCERA Liquidity Study
RECOMMENDED ACTION: Receive and File.

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

MOTION: Receive and file.

Moved by Hintz, seconded by Wilson.

Vote: Motion carried.

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

No: -

Absent: -

6. Credit Overview – Direct Lending/Private Debt Review.
RECOMMENDED ACTION: Receive and File.

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

MOTION: Receive and file, and direct NEPC to make arrangements for an investment manager, specializing in credit strategies, to provide an educational presentation at a future Board meeting.

Moved by Goulet, seconded by Sedell.

Vote: Motion carried.

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

No: -

Absent: -

Mr. C. Johnston left the meeting at 11:14 a.m.

7. Private Equity Program Review & 2014 Strategic Investment Plan
RECOMMENDED ACTION: Approve.

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

MOTION: Receive and file.

Moved by Henderson, seconded by T. Johnston.

Vote: Motion carried.

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

No: -

Absent: -

The Board requested NEPC adhere to the following schedule in terms of work priorities: Completion of Asset Liability Study, Review of Tactical Rebalancing Managers and Potential Funding of a Private Equity Investment in 2014.

VIII. VCERIS (Pension Administration Project)

- A. V-3 System Presentation – Nicholas Christoffersen, Douglas Arnett, Tim Thonis

No action taken.

- B. Interim Retirement Administrator Quarterly Project Risk Assessment- Oral Report

No action taken.

Mr. Sedell left the meeting at 1:00 p.m. Mr. Goulet left the meeting at 1:15 p.m.

C. VCERIS Project Summary – Linea Solutions

1. Recommendation from Linea Solutions and Staff.
 - a. Attachment A.- VCERIS Quarterly Status Report
 - b. Attachment B.- Vitech Change Order #4 – PEPRA
 - c. Attachment C.- Linea Change Order #5 – Vitech/PEPRA
 - d. Attachment D.- Vitech Change Order #5 – Interfaces
 - e. Attachment E.- Linea Change Order #6 – Project Resources

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

MOTION: Approve Vitech Change Order #4 – PEPRA, Linea Change Order #5 – Vitech/PEPRA, Vitech Change Order #5 – Interfaces, and Linea Change Order #6 – Project Resources.

Moved by Foy, seconded by Hintz.

Vote: Motion carried.

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

No: -

Absent: Sedell, Goulet

IX. NEW BUSINESS

- A. Authorization to Attend 2014 Public Funds Forum- The Future of Corporate Reform Conference, September 2nd – 4th, 2014, San Diego.

1. Letter from Staff.

MOTION: Approve authorization for Ms. McCormick to attend the 2014 Public Funds Forum- The Future of Corporate Reform Conference, September 2nd – 4th, 2014, in San Diego, CA.

Moved by Hintz, seconded by Henderson.

Vote: Motion carried.

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

No: -
Absent: Sedell, Goulet

B. 2014/15 Business Plan.

Mr. Towner recommended that the Board discuss this item in conjunction with the 2014/15 Proposed Budget. After discussion by the Board and Staff, the following motion was made:

MOTION: Move New Business Item "IX.B. 2014/15 Business Plan" to the Disability Meeting on June 2, 2014.

Moved by Hintz, seconded by Foy.

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

C. Review and Adoption of the Fiscal Year 2014/15 Proposed Budget.

This item will be considered by the Board at the Disability Meeting on June 2nd, 2014.

X. INFORMATIONAL

- A. Opal Financial Group – Investment Trends Summit, September 8th – 10th, 2014, Santa Barbara
- B. SACRS Public Pension Investment Manager Program 2014 – Modern Investment Theory & Practice for Retirement Systems, July 20th – 23rd, 2014, UC Berkeley
- C. Adams Street Partners- 2014 Client Conference, June 4th – 5th, Chicago, IL
- D. Letter from Grand Jury

XI. PUBLIC COMMENT

None.

XII. STAFF COMMENT

The Interim Retirement Administrator informed the Board that he has approximately 25 hours remaining under his service contract.

XIII. BOARD MEMBER COMMENT

None.

XIV. ADJOURNMENT

The meeting was adjourned at 1:50 p.m.

Respectfully submitted,



TIM THONIS, Interim Retirement Administrator

Approved,

TRACY TOWNER, Chairman

2014 BUSINESS PLAN

VENTURA COUNTY EMPLOYEES' RETIREMENT ASSOCIATION



1190 SOUTH VICTORIA AVENUE, SUITE 200
VENTURA, CA 93003

VENTURA COUNTY EMPLOYEES' RETIREMENT ASSOCIATION**BUSINESS PLAN – 2014****Introduction**

On June 5, 2003, the Board of Retirement adopted a policy for the preparation of an annual Business Planning Policy. The 2014 Business Plan is presented in accordance with the Board's policy. The purpose of the Business Planning Policy is to establish a process for identifying and managing operational risks through a formal business planning process. The Business Planning Policy requires staff identify (a) the broad categories of risk that may impact VCERA (b) potential risks within each of those categories, (c) potential means to address these risks, and (d) an assessment of the extent to which action has been taken to address each risk.

Business Plan

The basis of VCERA's business plan is to identify and assess the various risks that management views as having the potential to impact the delivery of retirement services to plan members and their beneficiaries. Once risks are identified a list of initiatives is developed to address these risks. The initiatives will include the time frame for taking action based on the priority established as well as the resources required. Some of the more significant sources of risk VCERA must contend with include the following:

Plan Sponsors:

- a) Impact of Collective Bargaining Changes on VCERA Operations.
- b) County of Ventura Payroll Modifications.
- c) VRSD's Consideration to "Outsource" its Payroll Function.

State and Federal Legislative Changes:

- a) Legislative Changes to the County Employees' Retirement Law.
- b) Federal Legislative Changes Particularly in Plan Tax Reporting.
- c) Local Voter Initiatives.

Financial Reporting & Funding Risks:

- a) Governmental Accounting Standards Board (GASB) Change to Reporting Requirements – Example GASB #67
- b) Changes in Actuarial Assumptions Resulting from Triennial Investigation.
- c) Data/Contributions Records Received from Plan Sponsor Payrolls.
- d) Higher than Anticipated Growth in Plan Liabilities.

Investment Risks:

- a) "Black Swan" Type Events – Example 2008.
- b) Portfolio Efficiency – Balancing of Risk/Return/Cost.
- c) Liquidity.
- d) Lower than Anticipated Asset Growth.

Technology Risks:

- a) Implementation of the New Pension Administration System
- b) Obsolescence of the Current Retirement Pension Administration and Tax Systems
- c) Disaster Recovery/Business Continuity Issues

Other Risks:

- a) Staff Turnover
- b) Staff Composition
- c) Other Legal

The initiatives established in the 2014 Business Plan were given specific priorities using the following scale:

- Priority #1: to be accomplished within the next year
Priority #2: to be accomplished within a 2 - 3 year period
Priority #3: to be accomplished within a 5-year period

A summary of the progress made with regard to the initiatives established in January 2014, as well as the initiatives established for the 2014/15 fiscal year follows:

Review of Business Objectives Established in January 2014

Mission Statement:

In connection with the adoption of the 2004 Business Plan the Board adopted the following Mission Statement:

The Ventura County Employees' Retirement Association (VCERA) is committed to providing retirement, death and disability benefits to our members and their beneficiaries in an **accurate** and **timely** manner. VCERA shall strive to project a positive image by the delivery of services to our members, their beneficiaries and all other stakeholders, in a **courteous** and **professional** manner.

Staff does not propose any changes to the Mission Statement previously adopted by the Board.

Administration:

The Board began making progress in the search for a new Administrator. An RFP was issued for executive search firms and multiple responses were received. Brief discussions took place on the need for a dedicated investment resource and the subject is scheduled for greater review during the upcoming fiscal year.

Member Services:

The primary objective established for VCERA staff in January was training. Unfortunately, most of the training that took place was of the "on the job" variety as staff resources were shifted due to the ongoing Pension Administration Project, vacancies and promotions. An effort will be made later in 2014 to have staff members attend the CALAPRS pension administration course(s).

The disability Hearing Officer Panel was augmented by the offering of contracts to five new Hearing Officers.

The review of the Disability Retirement Procedures was partially accomplished, but an ongoing review may be problematic given the Pension Administration Project. Currently, the new system is being programmed utilizing the earlier procedures and any programming changes resulting from the new procedures will be costly. Management believes the Disability Retirement Procedures review should have been undertaken before the initiation of the Pension Administration Project.

The organization of the office is given constant attention in order to ensure proper service levels are being provided.

Fiscal Services:

Regular and continuing training for the implementation of new GASB standards is ongoing. Significant progress has been made with the assistance of both Brown Armstrong and Segal Consulting.

VCERA received a favorable tax determination letter from the Internal Revenue Service in late January. A material amount of work will need to be accomplished to maintain VCERA's favorable determination, especially in the latter stages of 2014.

System Funding:

The plans funding status and contribution rate requirements were determined through Segal Consulting's annual actuarial valuation and the Board of Retirement's subsequent adoption of the valuation and associated contribution rates.

Investments:

VCERA's Asset/Liability study commenced in April. The Asset/Liability study is expected to be completed later this summer. Any resulting portfolio changes will be scheduled for later in 2014.

VCERA's Investment Policy Statement (IPS) was reviewed and will be scheduled for Board review/approval later in the year.

Information Technology:

Continued progress was made in the design and programming of the new Pension Administration System. The targeted "go-live" date remains August 2015. Disaster recovery planning is ongoing.

Fiduciary:

Several trustees and staff members took advantage of various educational opportunities.

Summary:

Overall, progress was made in achieving the objectives established in late January. The 2014/15 Business Plan will attempt to improve and build on the progress.

2014 BUSINESS PLAN

Administration:

Objective #1: Hire a Plan Administrator. (Priority #1)

The Board will need to attract and retain a qualified professional.

Objective #2: Consideration of an Investment Analyst position. (Priority #1)

VCERA's portfolio value is currently in excess of \$4.1 billion. Anticipated portfolio changes will add more complex investments to be overseen. Having a dedicated investment resource on staff will assist with the day to day management of the portfolio.

Objective #3: Facilities Review (Priority #2/#3)

Sound system concerns remain for VCERA's Board meeting room. A determination of whether the current "multipurpose" facility meets the Board's demands needs to be accomplished.

Objective #4: Disability Hearing Procedures (Priority #2/#3)

Hearing Procedures need to be updated and incorporated into the bylaws.

Member Services:

Objective #1: Staff Training (Priority #1/#2)

VCERA's benefits staff is relatively inexperienced. Regular and recurring staff training has proven difficult to accomplish given the resource demands of the new Pension Administration System project. Plans remain to have staff attend certain CALAPRS training events with extensive training on the new Pension Administration System planned upon its completion.

Objective #2: Office Organization (Priority #2)

Assess staff levels versus service demands to ensure a proper level of service is being provided to the plan's membership. Any assessment will need to consider the impact of the new Pension Administration System and any plan changes resulting from local legislative initiatives.

Objective #3: Member Communication (Priority #2)

Needs to become a focus upon completing the Pension Administration Project.

Fiscal Services (Accounting & Financial Reporting):

Objective #1: Preparation of Comprehensive Annual Financial Report Incorporating New GASB Standard {#67} (**Priority #1**)

The incorporation of the new GASB standards provides an opportunity to accomplish planned CAFR formatting changes.

Objective #2: Internal Revenue Service Tax Determination Process (**Priority #1**)

Staff will need to prepare the "Model Regulations" for the Board's approval and incorporation into VCERA's bylaws. Ongoing reviews of Internal Revenue Service amendments will also need to be accomplished.

Objective #3: Review VCERA's Accounting System (**Priority #3**)

A review of the existing accounting system may be prudent after the new Pension Administration System "go live" date.

Retirement System Funding:

Objective #1: Analysis of Funding Status and Review of Actuarial Assumptions (**Priority #1**)

This will be accomplished through the annual valuation and triennial investigation performed by Segal Consulting.

Objective #2: Conduct an Actuarial Audit (**Priority #2**)

Actuarial audits validate VCERA's contribution rate setting process and are very important from a fiduciary perspective.

Investments:

Objective #1: Complete Asset/Liability Study (**Priority #1**)

Completing the Asset/Liability study and establishing a new asset allocation will be the primary drivers of VCERA's future investment performance.

Objective #2: Monitoring of portfolio diversification and efficiency (**Priority #1**)

Continuous review with VCERA's investment consultant of portfolio structure, risks, costs, and relative returns are important in implementing an effective and efficient portfolio. Maintaining a high level of trustee and staff education is an integral component of this objective.

Objective #3: Asset Allocation and Portfolio Rebalancing (**Priority #1**)

Continual review by staff to make sure asset classes remain within targeted ranges with rebalancing to be performed as necessary.

Information Technology:

Objective #1: Complete the Design and Implementation of the New Pension Administration System **(Priority #1)**

A concentrated effort will be required to achieve the planned August 2015 "go live" date.

Fiduciary:

Objective #1: Trustee and Executive Staff Training **(Priority #1)**

This objective can best be accomplished by attending educational conferences and seminars sponsored by SACRS, CALAPRS, International Foundation of Employee Benefits, and other investment/benefit related organizations.

Objective #2: Strategic Planning **(Priority #1)**

Consider holding a strategic planning session in 2014 in lieu of an investment retreat/workshop. VCERA is at a crossroads given the hiring of a new Plan Administrator and the legislative matters that may impact VCERA's future operations.

VENTURA COUNTY EMPLOYEES' RETIREMENT ASSOCIATION

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June 2, 2014

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

**SUBJECT: REVIEW AND ADOPTION OF PROPOSED FISCAL YEAR 2014-15
BUDGET**

Board Members:

Overview

Government Code section 31580.2(a), as amended, requires the Board to annually adopt a budget covering the entire expense of administration of the retirement system. The total administrative expenses, which are direct charges against the earnings of the fund, may not exceed the greater of twenty-one hundredths of one percent of the accrued actuarial liability of the system, or two million dollars (\$2,000,000), as adjusted annually by the amount of the annual cost of living adjustment (CAP).

Government Code section 31580.2(b), as amended, provides an exclusion from the CAP for expenditures for computer software, computer hardware, and computer technology consulting services in support of these computer products. These costs are identified as information technology costs herein.

Information Technology and Contingency

While the inclusion of excludable information technology costs in the administrative costs would not exceed the CAP, the excludable portion of information technology costs are now being separately identified and disclosed in the attached proposed budget schedules in order to comply with the Government Code, and to make future budgets by major divisions and projects more comparable. Additionally, as recommended by your Board, staff includes a contingency line item in the Budget equal to ten percent of the Administrative and Information Technology Budgets less total Extra-Help costs, to arrive at an adjusted total that is then further reduced by total Extra-Help costs. In the previous budget, the contingency was calculated and budgeted within each separate budget. This year the contingency has been calculated in total as opposed to including in each separate budget. This will provide the Board greater flexibility if use of the contingency is required. While the inclusion of the contingency in the administrative costs would not have exceeded the CAP, it is separately identified and disclosed in the attached proposed budget because it is not a cost of administration until a later budget revision incorporates all or a portion of it into the administrative budget.

REVIEW AND ADOPTION OF THE FISCAL YEAR 2014-15 PROPOSED BUDGET

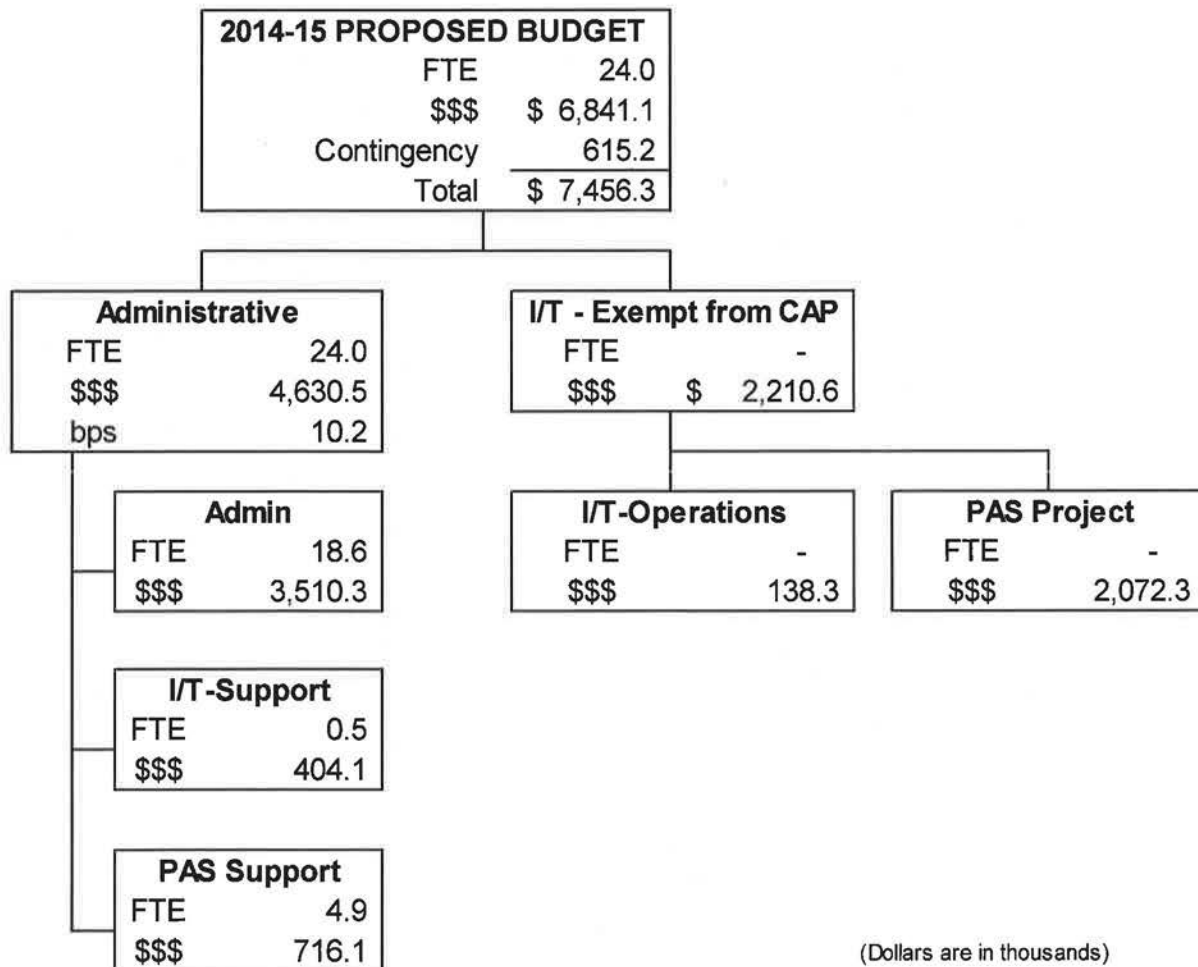
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VCERA Budget at a Glance

The chart below highlights the VCERA total proposed budget and division totals, inclusive of contingency, and all information technology (I/T) costs. I/T costs are separately identified as subject to ("I/T-Support" and "PAS Support") and not subject to ("I/T-Exempt from CAP") the CAP. Further, subdivision details are provided for exempt I/T costs, breaking out the Pension Administration System (PAS) project costs from other contracted I/T costs. The total proposed budget for Fiscal Year 2014-15 is \$7,456,300 and includes 24.0 Full Time Equivalent (FTE) positions. The amount includes administrative expenditures, information technology costs, and contingency. This represents a decrease of \$473,000 (6.0%) from the prior year adjusted budget. However, by removing the effects of the increase in contingency by \$132,000, overall the Administrative and Information Technology budgets decreased by \$605,000. The \$605,000 decrease will be discussed in the respective Administrative and Information Technology budget sections that follow.

In addition, the Administrative budget shows a basis point calculation against Association liabilities. Administrative costs, when compared to the statutory provisions, total \$4,630.4 (in thousands) and 10.2 bps.



REVIEW AND ADOPTION OF THE FISCAL YEAR 2014-15 PROPOSED BUDGET

June 2, 2014

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Administrative Budget

The Administrative Budget is now comprised of an Admin, Information Technology (I/T)-Support, and Pension Administration System (PAS) Support subdivisions, each comprised of Salaries and Benefits, Services and Supplies, and Technology (subject to CAP). For fiscal year 2014-15, we continue to create separate budgets to identify I/T expenditures included and excluded from the CAP. As previously discussed, included in the I/T-Support and PAS Support budgets are technology expenditures that are subject to the CAP. I/T expenditures excludible from CAP are discussed separately in this letter. Where it is not clear whether an I/T expenditure should be included or excluded from the CAP, staff will take the conservative view and include the expenditure within a subdivision of the Administrative budget.

Salaries and Benefits:

Salaries and Benefits in the proposed budget are \$2,828,700 with 24.0 FTE's, a net increase of \$136,700 or 5.1% and 0.0 FTE, as compared to the prior fiscal year adjusted budget. Of the 24.0 FTE's, 5.4 will be allocated to support I/T functions (I/T-Support and PAS Support) subject to the CAP. Currently, VCERA has 1.0 FTE I/T allocation to support VCERA and participate on the PAS project with the remaining 4.4 FTE's coming from existing staff within Administration and Benefit Operations. With respect to the overall Salaries and Benefits increase, it is mostly attributable to negotiated MOU changes and a requested increase for extra-help within the PAS Support budget.

There are no requests for additional staff in the fiscal year 2014-15 proposed budget.

Services and Supplies Changes:

The total Services and Supplies proposed for Fiscal Year 2014-15 is \$1,495,200, a decrease of \$63,500 (4.1%) from the prior fiscal year. The decrease in the proposed budget is predominately the result of a decrease in cost allocation charges (\$92,700), facilities charges (\$58,300), equipment (\$15,000), telecommunication services (\$8,800), furniture (6,200), and printing (\$5,500) offset by increases in professional services \$113,600, postage and express \$4,700 and education allowance \$4,000, with minor variances in the remaining accounts.

Technology Changes:

Previously staff had included as part of the administrative CAP, all technology related salary, benefits and service and supplies expenditures, but excluded all technology related expenditures. This was based on staff's interpretation of Government Code section 31580.2(b). However, based upon further analysis and review, it appears that certain technology expenditures should be included within the administrative budget. Those technology expenditures are now budgeted within the Information Technology (I/T)-Support and Pension Administration System (PAS) Support budgets. The amount included in the proposed I/T-Support and PAS Support budgets is \$306,600.

REVIEW AND ADOPTION OF THE FISCAL YEAR 2014-15 PROPOSED BUDGET

June 2, 2014

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Information Technology (I/T)-Exempt from CAP Budget

The total proposed I/T-Exempt from CAP budget for Fiscal Year 2014-15 is \$2,210,600, a decrease of \$1,070,400 (37.9%) from the prior year adjusted budget. However, \$306,600 of the decrease represents expenditures that have shifted and are now budgeted in the Administrative budget. The remaining decrease is mostly attributable to the timing of expenditures for the PAS project. The remaining variances were not material to the overall budget. The Pension Administration System (PAS) Project represents \$2,072,300 or approximately 94% of the total I/T-Exempt from CAP being requested.

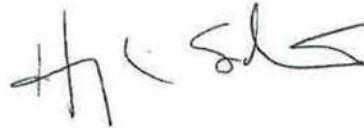
Staff will present the proposed budget schedules to the Board, and requests approval of the attached Fiscal Year 2014-15 Proposed Budget.

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

Sincerely,



Tim Thonis
Interim Retirement Administrator



Henry C. Solis, CPA
Chief Financial Officer

Attachments

**VENTURA COUNTY EMPLOYEES' RETIREMENT
ASSOCIATION**

PROPOSED BUDGET

**FISCAL YEAR
2014 - 2015**

VENTURA COUNTY EMPLOYEES' RETIREMENT ASSOCIATION
STATUTORY LIMIT SCHEDULE
PROPOSED BUDGET - FISCAL YEAR 2014 – 2015

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

	2013 -2014 ADOPTED	%	2013 -2014 ADJUSTED	%	2014-2015 PROPOSED	%
Accrued Actuarial Liability (6/30/12, 6/30/13)	\$ 4,373,227,000	N/A	\$ 4,373,227,000	N/A	\$ 4,575,063,000	N/A
Allowable Budget for Cost of Administration (21/100 of 1.0%)	<u>9,183,777</u>	0.21%	<u>9,183,777</u>	0.21%	<u>9,607,600</u>	0.21%
Salaries and Benefits	\$ 2,692,000	0.062%	\$ 2,692,000	0.062%	2,828,700	0.062%
Services and Supplies	<u>1,558,600</u>	0.036%	<u>1,558,600</u>	0.036%	<u>1,495,200</u>	0.033%
Sub-Total	4,250,600	0.098%	4,250,600	0.098%	4,323,900	0.095%
Technology - Subject to CAP	-		-		306,600	0.007%
Contingency	<u>397,600</u>	0.009%	<u>397,600</u>	0.009%	-	0.000%
Total Administrative	<u>\$ 4,648,200</u>	0.106%	<u>\$ 4,648,200</u>	0.106%	<u>\$ 4,630,500</u>	0.102%
Under Statutory Limitation	<u>\$ 4,535,577</u>	0.104%	<u>\$ 4,535,577</u>	0.104%	<u>\$ 4,977,100</u>	0.108%
Information Technology (Exempt from CAP):						
Technology	<u>2,982,700</u>	0.068%	<u>3,195,400</u>	0.073%	<u>2,210,600</u>	0.048%
Sub-Total	2,982,700	0.068%	3,195,400	0.073%	2,210,600	0.048%
Contingency	<u>298,300</u>	0.007%	<u>85,600</u>	0.002%	-	0.000%
Total Information Technology	<u>\$ 3,281,000</u>	0.075%	<u>\$ 3,281,000</u>	0.075%	<u>\$ 2,210,600</u>	0.048%
Combined:						
Administrative	\$ 4,250,600	0.097%	\$ 4,250,600	0.097%	\$ 4,323,900	0.095%
Technology - Subject to CAP	-		-		306,600	0.007%
Information Technology - Non-CAP	2,982,700	0.068%	3,195,400	0.073%	2,210,600	0.048%
Contingency	<u>695,900</u>	0.016%	<u>483,200</u>	0.011%	<u>615,200</u>	0.013%
Total Budget	<u><u>\$ 7,929,200</u></u>	<u>0.181%</u>	<u><u>\$ 7,929,200</u></u>	<u>0.181%</u>	<u><u>\$ 7,456,300</u></u>	<u>0.163%</u>

VENTURA COUNTY EMPLOYEES' RETIREMENT ASSOCIATION
ADMINISTRATIVE AND INFORMATION TECHNOLOGY
PROPOSED BUDGET - FISCAL YEAR 2014 – 2015
 In thousands

ACCOUNT	2012-2013 ACTUAL	2013-2014 ADJUSTED BUDGET	2013-2014 PROJECTED	2014-2015 PROPOSED	PROPOSED/ ADJUSTED VARIANCE	% INCREASE (DECREASE)
Salaries and Benefits:						
Full-Time Equivalents	21.0	24.0	24.0	24.0	0.0	0.0%
Salaries:						
Salaries	\$ 1,463.3	\$ 1,725.6	\$ 1,586.2	\$ 1,842.5	\$ 116.9	6.8%
Extra-Help	45.6	25.0	162.4	62.6	37.6	150.4%
Overtime	1.1	1.5	0.2	1.0	(0.5)	-33.3%
Total Salaries	1,510.0	1,752.1	1,748.8	1,906.1	154.0	8.8%
Benefits:						
Supplemental Payments		53.7	49.0	59.6	5.9	11.0%
Vacation Redepemption	62.5	87.5	132.5	102.5	15.0	17.1%
Retirement Contributions	314.6	424.8	401.6	366.0	(58.8)	-13.8%
OASDI Contributions	90.1	107.8	100.6	115.6	7.8	7.2%
FICA-Medicare	22.2	27.0	25.3	29.1	2.1	7.8%
Retiree Health Benefit	15.9	16.2	16.5	13.3	(2.9)	-17.9%
Medical Insurance	141.4	170.8	163.5	182.1	11.3	6.6%
Life Insurance/Mgmt	0.9	1.0	0.9	1.1	0.1	10.0%
Unemployment Insurance	2.2	2.2	2.0	2.3	0.1	4.5%
Management Disability Ins.	3.5	4.2	3.7	4.5	0.3	7.1%
Workers' Compensation Ins.	9.6	10.9	10.4	13.4	2.5	22.9%
401k Plan Contribution	26.4	33.8	26.2	33.1	(0.7)	-2.1%
Total Benefits	689.3	939.9	932.2	922.6	(17.3)	-1.8%
Transfers In	-	60.8	63.1	150.7	89.9	147.9%
Transfers Out	-	(60.8)	(63.0)	(150.7)	(89.9)	147.9%
Total Salaries and Benefits	\$ 2,199.3	\$ 2,692.0	\$ 2,681.1	\$ 2,828.7	\$ 136.7	5.1%

**VENTURA COUNTY EMPLOYEES' RETIREMENT ASSOCIATION
ADMINISTRATIVE AND INFORMATION TECHNOLOGY
PROPOSED BUDGET - FISCAL YEAR 2014 – 2015**
In thousands

ACCOUNT	2012-2013 ACTUAL	2013-2014 ADJUSTED BUDGET	2013-2014 PROJECTED	2014-2015 PROPOSED	PROPOSED/ ADJUSTED VARIANCE	% INCREASE (DECREASE)
Services and Supplies:						
Telecommunication Services - ISF	\$ 41.9	\$ 46.6	\$ 37.3	\$ 37.8	\$ (8.8)	-18.9%
General Insurance - ISF	8.0	12.3	12.3	12.2	(0.1)	-0.8%
Office Equipment Maintenance	1.6	1.0	1.0	1.0	-	0.0%
Membership and Dues	10.2	9.3	9.2	9.5	0.2	1.6%
Education Allowance	2.0	6.0	2.0	10.0	4.0	66.7%
Cost Allocation Charges	(34.1)	57.3	57.2	(35.4)	(92.7)	-161.8%
Printing Services - Not ISF	3.3	6.0	2.5	3.0	(3.0)	-50.0%
Books & Publications	1.2	2.0	2.0	2.5	0.5	25.0%
Office Supplies	19.4	20.0	18.0	20.0	-	0.0%
Postage & Express	50.6	55.0	46.5	59.7	4.7	8.5%
Printing Charges - ISF	9.8	12.5	1.0	10.0	(2.5)	-20.0%
Copy Machine Services - ISF	5.7	7.1	6.6	6.5	(0.6)	-8.5%
Board Member Fees	10.5	11.0	11.9	12.0	1.0	9.1%
Professional Services	1,026.6	960.4	922.6	1,074.0	113.6	11.8%
Storage Charges	3.4	4.0	5.1	5.5	1.5	37.5%
Equipment	13.3	15.0	16.0	-	(15.0)	-100.0%
Office Lease Payments	177.1	186.4	177.3	186.0	(0.4)	-0.2%
Private Vehicle Mileage	9.5	8.3	8.8	9.0	0.7	8.4%
Conference, Seminar and Travel	59.5	65.0	69.0	63.0	(2.0)	-3.1%
Furniture	0.6	11.2	15.4	5.0	(6.2)	-55.4%
Facilities Charges	21.7	62.2	59.0	3.9	(58.3)	-93.7%
Judgements & Damages	-	-	-	-	-	N/A
Transfers In	-	11.6	11.3	16.0	4.4	37.9%
Transfers Out	-	(11.6)	(11.3)	(16.0)	(4.4)	37.9%
Total Services and Supplies	\$ 1,441.8	\$ 1,558.6	\$ 1,480.7	\$ 1,495.2	\$ (63.5)	-4.1%
Total Sal, Ben, Serv & Supp	\$ 3,641.1	\$ 4,250.6	\$ 4,161.8	\$ 4,323.9	\$ 73.3	1.7%

**VENTURA COUNTY EMPLOYEES' RETIREMENT ASSOCIATION
ADMINISTRATIVE AND INFORMATION TECHNOLOGY
PROPOSED BUDGET - FISCAL YEAR 2014 – 2015**
In thousands

ACCOUNT	2012-2013 ACTUAL	2013-2014 ADJUSTED BUDGET	2013-2014 PROJECTED	2014-2015 PROPOSED	PROPOSED/ ADJUSTED VARIANCE	% INCREASE (DECREASE)
Technology:						
Computer Hardware	\$ 25.2	\$ 15.2	\$ 14.4	\$ 32.6	17.4	114.5%
Computer Software	11.7	36.7	33.6	193.0	156.3	425.9%
Systems & Applications Support	412.1	451.4	409.8	670.2	218.8	48.5%
Pension Administration System	2,529.6	2,692.1	2,545.6	1,621.4	(1,070.7)	-39.8%
Total Technology	\$ 2,978.6	\$ 3,195.4	\$ 3,003.4	\$ 2,517.2	\$ (678.2)	-21.2%
Total Before Contingency	\$ 6,619.7	\$ 7,446.0	\$ 7,165.2	\$ 6,841.1	\$ (605.0)	-8.1%
Contingency	78.0	483.2	483.2	615.2	132.0	27.3%
Total	\$ 6,697.7	\$ 7,929.2	\$ 7,648.4	\$ 7,456.3	\$ (473.0)	-6.0%

VENTURA COUNTY EMPLOYEES' RETIREMENT ASSOCIATION
POSITION DETAIL BY CLASSIFICATION
FISCAL YEAR 2014-15 - PROPOSED

Position Code	Position/Class	Biweekly Salary Range**		ADOPTED FY 2013-14		ADJUSTED FY 2013-14		PROPOSED FY 2014-15	
				FTE	POS	FTE	POS	FTE	POS
000623	Benefits Specialist (Program Administrator II)	2,098.13	2,937.38	14.0	14.0	14.0	14.0	14.0	14.0
000981	Chief Financial Officer	4,066.17	5,692.64	1.0	1.0	1.0	1.0	1.0	1.0
001026	Sr Office Systems Coordinator (IT)	2,514.19	3,519.87	1.0	1.0	1.0	1.0	1.0	1.0
001350	Office Assistant III - Confidential	1,272.40	1,781.36	2.0	2.0	2.0	2.0	2.0	2.0
001489	Program Assistant-NE	1,898.10	2,657.33	1.0	1.0	1.0	1.0	1.0	1.0
001710	Benefits Manager (Staff Services Manager II)	2,478.18	3,469.44	1.0	1.0	1.0	1.0	1.0	1.0
001711	Operations Manager (Staff Services Manager III)	2,662.32	3,727.24	1.0	1.0	1.0	1.0	1.0	1.0
001814	Retirement Administrator	5,236.73	7,319.89	1.0	1.0	1.0	1.0	1.0	1.0
002069	Fiscal Manager I	2,626.59	3,469.44	1.0	1.0	1.0	1.0	1.0	1.0
002092	Accounting Officer IV - MB	2,246.82	2,968.00	1.0	1.0	1.0	1.0	1.0	1.0
	Total			24.0	24.0	24.0	24.0	24.0	24.0

Note ** - Effective July 6, 2014, salary ranges will be increased to offset elimination of 50/50 pickups. Effective August 17, 2014, salary ranges will be increased by 1% per the MOU for negotiated cost of living increase. This schedule does not reflect the proposed changes but they are built into the proposed budget.

VENTURA COUNTY EMPLOYEES' RETIREMENT ASSOCIATION
ADMINISTRATIVE (ROLL-UP)
PROPOSED BUDGET - FISCAL YEAR 2014 – 2015
 In thousands

ACCOUNT	2012-2013 ACTUAL	2013-2014 ADJUSTED BUDGET	2013-2014 PROJECTED	2014-2015 PROPOSED	PROPOSED/ ADJUSTED VARIANCE	% INCREASE (DECREASE)
Salaries and Benefits:						
Full-Time Equivalents	21.0	24.0	24.0	24.0	0.0	0.0%
Salaries:						
Salaries	\$ 1,463.3	\$ 1,725.6	\$ 1,586.2	\$ 1,842.5	\$ 116.9	6.8%
Extra-Help	45.6	25.0	162.4	62.6	37.6	150.4%
Overtime	1.1	1.5	0.2	1.0	(0.5)	-33.3%
Total Salaries	1,510.0	1,752.1	1,748.8	1,906.1	154.0	8.8%
Benefits:						
Supplemental Payments		53.7	49.0	59.6	5.9	11.0%
Vacation Redepemption	62.5	87.5	132.5	102.5	15.0	17.1%
Retirement Contributions	314.6	424.8	401.6	366.0	(58.8)	-13.8%
OASDI Contributions	90.1	107.8	100.6	115.6	7.8	7.2%
FICA-Medicare	22.2	27.0	25.3	29.1	2.1	7.8%
Retiree Health Benefit	15.9	16.2	16.5	13.3	(2.9)	-17.9%
Medical Insurance	141.4	170.8	163.5	182.1	11.3	6.6%
Life Insurance/Mgmt	0.9	1.0	0.9	1.1	0.1	10.0%
Unemployment Insurance	2.2	2.2	2.0	2.3	0.1	4.5%
Management Disability Ins.	3.5	4.2	3.7	4.5	0.3	7.1%
Workers' Compensation Ins.	9.6	10.9	10.4	13.4	2.5	22.9%
401k Plan Contribution	26.4	33.8	26.2	33.1	(0.7)	-2.1%
Total Benefits	689.3	939.9	932.2	922.6	(17.3)	-1.8%
Transfers In	-	60.8	63.1	150.7	89.9	147.9%
Transfers Out	-	(60.8)	(63.0)	(150.7)	(89.9)	147.9%
Total Salaries and Benefits	\$ 2,199.3	\$ 2,692.0	\$ 2,681.1	\$ 2,828.7	\$ 136.7	5.1%

VENTURA COUNTY EMPLOYEES' RETIREMENT ASSOCIATION
ADMINISTRATIVE (ROLL-UP)
PROPOSED BUDGET - FISCAL YEAR 2014 – 2015
In thousands

ACCOUNT	2012-2013 ACTUAL	2013-2014 ADJUSTED BUDGET	2013-2014 PROJECTED	2014-2015 PROPOSED	PROPOSED/ ADJUSTED VARIANCE	% INCREASE (DECREASE)
<u>Services and Supplies:</u>						
Telecommunication Services - ISF	\$ 41.9	\$ 46.6	\$ 37.3	\$ 37.8	\$ (8.8)	-18.9%
General Insurance - ISF	8.0	12.3	12.3	12.2	(0.1)	-0.8%
Office Equipment Maintenance	1.6	1.0	1.0	1.0	-	0.0%
Membership and Dues	10.2	9.3	9.2	9.5	0.2	1.6%
Education Allowance	2.0	6.0	2.0	10.0	4.0	66.7%
Cost Allocation Charges	(34.1)	57.3	57.2	(35.4)	(92.7)	-161.8%
Printing Services - Not ISF	3.3	6.0	2.5	3.0	(3.0)	-50.0%
Books & Publications	1.2	2.0	2.0	2.5	0.5	25.0%
Office Supplies	19.4	20.0	18.0	20.0	-	0.0%
Postage & Express	50.6	55.0	46.5	59.7	4.7	8.5%
Printing Charges - ISF	9.8	12.5	1.0	10.0	(2.5)	-20.0%
Copy Machine Services - ISF	5.7	7.1	6.6	6.5	(0.6)	-8.5%
Board Member Fees	10.5	11.0	11.9	12.0	1.0	9.1%
Professional Services	1,026.6	960.4	922.6	1,074.0	113.6	11.8%
Storage Charges	3.4	4.0	5.1	5.5	1.5	37.5%
Equipment	13.3	15.0	16.0	-	(15.0)	-100.0%
Office Lease Payments	177.1	186.4	177.3	186.0	(0.4)	-0.2%
Private Vehicle Mileage	9.5	8.3	8.8	9.0	0.7	8.4%
Conference, Seminar and Travel	59.5	65.0	69.0	63.0	(2.0)	-3.1%
Furniture	0.6	11.2	15.4	5.0	(6.2)	-55.4%
Facilities Charges	21.7	62.2	59.0	3.9	(58.3)	-93.7%
Judgements & Damages	-	-	-	-	-	N/A
Transfers In	-	11.6	11.3	16.0	4.4	37.9%
Transfers Out	-	(11.6)	(11.3)	(16.0)	(4.4)	37.9%
Total Services and Supplies	\$ 1,441.8	\$ 1,558.6	\$ 1,480.7	\$ 1,495.2	\$ (63.5)	-4.1%
Total Sal, Ben, Serv & Supp	\$ 3,641.1	\$ 4,250.6	\$ 4,161.8	\$ 4,323.9	\$ 73.3	1.7%

**VENTURA COUNTY EMPLOYEES' RETIREMENT ASSOCIATION
ADMINISTRATIVE (ROLL-UP)
PROPOSED BUDGET - FISCAL YEAR 2014 – 2015
In thousands**

ACCOUNT	2012-2013 ACTUAL	2013-2014 ADJUSTED BUDGET	2013-2014 PROJECTED	2014-2015 PROPOSED	PROPOSED/ ADJUSTED VARIANCE	% INCREASE (DECREASE)
Technology:						
Computer Hardware	\$ -	\$ -	\$ -	\$ -	\$ -	N/A
Computer Software	-	-	-	-	-	N/A
Systems & Applications Support	-	-	-	306.6	-	N/A
Pension Administration System	-	-	-	-	-	N/A
Total Technology	\$ -	\$ -	\$ -	\$ 306.6	\$ 306.6	N/A
Total Before Contingency	\$ 3,641.1	\$ 4,250.6	\$ 4,161.8	\$ 4,630.5	\$ 379.9	8.9%
Contingency	78.0	397.6	397.6	-	(397.6)	-100.0%
Total	\$ 3,719.1	\$ 4,648.2	\$ 4,559.4	\$ 4,630.5	\$ (17.8)	-0.4%

VENTURA COUNTY EMPLOYEES' RETIREMENT ASSOCIATION
ADMIN BUDGET
PROPOSED BUDGET - FISCAL YEAR 2014 – 2015
 In thousands

ACCOUNT	2012-2013 ACTUAL	2013-2014 ADJUSTED BUDGET	2013-2014 PROJECTED	2014-2015 PROPOSED	PROPOSED/ ADJUSTED VARIANCE	% INCREASE (DECREASE)
Salaries and Benefits:						
Full-Time Equivalents	21.0	19.6	19.6	18.6	(1.0)	-5.1%
Salaries:						
Salaries	\$ 1,463.3	\$ 1,424.0	\$ 1,305.8	\$ 1,428.8	\$ 4.8	0.3%
Extra-Help	45.6	25.0	162.4	25.0	-	0.0%
Overtime	1.1	1.5	0.2	1.0	(0.5)	-33.3%
Total Salaries	1,510.0	1,450.5	1,468.4	1,454.8	4.3	0.3%
Benefits:						
Supplemental Payments		44.6	40.4	47.5	2.9	6.5%
Vacation Redepemption	62.5	78.5	120.2	68.4	(10.1)	-12.9%
Retirement Contributions	314.6	351.6	305.1	282.2	(69.4)	-19.7%
OASDI Contributions	90.1	88.0	82.1	87.1	(0.9)	-1.0%
FICA-Medicare	22.2	22.4	21.0	22.4	-	0.0%
Retiree Health Benefit	15.9	16.2	16.5	13.3	(2.9)	-17.9%
Medical Insurance	141.4	142.4	136.7	143.7	1.3	0.9%
Life Insurance/Mgmt	0.9	0.9	0.8	0.9	-	0.0%
Unemployment Insurance	2.2	1.8	1.6	1.8	-	0.0%
Management Disability Ins.	3.5	3.5	3.2	3.5	-	0.0%
Workers' Compensation Ins.	9.6	9.2	8.7	10.5	1.3	14.1%
401k Plan Contribution	26.4	28.7	20.5	25.5	(3.2)	-11.1%
Total Benefits	689.3	787.8	756.8	706.8	(81.0)	-10.3%
Transfers In	-	-	-	-	-	N/A
Transfers Out	-	(60.8)	(55.7)	(76.5)	(15.7)	25.8%
Total Salaries and Benefits	\$ 2,199.3	\$ 2,177.5	\$ 2,169.5	\$ 2,085.1	\$ (92.4)	-4.2%

VENTURA COUNTY EMPLOYEES' RETIREMENT ASSOCIATION
ADMIN BUDGET
PROPOSED BUDGET - FISCAL YEAR 2014 – 2015
In thousands

ACCOUNT	2012-2013 ACTUAL	2013-2014 ADJUSTED BUDGET	2013-2014 PROJECTED	2014-2015 PROPOSED	PROPOSED/ ADJUSTED VARIANCE	% INCREASE (DECREASE)
<u>Services and Supplies:</u>						
Telecommunication Services - ISF	\$ 41.9	\$ 45.0	\$ 35.7	\$ 11.2	\$ (33.8)	-75.1%
General Insurance - ISF	8.0	12.3	12.3	12.2	(0.1)	-0.8%
Office Equipment Maintenance	1.6	1.0	1.0	1.0	-	0.0%
Membership and Dues	10.2	9.1	9.0	9.3	0.2	1.6%
Education Allowance	2.0	4.0	-	8.0	4.0	100.0%
Cost Allocation Charges	(34.1)	57.3	57.2	(35.4)	(92.7)	-161.8%
Printing Services - Not ISF	3.3	6.0	2.5	3.0	(3.0)	-50.0%
Books & Publications	1.2	2.0	2.0	2.5	0.5	25.0%
Office Supplies	19.4	20.0	18.0	20.0	-	0.0%
Postage & Express	50.6	55.0	46.5	49.7	(5.3)	-9.6%
Printing Charges - ISF	9.8	12.5	1.0	10.0	(2.5)	-20.0%
Copy Machine Services - ISF	5.7	7.1	6.6	6.5	(0.6)	-8.5%
Board Member Fees	10.5	11.0	11.9	12.0	1.0	9.1%
Professional Services	1,026.6	960.4	922.6	1,074.0	113.6	11.8%
Storage Charges	3.4	4.0	5.1	5.5	1.5	37.5%
Equipment	13.3	15.0	16.0	-	(15.0)	-100.0%
Office Lease Payments	177.1	167.3	163.8	168.2	0.9	0.5%
Private Vehicle Mileage	9.5	8.0	8.6	8.7	0.7	8.7%
Conference, Seminar and Travel	59.5	60.0	68.5	60.0	-	0.0%
Furniture	0.6	11.2	9.2	5.0	(6.2)	-55.4%
Facilities Charges	21.7	23.2	23.7	1.9	(21.3)	-91.8%
Judgements & Damages	-	-	-	-	-	0.0%
Transfers In	-	-	-	-	-	N/A
Transfers Out	-	(11.6)	(10.1)	(8.1)	3.5	0.0%
Total Services and Supplies	\$ 1,441.8	\$ 1,479.8	\$ 1,411.1	\$ 1,425.2	\$ (54.6)	-3.7%
Total Sal, Ben, Serv & Supp	\$ 3,641.1	\$ 3,657.3	\$ 3,580.6	\$ 3,510.3	\$ (147.1)	-4.0%

**VENTURA COUNTY EMPLOYEES' RETIREMENT ASSOCIATION
ADMIN BUDGET
PROPOSED BUDGET - FISCAL YEAR 2014 – 2015
In thousands**

ACCOUNT	2012-2013 ACTUAL	2013-2014 ADJUSTED BUDGET	2013-2014 PROJECTED	2014-2015 PROPOSED	PROPOSED/ ADJUSTED VARIANCE	% INCREASE (DECREASE)
<u>Technology:</u>						
Computer Hardware	\$ -	\$ -	\$ -	\$ -	\$ -	N/A
Computer Software	-	-	-	-	-	N/A
Systems & Applications Support	-	-	-	-	-	N/A
Pension Administration System	-	-	-	-	-	N/A
Total Technology	\$ -	\$ -	\$ -	\$ -	\$ -	N/A
Total Before Contingency	\$ 3,641.1	\$ 3,657.3	\$ 3,580.6	\$ 3,510.3	\$ (147.1)	-4.0%
Contingency	78.0	338.3	338.3		(338.3)	-100.0%
Total	\$ 3,719.1	\$ 3,995.6	\$ 3,918.9	\$ 3,510.3	\$ (485.4)	-12.1%

VENTURA COUNTY EMPLOYEES' RETIREMENT ASSOCIATION
ADMIN BUDGET
DETAILED BY ACCOUNT
PROPOSED BUDGET - FISCAL YEAR 2014 – 2015
in thousands

ACCOUNT	2012-2013 ACTUAL	2013-2014 ADJUSTED BUDGET	2013-2014 PROJECTED	2014-2015 PROPOSED	PROPOSED/ ADJUSTED VARIANCE	% INCREASE (DECREASE)
TELECOMMUNICATIONS SERVICES - ISF:	\$ 41.9	\$ 45.0	\$ 35.7	\$ 11.2	\$ (33.8)	-75.1%
Account Detail:						
Voice & Phone equipment		17.4	10.7	11.2		
Data network services (Now budgeted in Admin-IT)		15.5	11.7	-		
Network & systems access (microwave) (Now Budgeted in Admin-IT)		9.6	9.6	-		
Service Requests (Now budgeted in Admin-IT)		2.5	3.7	-		
GENERAL INSURANCE - ISF:	\$ 8.0	\$ 12.3	\$ 12.3	\$ 12.2	\$ (0.1)	-0.8%
County Executive Office (Risk Management): Included are liability claims processing and management, legal defense, insurance purchase for general liability and automobile. Budget amount from County of Ventura Budget Development Manual.						
OFFICE EQUIPMENT MAINTENANCE:	\$ 1.6	\$ 1.0	\$ 1.0	\$ 1.0	\$ -	0.0%
MEMBERSHIP AND DUES:	\$ 10.2	\$ 9.1	\$ 9.0	\$ 9.3	\$ 0.2	1.6%
Account Detail:						
State Association of County Retirement Systems		4.0	4.0	4.0		
California Association of Public Retirement		1.5	2.0	2.2		
International Foundation of Employee Benefit Plans		0.8	1.0	1.1		
Government Finance Officers Association		0.6	1.0	0.5		
National Association of Pension Plan Attorneys		0.4	0.5	0.5		
Other Memberships (Organization and eligible staff)		1.8	0.5	1.0		
EDUCATION ALLOWANCE:	\$ 2.0	\$ 4.0	\$ -	\$ 8.0	\$ 4.0	100.0%
Textbook & tuition reimbursement				8.0		

VENTURA COUNTY EMPLOYEES' RETIREMENT ASSOCIATION
ADMIN BUDGET
DETAILED BY ACCOUNT
PROPOSED BUDGET - FISCAL YEAR 2014 – 2015
in thousands

ACCOUNT	2012-2013 ACTUAL	2013-2014 ADJUSTED BUDGET	2013-2014 PROJECTED	2014-2015 PROPOSED	PROPOSED/ ADJUSTED VARIANCE	% INCREASE (DECREASE)
<u>COST ALLOCATION CHARGES:</u>	\$ (34.1)	\$ 57.3	\$ 57.2	\$ (35.4)	\$ (92.7)	-161.8%
Cost allocation charges include administrative service charges for the County Executive Office- HR, Auditor-Controller's and County Counsel.						
<u>PRINTING SERVICES - NOT ISF:</u>	\$ 3.3	\$ 6.0	\$ 2.5	\$ 3.0	\$ (3.0)	-50.0%
Printing of business cards, envelopes, Annual CAFR Report, Board election material, etc.						
<u>BOOKS AND PUBLICATIONS:</u>	\$ 1.2	\$ 2.0	\$ 2.0	\$ 2.5	\$ 0.5	25.0%
Publications include Wall Street Journal, Institutional Investor, Public Retirement Journal, IFEBP Benefits Quarterly, GFOA Reference Material, Ventura Star, Human Resource, Information Technology and other reference material.						
<u>OFFICE SUPPLIES:</u>	\$ 19.4	\$ 20.0	\$ 18.0	\$ 20.0	\$ -	0.0%
Office Supplies		11.0		11.0		
Printer Toner Cartridges		9.0		9.0		
<u>POSTAGE AND EXPRESS:</u>	\$ 50.6	\$ 55.0	\$ 46.5	\$ 49.7	\$ (5.3)	-9.6%
Mailing of monthly retirement checks, correspondence, 1099-Rs, mailroom delivery charges, special mailings (including elections) and Federal Express charges.				49.7		
<u>PRINTING SERVICES - ISF:</u>	\$ 9.8	\$ 12.5	\$ 1.0	\$ 10.0	\$ (2.5)	-20.0%
County graphics services charges for printing employee handbooks, forms, disability packets, newsletters, etc.						
<u>COPY MACHINE SERVICE:</u>	\$ 5.7	\$ 7.1	\$ 6.6	\$ 6.5	\$ (0.6)	-8.5%
<u>BOARD MEMBER FEES:</u>	\$ 10.5	\$ 11.0	\$ 11.9	\$ 12.0	\$ 1.0	9.1%

VENTURA COUNTY EMPLOYEES' RETIREMENT ASSOCIATION
ADMIN BUDGET
DETAILED BY ACCOUNT
PROPOSED BUDGET - FISCAL YEAR 2014 – 2015
in thousands

ACCOUNT	2012-2013 ACTUAL	2013-2014 ADJUSTED BUDGET	2013-2014 PROJECTED	2014-2015 PROPOSED	PROPOSED/ ADJUSTED VARIANCE	% INCREASE (DECREASE)
PROFESSIONAL SERVICES:	\$ 1,026.6	\$ 960.4	\$ 922.6	\$ 1,074.0	\$ 113.6	11.8%
Account Detail:						
Fiduciary Liability Insurance		80.0	78.9	80.0		
Legal Services:						
In-House Counsel		300.0	295.9	275.0		
Outside Counsel		50.0	51.5	50.0		
Retiree Payroll Processing (ADP)		116.5	116.2	118.0		
Hearing Officer Fees		110.0	106.5	120.0		
Financial Auditor (Brown Armstrong) (Audit and GASB)		42.3	42.3	50.0		
Court Reporters (Alssi Barney Ungermann)		16.0	15.4	17.0		
Trustee Elections (County Elections Division)		6.3	6.3	12.0		
Document Shredding Svcs (Cintas)		1.5	1.2	1.5		
Employee Health Services (New Hires)		3.0	3.0	6.0		
Actuary (Segal)		66.0	117.3	182.0		
Employee Benefit Statements (Towers Watson)		55.0	55.0	35.0		
Death Audit Services (PBI)		2.2	2.2	2.2		
Retirement Operatoins videos		2.0	-	2.0		
Employee Service Awards		0.6	0.5	0.8		
Disability consultant		9.0	6.4	-		
Investment Consultant Search (Cortex)			8.0	-		
Miscellaneous		25.0	16.0	25.0		
Search Firm - Retirement Administrator		-	-	22.5		
Actuarial Audit		75.0	-	75.0		
STORAGE CHARGES:	\$ 3.4	\$ 4.0	\$ 5.1	\$ 5.5	\$ 1.5	37.5%
Offsite storage of VCERA files						
EQUIPMENT:	\$ 13.3	\$ 15.0	\$ 16.0	\$ -	\$ (15.0)	-100.0%
Boardroom Audio/Video Equipment				-		

VENTURA COUNTY EMPLOYEES' RETIREMENT ASSOCIATION
ADMIN BUDGET
DETAILED BY ACCOUNT
PROPOSED BUDGET - FISCAL YEAR 2014 – 2015
in thousands

ACCOUNT	2012-2013 ACTUAL	2013-2014 ADJUSTED BUDGET	2013-2014 PROJECTED	2014-2015 PROPOSED	PROPOSED/ ADJUSTED VARIANCE	% INCREASE (DECREASE)
OFFICE LEASE PAYMENTS:	\$ 177.1	\$ 167.3	\$ 163.8	\$ 168.2	\$ 0.9	0.5%
Lease of Office Space from MF Daily, Inc.						
7,778 square feet @ \$1.79/sq. ft for 9 months				125.3		
7,778 square feet @ \$1.84/sq. ft (3% CPI) for 3 months				42.9		
PRIVATE VEHICLE MILEAGE:	\$ 9.5	\$ 8.0	\$ 8.6	\$ 8.7	\$ 0.7	8.7%
Auto Allowance - Administrator				4.5		
Trustees and staff				4.2		
CONFERENCE, SEMINAR AND TRAVEL:	\$ 59.5	\$ 60.0	\$ 68.5	\$ 60.0	\$ -	0.0%
FURNITURE:	\$ 0.6	\$ 11.2	\$ 9.2	\$ 5.0	\$ (6.2)	-55.4%
Replacements				5.0		
FACILITIES CHARGES:	\$ 21.7	\$ 23.2	\$ 23.7	\$ 1.9	\$ (21.3)	-91.8%
Annual Charge for security card access readers				1.9		
JUDGEMENT AND DAMAGES:	\$ -	\$ -	\$ -	\$ -	\$ -	0.0%
TRANSFERS IN:	\$ -	\$ -	\$ -	\$ -	\$ -	0.0%
TRANSFERS OUT:	\$ -	\$ (11.6)	\$ (10.1)	\$ (8.1)	\$ 3.5	0.0%
Amount attributable to VCERIS/PAS						
TOTAL SERVICES AND SUPPLIES	\$ 1,441.8	\$ 1,479.8	\$ 1,411.1	\$ 1,425.2	\$ (54.6)	-3.7%

**VENTURA COUNTY EMPLOYEES' RETIREMENT ASSOCIATION
INFORMATION TECHNOLOGY (I/T) - SUPPORT BUDGET
PROPOSED BUDGET - FISCAL YEAR 2014 – 2015
In thousands**

ACCOUNT	2012-2013 ACTUAL	2013-2014 ADJUSTED BUDGET	2013-2014 PROJECTED	2014-2015 PROPOSED	PROPOSED/ ADJUSTED VARIANCE	% INCREASE (DECREASE)
Salaries and Benefits:						
Full-Time Equivalents	0.0	1.0	1.0	0.5	(0.5)	-50.0%
Salaries:						
Salaries	\$ -	\$ 89.3	\$ 92.0	\$ 97.8	\$ 8.5	9.5%
Total Salaries		89.3	92.0	97.8	8.5	9.5%
Benefits:						
Supplemental Payments	-	3.1	3.2	3.4	0.3	9.7%
Vacation Redepemption	-	9.0	9.0	9.9	0.9	10.0%
Retirement Contributions	-	22.9	34.0	20.2	(2.7)	-11.8%
OASDI Contributions	-	6.3	6.4	6.9	0.6	9.5%
FICA-Medicare	-	1.4	1.5	1.6	0.2	14.3%
Medical Insurance	-	7.1	7.5	7.7	0.6	8.5%
Unemployment Insurance	-	0.1	0.2	0.1	-	0.0%
Management Disability Ins.	-	0.2	-	0.2	-	0.0%
Workers' Compensation Ins.	-	0.5	0.6	0.7	0.2	40.0%
401k Plan Contribution	-	2.8	2.7	3.0	0.2	7.1%
Total Benefits	-	53.4	65.1	53.7	0.3	0.6%
Transfers In	-	-	-	-	-	N/A
Transfers Out	-	-	(7.3)	(74.2)	(74.2)	N/A
Total Salaries and Benefits	\$ -	\$ 142.7	\$ 149.8	\$ 77.3	\$ (65.4)	-45.8%
Services and Supplies:						
Telecommunication Services - ISF	\$ -	\$ -	\$ -	\$ 25.0	\$ 25.0	N/A
Membership and Dues	-	0.2	0.2	0.2	-	0.0%
Education Allowance	-	2.0	2.0	2.0	-	0.0%
Private Vehicle Mileage	-	0.3	0.2	0.3	-	0.0%
Conference, Seminar and Travel	-	5.0	0.5	3.0	(2.0)	-40.0%
Facilities Charges	-	39.0	35.3	2.0	(37.0)	-94.9%
Transfers Out	-	-	(1.2)	(7.9)	(7.9)	N/A
Total Services and Supplies	\$ -	\$ 46.5	\$ 37.0	\$ 24.6	\$ (21.9)	-41.0%
Total Sal, Ben, Serv & Supp	\$ -	\$ 189.2	\$ 186.8	\$ 101.9	\$ (87.3)	-46.1%

**VENTURA COUNTY EMPLOYEES' RETIREMENT ASSOCIATION
INFORMATION TECHNOLOGY (I/T) - SUPPORT BUDGET
PROPOSED BUDGET - FISCAL YEAR 2014 – 2015**
In thousands

ACCOUNT	2012-2013 ACTUAL	2013-2014 ADJUSTED BUDGET	2013-2014 PROJECTED	2014-2015 PROPOSED	PROPOSED/ ADJUSTED VARIANCE	% INCREASE (DECREASE)
<u>Technology:</u>						
Computer Hardware	\$ -	\$ -	\$ -	\$ -	\$ -	N/A
Computer Software	-	-	-	-	-	N/A
Systems & Applications Support	-	-	-	302.2	302.2	N/A
Pension Administration System	-	-	-	-	-	N/A
Total Technology	\$ -	\$ -	\$ -	\$ 302.2	\$ 302.2	N/A
Total Before Contingency	\$ -	\$ 189.2	\$ 186.8	\$ 404.1	\$ 214.9	113.6%
Contingency		18.9	18.9		(18.9)	-100.0%
Total	\$ -	\$ 208.1	\$ 205.7	\$ 404.1	\$ 196.0	94.2%

VENTURA COUNTY EMPLOYEES' RETIREMENT ASSOCIATION
INFORMATION TECHNOLOGY (I/T) - SUPPORT BUDGET
DETAILED BY ACCOUNT
PROPOSED BUDGET - FISCAL YEAR 2014 – 2015
in thousands

ACCOUNT	2012-2013 ACTUAL	2013-2014 ADJUSTED BUDGET	2013-2014 PROJECTED	2014-2015 PROPOSED	PROPOSED/A DJUSTED VARIANCE	% INCREASE (DECREASE)
TELECOMMUNICATIONS SERVICES - ISF:	\$ -	\$ -	\$ -	\$ 25.0	\$ 25.0	N/A
Data network services				12.4		
Network & systems access (microwave)				9.6		
Service Requests				3.0		
MEMBERSHIP AND DUES:	\$ -	\$ 0.2	\$ 0.2	\$ 0.2	\$ -	0.0%
Public Retirement Information Systems Management (PRISM)			\$ 0.2	\$ 0.2		
EDUCATION ALLOWANCE:	\$ -	\$ 2.0	\$ 2.0	\$ 2.0	\$ -	0.0%
IT Manager			\$ 2.0	\$ 2.0		
BOOKS AND PUBLICATIONS:	\$ -	\$ -	\$ -	\$ -	\$ -	N/A
PRIVATE VEHICLE MILEAGE:	\$ -	\$ 0.3	\$ 0.2	\$ 0.3	\$ -	0.0%
			0.2	0.3		
CONFERENCE, SEMINAR AND TRAVEL:	\$ -	\$ 5.0	\$ 0.5	\$ 3.0	\$ (2.0)	-40.0%
Technical			0.5	3.0		
FACILITIES CHARGES:	\$ -	\$ 39.0	\$ 35.3	\$ 2.0	\$ (37.0)	-94.9%
Server room (construction and fire suppression)		37.0	33.3			
Electrical changes for computer & network equipment		2.0	2.0	\$ 2.0		
TRANSFERS OUT:	\$ -	\$ -	\$ (1.2)	\$ (7.9)	\$ (7.9)	N/A
TOTAL SERVICES AND SUPPLIES	\$ -	\$ 46.5	\$ 37.0	\$ 24.6	\$ (21.9)	-47.1%

VENTURA COUNTY EMPLOYEES' RETIREMENT ASSOCIATION
INFORMATION TECHNOLOGY (I/T) - SUPPORT BUDGET
DETAILED BY ACCOUNT
PROPOSED BUDGET - FISCAL YEAR 2014 – 2015
in thousands

ACCOUNT	2012-2013 ACTUAL	2013-2014 ADJUSTED BUDGET	2013-2014 PROJECTED	2014-2015 PROPOSED	PROPOSED/A DJUSTED VARIANCE	% INCREASE (DECREASE)
TECHNOLOGY:						
SYSTEMS, INFRASTRUCTURE & APPLICATIONS SUPPORT	\$ -	\$ -	\$ -	\$ 302.2	\$ 302.2	N/A
<u>Systems Support:</u>						
General IT Consulting (Linea)				20.0		
Legacy Database Support (CMP Associates)				237.8		
<u>Infrastructure:</u>						
Remote server access (DSL)				5.8		
Wi-Fi (Board/PAS - 50%)				4.4		
Data plan (iPads)				4.2		
<u>Applications Support:</u>						
Information Technology Service (ISF) Charges:				30.0		
*Support to Backfill for Internal IT assigned to						
TOTAL TECHNOLOGY	\$ -	\$ -	\$ -	\$ 302.2	\$ 302.2	N/A

**VENTURA COUNTY EMPLOYEES' RETIREMENT ASSOCIATION
PENSION ADMINISTRATION SYSTEM (PAS) SUPPORT BUDGET
PROPOSED BUDGET - FISCAL YEAR 2014 – 2015**

In thousands

ACCOUNT	2012-2013 ACTUAL	2013-2014 ADJUSTED BUDGET	2013-2014 PROJECTED	2014-2015 PROPOSED	PROPOSED/ ADJUSTED VARIANCE	% INCREASE (DECREASE)
Salaries and Benefits:						
Full-Time Equivalents	0.0	3.4	3.4	4.9	1.5	44.1%
Salaries:						
Salaries	\$ -	\$ 212.3	\$ 188.4	\$ 315.9	\$ 103.6	48.8%
Extra-Help	-			37.6	37.6	N/A
Overtime	-			-	-	N/A
Total Salaries	-	212.3	188.4	353.5	141.2	66.5%
Benefits:						
Supplemental Payments	-	6.0	5.4	8.7	2.7	45.0%
Vacation Redepemption	-	-	3.3	24.2	24.2	N/A
Retirement Contributions	-	50.3	62.5	63.6	13.3	26.4%
OASDI Contributions	-	13.5	12.1	21.6	8.1	60.0%
FICA-Medicare	-	3.2	2.8	5.1	1.9	59.4%
Medical Insurance	-	21.3	19.3	30.7	9.4	44.1%
Life Insurance/Mgmt	-	0.1	0.1	0.2	0.1	100.0%
Unemployment Insurance	-	0.3	0.2	0.4	0.1	33.3%
Management Disability Ins.	-	0.5	0.5	0.8	0.3	60.0%
Workers' Compensation Ins.	-	1.2	1.1	2.2	1.0	83.3%
401k Plan Contribution	-	2.3	3.0	4.6	2.3	100.0%
Total Benefits	-	98.7	110.3	162.1	63.4	64.2%
Transfers In		60.8	63.1	150.7	89.9	147.9%
Transfers Out	-	-	-	-	-	N/A
Total Salaries and Benefits	\$ -	\$ 371.8	\$ 361.8	\$ 666.3	\$ 294.5	79.2%

**VENTURA COUNTY EMPLOYEES' RETIREMENT ASSOCIATION
PENSION ADMINISTRATION SYSTEM (PAS) SUPPORT BUDGET
PROPOSED BUDGET - FISCAL YEAR 2014 – 2015**

In thousands

ACCOUNT	2012-2013 ACTUAL	2013-2014 ADJUSTED BUDGET	2013-2014 PROJECTED	2014-2015 PROPOSED	PROPOSED/ ADJUSTED VARIANCE	% INCREASE (DECREASE)
<u>Services and Supplies:</u>						
Telecommunication Services - ISF	\$ -	\$ 1.6	\$ 1.6	\$ 1.6	\$ -	0.0%
Postage & Express	-	-	-	10.0	10.0	N/A
Office Lease Payments	-	19.1	13.5	17.8	(1.3)	-6.8%
Furniture	-	-	6.2	-	-	N/A
Transfers In	-	11.6	11.3	16.0	4.4	37.9%
Transfers Out	-	-	-	-	-	N/A
Total Services and Supplies	\$ -	\$ 32.3	\$ 32.6	\$ 45.4	\$ 13.1	40.6%
Total Sal, Ben, Serv & Supp	\$ -	\$ 404.1	\$ 394.4	\$ 711.7	\$ 307.6	76.1%
<u>Technology:</u>						
Computer Hardware	\$ -	\$ -	\$ -	\$ -	\$ -	N/A
Computer Software	-	-	-	-	-	N/A
Systems & Applications Support	-	-	-	4.4	4.4	N/A
Pension Administration System	-	-	-	-	-	N/A
Total Technology	\$ -	\$ -	\$ -	\$ 4.4	\$ 4.4	N/A
Total Before Contingency	\$ -	\$ 404.1	\$ 394.4	\$ 716.1	\$ 312.0	N/A
Contingency		40.4	40.4	-	(40.4)	-100.0%
Total	\$ -	\$ 444.5	\$ 434.8	\$ 716.1	\$ 271.6	61.1%

**VENTURA COUNTY EMPLOYEES' RETIREMENT ASSOCIATION
PENSION ADMINISTRATION SYSTEM (PAS) SUPPORT BUDGET
DETAILED BY ACCOUNT SUMMARY
PROPOSED BUDGET - FISCAL YEAR 2014 – 2015**

in thousands

ACCOUNT	2012-2013 ACTUAL	2013-2014 ADJUSTED BUDGET	2013-2014 PROJECTED	2014-2015 PROPOSED	PROPOSED/ ADJUSTED VARIANCE	% INCREASE (DECREASE)
TELECOMMUNICATIONS SERVICES - ISF:	\$ -	\$ 1.6	\$ 1.6	\$ 1.6	\$ -	0.0%
Phone service for PAS (Vonnage)		1.6	1.6	1.6		
POSTAGE AND EXPRESS:	\$ -	\$ -	\$ -	\$ 10.0	\$ 10.0	N/A
Beneficiary designation project for PAS				10.0		
OFFICE LEASE PAYMENTS:	\$ -	\$ 19.1	\$ 13.5	\$ 17.8	\$ (1.3)	-6.8%
Suite 205 for PAS project: 835 sq. ft. @ \$1.75/sq.ft for 5 months				7.3		
Suite 205 for PAS project: 835 sq. ft. @ \$1.80/sq.ft (3% CPI) for 7 months				10.5		
FURNITURE:	\$ -	\$ -	\$ 6.2	\$ -	\$ -	N/A
TRANSFERS IN:	\$ -	\$ 11.6	\$ 11.3	\$ 16.0	\$ 4.4	N/A
Service and Supplies attributable to VCERIS/PAS						
TOTAL SERVICES AND SUPPLIES	\$ -	\$ 32.3	\$ 32.6	\$ 45.4	\$ 13.1	40.6%
TECHNOLOGY:						
SYSTEMS, INFRASTRUCTURE & APPLICATIONS SUPPORT	\$ -	\$ -	\$ -	\$ 4.4	\$ 4.4	N/A
<u>Systems Support:</u>						
None						
<u>Infrastructure:</u>						
Wi-Fi (Board/PAS - 50%)				4.4		
<u>Applications Support:</u>						
None						
TOTAL TECHNOLOGY	\$ -	\$ -	\$ -	\$ 4.4	\$ 4.4	N/A

**VENTURA COUNTY EMPLOYEES' RETIREMENT ASSOCIATION
 INFORMATION TECHNOLOGY (I/T) (ROLL-UP) - EXEMPT FROM CAP BUDGET
 PROPOSED BUDGET - FISCAL YEAR 2014 – 2015**

In thousands

ACCOUNT	2012-2013 ACTUAL	2013-2014 ADJUSTED BUDGET	2013-2014 PROJECTED	2014-2015 PROPOSED	PROPOSED/ ADJUSTED VARIANCE	% INCREASE (DECREASE)
Technology:						
Computer Hardware	\$ 25.2	\$ 15.2	\$ 14.4	\$ 32.6	\$ 17.4	114.5%
Computer Software	11.7	36.7	33.6	193.0	156.3	425.9%
Systems & Applications Support	412.1	451.4	409.8	363.6	(87.8)	-19.5%
Pension Administration System	2,529.6	2,692.1	2,545.6	1,621.4	(1,070.7)	-39.8%
Total Technology	\$ 2,978.6	\$ 3,195.4	\$ 3,003.4	\$ 2,210.6	\$ (984.8)	-30.8%
Contingency	-	85.6	85.6	-	(85.6)	-100.0%
Total	\$ 2,978.6	\$ 3,281.0	\$ 3,089.0	\$ 2,210.6	\$ (1,070.4)	-32.6%

**VENTURA COUNTY EMPLOYEES' RETIREMENT ASSOCIATION
 INFORMATION TECHNOLOGY (I/T) - OPERATIONS BUDGET (EXEMPT FROM CAP)
 PROPOSED BUDGET - FISCAL YEAR 2014 – 2015**

In thousands

ACCOUNT	2012-2013 ACTUAL	2013-2014 ADJUSTED BUDGET	2013-2014 PROJECTED	2014-2015 PROPOSED	PROPOSED/ ADJUSTED VARIANCE	% INCREASE (DECREASE)
Technology:						
Computer Hardware	\$ 25.2	\$ 15.2	\$ 14.4	25.1	\$ 9.9	65.1%
Computer Software	11.7	23.3	21.5	19.1	(4.2)	-18.0%
Systems & Applications Support	412.1	423.8	386.0	94.1	(329.7)	-77.8%
Pension Administration System	-	-	-	-	-	-
Total Technology	\$ 449.0	\$ 462.3	\$ 421.9	\$ 138.3	\$ (324.0)	-70.1%
Contingency	-	11.6	11.6		(11.6)	-100.0%
Total	\$ 449.0	\$ 473.9	\$ 433.5	\$ 138.3	\$ (335.6)	-70.8%

VENTURA COUNTY EMPLOYEES' RETIREMENT ASSOCIATION
INFORMATION TECHNOLOGY (I/T) - OPERATIONS BUDGET (EXEMPT FROM CAP)
DETAILED BY ACCOUNT
PROPOSED BUDGET - FISCAL YEAR 2014 – 2015
in thousands

ACCOUNT	2012-2013 ACTUAL	2013-2014 ADJUSTED BUDGET	2013-2014 PROJECTED	2014-2015 PROPOSED	% INCREASE (DECREASE)
TECHNOLOGY:					
<u>COMPUTER HARDWARE:</u>	\$ 25.2	\$ 15.2	\$ 14.4	\$ 25.1	65.1%
Computers (replacements - 4)		4.2	4.2	5.6	
Printers (replacements) and repairs		4.0	3.0	4.0	
Computer supplies (monitors, UPSs, cables, etc)		7.0	7.2	8.0	
Wi-Fi Hardware				7.5	
<u>COMPUTER SOFTWARE:</u>	\$ 11.7	\$ 23.3	\$ 21.5	\$ 19.1	-18.0%
Financial accounting system support subscription (MSDN)		1.5	1.5	1.5	
Server software		5.0	3.8	-	
Financial accounting software license renewal (Soloman)		1.1	1.1	1.1	
Document imaging license renewal (Novannis)		7.7	8.5	8.5	
Agenda automation (Granicus)			-		
Software updates/upgrades (Server, back-up, etc.)		8.0	6.6	8.0	
<u>SYSTEMS, INFRASTRUCTURE & APPLICATIONS SUPPORT</u>	\$ 412.1	\$ 423.8	\$ 386.0	\$ 94.1	-77.8%
<u>Systems Support:</u>					
Accounting software support (SBS Group)		17.5	1.5	12.0	
Microsoft/Soloman					
General IT Consulting (Linea)		40.0	22.1	20.0	
Legacy Database Support (CMP Associates) - Now Budgeted in Admin-IT		267.8	267.8		
<u>Infrastructure:</u>					
Internet Domain Registrar (VCERA.org)		0.3	0.3	0.3	
Remote server access (DSL) - Now Budgeted in Admin-IT		2.8	2.0		
Wi-Fi (Board/PAS - 50%) - Now Budgeted in Admin-IT		2.6	2.8		
Data plan (iPads) - Now Budgeted in Admin- IT		6.2	2.9		
<u>Applications Support:</u>					
Information Technology Service (ISF) Charges:		86.6	86.6	61.8	
*Programmer Analyst					
*Mainframe Production					
*Server Hosting & Support					
*Network (Broad Band)					
TOTAL TECHNOLOGY	\$ 449.0	\$ 462.3	\$ 421.9	\$ 138.3	-70.1%

**VENTURA COUNTY EMPLOYEES' RETIREMENT ASSOCIATION
PENSION ADMINISTRATION SYSTEM (PAS) PROJECT BUDGET (EXEMPT FROM CAP)
PROPOSED BUDGET - FISCAL YEAR 2014 – 2015**

In thousands

ACCOUNT	2012-2013 ACTUAL	2013-2014 ADJUSTED BUDGET	2013-2014 PROJECTED	2014-2015 PROPOSED	% INCREASE (DECREASE)
<u>Technology:</u>					
Computer Hardware	\$ -	\$ -	\$ -	\$ 7.5	N/A
Computer Software	-	13.4	12.1	173.9	1197.8%
Systems & Applications Support	-	27.6	23.8	269.5	876.4%
Pension Administration System	2,529.6	2,692.1	2,545.6	1,621.4	-39.8%
Total Technology	\$ 2,529.6	\$ 2,733.1	\$ 2,581.5	\$ 2,072.3	-24.2%
Contingency	-	74.0	74.0		-100.0%
Total	\$ 2,529.6	\$ 2,807.1	\$ 2,655.5	\$ 2,072.3	-26.2%

VENTURA COUNTY EMPLOYEES' RETIREMENT ASSOCIATION
PENSION ADMINISTRATION SYSTEM (PAS) PROJECT BUDGET (EXEMPT FROM CAP)
DETAILED BY ACCOUNT
PROPOSED BUDGET - FISCAL YEAR 2014 – 2015
in thousands

ACCOUNT	2012-2013 ACTUAL	2013-2014 ADJUSTED BUDGET	2013-2014 PROJECTED	2014-2015 PROPOSED	PROPOSED/ ADJUSTED VARIANCE	% INCREASE (DECREASE)
TECHNOLOGY:						
COMPUTER HARDWARE:	\$ -	\$ -	\$ -	\$ 7.5	\$ 7.5	N/A
Computers for user acceptance testing		-	-	7.5		
COMPUTER SOFTWARE:	\$ -	\$ 13.4	\$ 12.1	\$ 173.9	\$ 160.5	1197.8%
Training Software - Assima - License Renewal		5.8	5.8	5.8		
Training Software - Assima (additional user license)		-	-	9.5		
Application Testing software - SmartBear - License Renewal		5.5	4.4	5.5		
Project Management Software - Sharepoint - License Renewal		2.1	1.9	2.1		
V3 Upgrade Fee (Vitech)				150.0		
Software Escrow Fee (For V3)				1.0		
SYSTEMS, INFRASTRUCTURE & APPLICATIONS SUPPORT	\$ -	\$ 27.6	\$ 23.8	\$ 269.5	\$ 241.9	876.4%
<u>Systems Support:</u>						
None						
<u>Infrastructure:</u>						
Wi-Fi (Board/PAS - 50%) (Now budgeted in Admin-PAS)		2.6	2.8	-		
<u>Applications Support:</u>						
PAS Hosting Services (Vitech)				234.0		
County of Ventura IT:		25.0	21.0			
*Programmer Analyst (Data Conversion)				10.0		
*Programmer Analyst (Imaging Conversion)				25.5		
PENSION ADMINISTRATION SYSTEM:	\$ 2,529.6	\$ 2,692.1	\$ 2,545.6	\$ 1,621.4	\$ (1,070.7)	-39.8%
Project management, technical services, data conversion (Linea)		930.0	788.2	652.7		
Project Vendor (Vitech)		1,457.2	1,469.7	847.4		
Data Conversion (Managed Business Solutions (MBS))		189.8	188.2	95.0		
Data Conversion (Legacy consultant (CMP))		9.2	9.2	-		
Consultant (B. Cummings - Data Conversion) - Now included in Linea.		15.0	35.3	-		
Imaging conversion (Novannis)		50.3	55.0	26.3		
Beneficiary designation (Update files) - Budgeted in Admin-PAS - Extra-Help		37.6	-	-		
PAS Office Construction - Charged to facilities		3.0	-	-		
TOTAL TECHNOLOGY	\$ 2,529.6	\$ 2,733.1	\$ 2,581.5	\$ 2,072.3	\$ (660.8)	-24.2%

PROJECT STATUS SUMMARY

Actual Percentage Complete: 57.05%
Planned Percentage Complete: 59.62%

Scope	Schedule	Cost	Risks	Quality
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Schedule

The project schedule is currently 2.57% behind schedule. There are two primary factors causing the schedule impacts:

- VCERA staffing issues –The two additional staff resources began their full-time project assignment in April. As anticipated, as a result of their limited availability to participate in on-boarding activities during January – March 2014 as planned, design activities have been slower than expected. Additionally, with the onset of parallel segments, the amount of time required by management to participate in meetings and provide policy decisions has increased significantly. Due to on-going staffing issues in operations, management has limited availability to participate in project activities. This is also slowing the rate of progress on system design. Linea and VCERA management will continue to closely monitor resource levels to determine if additional staff are needed to reduce the risk of schedule impact.
- Third party vendor issues – Progress has been made with Novanis on the conversion of Liberty documents, however their work is still not complete. The project team has currently targeted August as the earliest opportunity to work with County IT on the Kofax configuration. The project team will continue to monitor progress on other scheduled development activities to determine if August will work.

Risks

There are two project risks that are being closely monitored.

- Plan sponsor payroll transmittal – The plan sponsors are still working on solutions to providing the required payroll transmittal information. Auditor Controller has committed to providing the completed contributions file by June 30th, although the file at that time will not include the key component of compensation earnable. The project team will not be able to determine any potential impacts to the project schedule as a result of the late delivery of the file until it has been received and evaluated. The project team will provide an analysis of the schedule impact and potential options to the Board as soon as the information is available.
- VCERA staffing issues –The project team is continuing to work with VCERA’s two new project staff to get them fully acclimated to all project activities and systems as quickly as possible. The project team is also continuing to actively pursuing alternative resourcing options for project activities such as creating training materials.

KEY ACCOMPLISHMENTS LAST MONTH

- Kicked-off parallel segments with Retiree Payroll and Disability sprints
- Completed reconciliation on Cycle 8b data conversion
- Wrote 102 test cases and executed 138 tests.

VENTURA COUNTY EMPLOYEES' RETIREMENT ASSOCIATION

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Ventura, CA 93003-6572
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<http://www.ventura.org/vcera>

June 2, 2014

Board of Retirement
Ventura County Employee's Retirement Association
1190 S. Victoria Ave., Suite 200
Ventura, CA 93003

Subject: REVIEW OF EDUCATION AND TRAVEL POLICY

Dear Board Members:

Attached, for your consideration, is a copy of the VCERA Education and Travel Policy. The policy is required to be reviewed annually in conjunction with the adoption of the Administrative budget. Staff has no recommended changes to the policy.

Staff recommends that you adopt the VCERA Education and Travel Policy.

I would be pleased to respond to any questions you may have on this matter at the June 2, 2014 meeting.

Sincerely,



Tim Thonis
Interim Retirement Administrator

Attachment

VENTURA COUNTY EMPLOYEES' RETIREMENT ASSOCIATION

BOARD OF RETIREMENT

EDUCATION AND TRAVEL POLICY

INTRODUCTION

Recognizing its fiduciary responsibility to plan participants, it is the desire of the Board of Retirement (Board) to encourage members of the Board, and its staff, to enhance their knowledge of the financial and benefit aspects of the retirement system by attending educational meetings, conferences and seminars. Attendance at such functions, as well as due diligence trips relating to the operation of the retirement system, is essential to ensure that Board members and staff are able to carry out their fiduciary responsibilities.

PURPOSE

The purpose of this policy is to set forth the guidelines to be followed to ensure Board members and staff members are allowed to cost effectively attend the educational meetings, conferences and seminars the Board believes to be necessary for the performance of their duties.

COMPLIANCE WITH STATE LAW

Effective January 1, 2013, and in compliance with Section 31522.8 of the California Government Code, all Board members shall receive a minimum of 24 hours of trustee education within the first two years of assuming office, and for every subsequent two-year period the Board member continues to hold membership on the Board. Further, the Board will maintain a record of Board member compliance with the policy. This policy and an annual report on Board member compliance shall be placed on the Internet Web site.

ON-SITE DUE DILIGENCE

Regular on-site due diligence evaluations shall be scheduled with VCERA's investment managers every three years. More frequent evaluations shall be conducted if there have been material organizational changes, significant underperformance of the investment or for any other reason deemed appropriate by the Board.

On-site due diligence evaluations may be conducted by one or more Trustees and may include the Administrator or his/her designee. The Administrator shall, in consultation with the Investment Consultant, agendize a proposed schedule for all on-site due

diligence trips to be conducted in the upcoming year. The Board Chair shall, with Board consent, designate the Trustee(s) to participate in each on-site evaluation. Every effort shall be made to rotate due diligence responsibilities so no single Trustee, or group of Trustees, is conducting a majority of due diligence visits on VCERA's behalf. The Trustee(s) and Administrator, or designee, shall be responsible for providing a written/oral report to the Board no later than the second subsequent regular Board meeting summarizing their findings and recommendations, if any.

LIMITATION ON MEETING FOR BUSINESS PURPOSES

Travel by multiple Board members shall be conducted in such a manner as to not violate the provisions of the Brown Act (Government Code Section 54950 et. Seq.). Board member attendance at educational meetings, conferences, seminars and related social events is not a violation of the Brown Act.

TRAVEL AUTHORIZATION

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 the Spring and Fall State Association of County Retirement Systems (SACRS) conferences for which authorization by the Board will not be required. Additionally, the Retirement Administrator may approve Board or staff travel, including the Board's legal advisor, for one-day meetings held within the State. The Administrator may also approve an overnight stay by a staff member if it is determined to be in the best interest of the Association in terms of economy and efficiency. In the event a Board member wishes to conduct an on-site due diligence visit, or attend a one-day seminar, of a VCERA investment manager or consultant without prior Board approval, the Administrator is authorized to reimburse travel expenses up to \$300.00 upon submission of a verified claim.

Although State law may permit gifts of travel to the System, if a third party offers to pay for some or all of the travel expenses associated with a particular conference, seminar or meeting, the Board shall decline the offer. However, the Board may consider authorizing attendance at the particular conference, seminar or meeting at VCERA's expense if such attendance would be beneficial to VCERA.

ANNUAL TRAVEL BUDGET

The Retirement Administrator shall include in the annual budget to be approved by the Board sufficient funding to allow each member of the Board, and staff, to attend the Spring and Fall SACRS conferences. Additionally, funds will be budgeted, based upon the information available on scheduled conferences and input from individual Board members during the budget preparation process, to allow each Board member and management staff to attend up to three additional conferences, educational meetings, seminars and site visits each fiscal year. This limitation shall not apply to on-site visits that are made with the consent of the Board, including in connection with the retention

of a new manager, nor shall it apply to any conference, educational meeting, seminar or site visit where the cost to the Association can reasonably be expected to be less than \$500.00.

Travel expenses of Board members and staff shall be considered a cost of administration and may not be paid by any third party without the express written authorization of the Board.

RECOMMENDED PUBLIC RETIREMENT SYSTEM MEETINGS

It is the intention of the Board to establish a standard whereby attendance at educational meetings, conferences and seminars will be approved only if the agenda for the event contains an average of five (5) hours of substantive educational content per day. This standard would not apply to meetings with investment managers, consultants, etc., which would not be expected to last for five hours.

The Board establishes the following as recommended educational meetings, conferences and seminars that qualify as trustee education.

1. State Association of County Retirement Systems (SACRS), including meetings of SACRS Committees on which a member of the Board or staff participates. The Board recognizes the importance of having its Trustees actively participate as members of SACRS committees. Therefore, attendance at such meetings shall not count towards the three conferences, educational meetings, seminars or site visits limitation set forth above, even if such cost exceeds \$500.00.
2. Public Pension Investment Management Program (SACRS/Berkeley). (Attendance shall not count towards the three conference limit.)
3. California Association of Public Retirement Systems (CALAPRS) Annual General Assembly, trustee and staff roundtables, Advanced Board Leadership Institute, Administrators' Institute and the Principles of Pension Management for Trustees course. (Attendance shall not count towards the three conference limit.)
4. Programs sponsored by the International Foundation of Employee Benefit Plans (IFEBC).
5. Programs sponsored by the Institute for Fiduciary Education (IFE).
6. NCPERS Annual Conference.
7. Pension Funds and Money Management, and Alternative Investments and Real Estate; The Wharton School, University of Pennsylvania.
8. Programs sponsored by the National Association of Police Officers (NAPO).
9. Client conferences sponsored by investment managers, asset custodians and consultants with whom the Retirement System has a current professional relationship. (Attendance shall not count towards the three conference limit.)
10. National Association of Pension Fund Attorneys Conference.

11. California Retired County Employees Association (CRCEA).
12. Manatt, Phelps & Phillips Fiduciary Symposium. (Attendance shall not count towards the three conference limit.)
13. Council of Institutional Investors (CII)

Board members may request approval to attend the recommended, or any other, educational meetings, seminars and conferences by submitting a written request to the Retirement Administrator for inclusion on the next Board agenda. Requests approved by the Board qualify as Board member education. Educational seminars sponsored by the state or national public pension fund organizations and seminars sponsored by accredited academic institutions shall be deemed to meet Board member education requirements.

APPROPRIATE TOPICS

Appropriate topics for Board member education, may include, but is not limited to, the following:

1. Fiduciary responsibilities.
2. Ethics.
3. Pension fund investments and investment program management.
4. Actuarial matters.
5. Pension funding.
6. Benefits administration.
7. Disability evaluation.
8. Fair hearings.
9. Pension fund governance.
10. New Board member orientation.

TRAVEL ARRANGEMENTS

It is the preference of the Board to have travel arrangements made through VCERA staff. This would include processing of registrations, hotel accommodations and transportation. However, a Board member may arrange his/her own transportation if he/she is to be accompanied by a spouse or traveling companion. VCERA staff will not make travel arrangements for, or reimbursement to a Board or staff member for any costs associated with the attendance of a spouse or traveling companion to any function.

TRAVEL COSTS

It is the policy of the Board that travel to educational meetings, conferences and seminars be achieved in the least expensive practical manner possible in order to reduce costs to the retirement system.

Reimbursement or payment for travel related expenses may not be made in certain instances. For travel to meetings within the State of California, lodging and other eligible travel related expenses will be paid for the evening prior to the start of the meeting only if the meeting starts at or prior to 9:30a.m. Lodging for the night of the last day of the conference will not be paid by the Retirement System.

For travel outside the State of California, lodging and other travel related expenses will be paid by VCERA for the evening prior to the day the meeting starts. Lodging will not be paid by VCERA for the evening of the final day of the meeting unless the substantive portion of the meeting ends after 2:00p.m. or it can be demonstrated that a reduction in airfare can be achieved by staying over for an additional day which will more than offset the cost for an additional night's lodging and other travel related costs that would be incurred.

In order to avoid unnecessary costs to the Retirement System, Board members should immediately notify VCERA's Chief Financial Officer of the cancellation or other changes in their travel plans.

Travel related costs which will be paid or reimbursed to a Board or staff member include the following:

Air Transportation

Every attempt should be made to make air travel reservations in advance to take advantage of available discounts. Airfare will be paid for coach passage only.

Hotel Accommodations

Payment for lodging will be at the single occupancy rate, plus applicable room tax. Any lodging costs in excess of the single occupancy room rate will be the responsibility of the Board or staff member.

Meals & Beverages

Reimbursement for the cost of meals and beverages for the Board and staff members while on travel will be made at the rates established by the County of Ventura for reimbursement to employees for such expenses. A copy of the current rates of reimbursement will be provided to each member of the Board.

Rental Car

Every attempt should be made to utilize public transportation, airport and hotel shuttle services which are reimbursable expenses. A rental car may be used if cost effective. The retirement system will not be responsible for any loss or damage resulting from the use of a rental car.

Parking

Reasonable automobile parking expenses are reimbursable.

Mileage

Retirement Board members and staff will be reimbursed for the use of their own automobile at the current mileage rate authorized by the Internal Revenue Service.

Documentation of Expenses and Submission of Reimbursement Claims

All requests for reimbursement of travel costs shall be supported by receipts or other documentation. Agendas from the training may be attached to the travel claims, along with notations of the sessions attended with the associated hours recorded on the face of the claim. All travel claims shall be submitted to the Retirement Administrator or VCERA's Chief Financial Officer no later than the 60th calendar day after the expense is incurred by the Board or staff member. (A sample claim form is attached to this policy.)

REPORTING

Retirement Board members shall, no later than the 2nd subsequent Board meeting, provide a brief report on meetings attended on behalf of VCERA. The Retirement Administrator shall, no later than the second month of the calendar year, report on annual Board member compliance and post said report on the VCERA Web site.

POLICY REVIEW

In order to keep the provisions of this policy current, the Board will review this policy on an annual basis at a minimum.

POLICY HISTORY

The Board last reviewed and approved this policy on June 17, 2013. The Board previously approved this policy on January 28, 2013, July 2, 2012, June 20, 2011, June 21, 2010, June 15, 2009, September 15, 2008, April 16, 2007, May 1, 2006, October 17, 2005, April 19, 2004, April 21, 2003, May 6, 2002, April 16, 2001, and April 17, 2000. The Board originally adopted this policy on July 6, 1998.

Sample Claim Form

VCERA TRAVEL EXPENSE REIMBURSEMENT								
Name				Vendor Number				
Mailing Address, City, State & Zip Code								
Destination								
Purpose						Education Hours		
MEALS	MAXIMUM REIMBURSEMENT RATES			Date	Breakfast	Lunch	Dinner	Total
	Within California							\$
	Breakfast: \$13 Lunch: \$18 Dinner: \$35							\$
	Outside California							\$
	Breakfast: \$15 Lunch: \$21 Dinner: \$40							\$
Receipts Required							\$	
TOTAL \$								
LODGING	Hotel Name	City	Number of Nights	Total				
				\$				
				\$				TOTAL
TOTAL \$								
MILEAGE	From	To	Miles	Rate	Total			
				0.585	\$			
				0.585	\$			
				0.585	\$			TOTAL
TOTAL \$								
OTHER	Description	Conf. Fees	Parking	Taxi	Airfare	Other		
								TOTAL
TOTAL CLAIM AMOUNT \$								
<p style="text-align: center; margin: 0;">CLAIMANT</p> <p style="font-size: x-small; margin: 0;">The undersigned, under penalty of perjury, states: That the above claim and the items set out therein are true and correct; that no part thereof has been heretofore paid; and that the amount is justly due, and that claim is made within one year after the last item has accrued.</p> <p style="margin: 0;">X _____</p> <p style="margin: 0;">Date _____</p>				<p style="text-align: center; margin: 0;">VCERA APPROVAL</p> <p style="font-size: x-small; margin: 0;">I hereby certify, upon my own personal knowledge, that the goods or services specified in the above claim were reasonable, necessary and for the benefit of the County; that no part thereof has been heretofore paid; that the amount therein is justly due, and that payment of the above claim complies with the County policies and procedures.</p> <p style="margin: 0;">X _____</p> <p style="margin: 0;">Date _____</p>				
Internal Use Only								
Account:				Agenda attached? <input type="checkbox"/>				
8262 Travel Reimbursement				\$ _____				
8264 Mileage Reimbursement				\$ _____		TOTAL \$ _____		
CHECK REQUEST								
REQUESTED BY: _____								
CHECK DATE: _____				CHECK NUMBER: _____				
PREPARED BY: _____				APPROVED BY: _____				

VENTURA COUNTY EMPLOYEES' RETIREMENT ASSOCIATION

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(805) 339-4250 • Fax: (805) 339-4269
<http://www.ventura.org/vcera>

June 2, 2014

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

**SUBJECT: AUTHORIZATION FOR ATTENDANCE; CALAPRS TRUSTEE ROUNDTABLE,
BURLINGAME, CA, JUNE 13, 2014**

Dear Board Members:

Staff recommends authorization for Mr. Goulet to attend the CALAPRS Trustee Roundtable in Burlingame, CA on June 13. The estimated cost to attend is \$650 including registration, hotel, air fare and other travel related expenses.

I will be pleased to respond to any questions you may have on this matter at the June 2, 2014 disability meeting.

Sincerely,

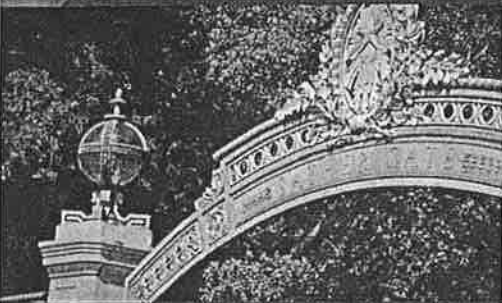


Tim Thonis
Interim Retirement Administrator



Modern Investment Theory & Practice for Retirement Systems

SACRS PUBLIC PENSION
INVESTMENT MANAGEMENT PROGRAM 2014



July 20-23, 2014

UC Berkeley
Center for Executive Education

center for
UC Berkeley
executive education



PROGRAM SCHEDULE*

Much has changed in finance in the last 50 years; this three-day program will bring you to the frontier of current investment theory and practice. The program is presented on the beautiful and dynamic campus of UC Berkeley and taught by its world renowned Finance faculty.

SUNDAY July 20, 2014	MONDAY July 21, 2014	TUESDAY July 22, 2014	WEDNESDAY July 23, 2014
INVESTING FUNDAMENTALS FOR NEW TRUSTEES	CONSTRUCTING THE PORTFOLIO	MAKING THE DIFFICULT DECISIONS	MEASURING PERFORMANCE
	8:00am Depart Hotel	8:00am Depart Hotel	8:00am Depart Hotel
Opening Remarks 8:30am-9:00am	Opening Remarks 8:30am-9:00am	Building the Investment Portfolio 9:00am-10:30am	Team Presentations 9:00am-10:30am
Pension Fund Basics 9:00am-10:30am	Review of Pension Fundamentals 9:00am-10:30am		
10:30am Break	10:30am Break	10:30am Break	10:00am Break
Return, Risk and Diversification 11:00am-12:30pm	Portfolio Management Simulation: Introduction 11:00am-12:30pm	Real Assets: Real Estate 11:00am-11:45am Real Assets: Alternative Investment Strategies 11:45am-12:30pm	Portfolio Management Simulation: Debrief 11:00am-12:30pm
12:30-1:30pm Lunch	Lunch and Group Photo 12:30pm-1:30pm	12:30-1:30pm Lunch	12:30-1:30pm Lunch
Risks, Assets, and Liabilities 1:30pm-3:00pm	Active and Passive Management 1:30pm-3:00pm	Portfolio Management Simulation: Implementation 1:30pm-3:00pm	Behavioral Finance: Overconfidence and Expertise, Implications for Trustees 1:30pm-3:30pm
3:00pm Break	3:00pm Break	3:00pm Break	3:30 – 4:00 Conferral of Certificates
The Total Investment Portfolio 3:30pm-5:00pm	Forecasting Liabilities: Actuarial Science 3:30pm-5:00pm	Team Break Out 3:30pm-5:00pm	Adjourn at 4:00pm
Summary and Wrap Up 5:00pm	Summary and Wrap Up 5:00pm	Summary and Wrap Up 5:00pm	
Reception at Claremont Hotel	Reception at Claremont Hotel	Reception at Claremont Hotel	*AGENDA SUBJECT TO CHANGE



SACRS Class of 2013

Join Us for SACRS Public Pension Investment Management Program 2014

Public pension trustees and retirement staff won't want to miss the 2014 SACRS Public Pension Investment Management Program, taking place July 20 – 23, 2014. Entitled "Modern Investment Theory and Practice for Retirement Systems," the event is presented in partnership with UC Berkeley's Haas School of Business, whose world-renowned faculty has developed a four-day program designed for trustees and staff who are ready to take their education to the next level.

The SACRS Public Pension Investment Management Program blends the expertise of UC Berkeley's distinguished faculty with a network of industry experts to teach the fundamentals of public pension management. As the spotlight on public pensions grows hotter, trustees and staff are increasingly challenged to grapple with alternative investments, policy and governance changes, cost pressures, and much more. After completing this program, attendees will understand the larger context and history of public pension funds and have the skills and knowledge to make better decisions.

Day 1 features a public pension primer that provides both a sturdy foundation for new trustees and staff and a valuable refresher for veteran fiduciaries. The basic language of finance and portfolio management will be introduced, and participants will explore the building blocks of portfolio construction, time value of money, the tradeoff between risk and return, liability forecasting, and asset-liability matching. On Day 2, attendees will explore more deeply the financial concepts that underlie pension fund management. In a session on real assets, participants will take a deep dive into real estate investments and learn how world events might affect risk and return.

On Days 3 and 4 we put theory into practice: participants will see how different choices and assumptions impact portfolio performance. Working in a team simulation, participants will create investment policy for a retirement system and get real-time performance feedback.

Located in one of the most stimulating business environments in the world, the Berkeley campus is at the intersection of business and academia. Berkeley-Haas is renowned for developing innovative business leaders – individuals who redefine the business landscape by putting new ideas into action in all areas of their organizations.

Education is the cornerstone of SACRS' mission. The Berkeley Executive development staff along with the SACRS Affiliate team is committed to the continual development and delivery of content that is current, innovative, results-driven, and responds to the needs of public pension trustees and staff. Participants in this program will not only gain new insight and knowledge, but will add to the core strengths of our organization; the range of expertise and the diversity of perspective found in the public pension community.

Thank you. We look forward to your participation.

Sincerely,

Doug Rose

Doug Rose
SACRS President
San Diego County

Sulema H. Peterson

Sulema H. Peterson
SACRS Administrator





Day 1

Investing Fundamentals for New Trustees

Day 1 will provide a primer on the basics of public pensions for new trustees. The basic language of finance and portfolio management will be introduced, and participants will explore the basic building blocks of portfolio construction, time value of money, and the tradeoff between risk and return. We also will introduce liability forecasting and asset-liability matching.

SESSION 1: PENSION FUND BASICS

In this session, participants will discuss the mission of the public pension system, receive a primer on the origins and evolution of the public pension system, and learn about the main challenges faced by public pension systems.

SESSION 2: RETURN, RISK, AND DIVERSIFICATION

Here, the basic building blocks of finance will be introduced.

- How to compute returns
- How to measure risk in respect to the CAPM
- Meaning of risk and return
- Present value and future value
- How to measure and track relationships between assets
- What is diversification and how can it be achieved

SESSION 3: RISKS, ASSETS, AND LIABILITIES

In this session, the basic pension balance sheet will be introduced.

- The basic asset classes
- History of basic asset class returns
- Common measures of risk and return performance
- The actuarial problem
- The pension fund matching problem

SESSION 4: THE TOTAL INVESTMENT PORTFOLIO

Here, we will discuss the challenge of funding.

- Asset-liability matching
- Fully funding versus underfunding
- The importance of return assumptions

Throughout day 1, all of the concepts will be explored through participatory, hands-on exercises, to be done in small groups, using both simple computation and Excel applets.

Day 2

Constructing the Portfolio

On day 2, the experienced trustees will join the new trustees to explore more deeply the financial concepts that underlie pension fund management.

SESSION 1: REVIEW OF PENSION FUNDAMENTALS

Participants will discuss the responsibilities of county trustees and the key decisions made by trustees and fund managers.

- What is the most important responsibilities of county trustees?
- What knowledge and information is needed to discharge those responsibilities?
- Review of concepts of risk and return, assets, and liabilities

SESSION 2: PORTFOLIO MANAGEMENT SIMULATION: AN INTRODUCTION

A portfolio modeling tool will be introduced that will form the basis of a simulation.

- The basic concepts will be mapped into the simulation tool
- Brief exercises to cement concepts
- Mini-case covering key concepts

SESSION 3: ACTIVE AND PASSIVE MANAGEMENT

In this session, we will discuss the role of the asset manager.

- How do you define the "risky" portfolio? How do you construct it?
- How do you introduce "active" management into the risky portfolio?

SESSION 4: FORECASTING LIABILITIES

Here, we tie together the two sides of the balance sheet. Participants will use interactive exercises to cement concepts

- What role do the system's liabilities play? How can one get a handle on current and projected liability projection?
- Does the concept of a liability-hedge portfolio make sense? If you believe it does, how would you construct it? If it doesn't, how do you decide on asset allocation?



Day 3

Making the Difficult Decisions

On day 3 we put theory into practice. Participants will see how different choices and assumptions impact portfolio performance. Participants will use interactive exercises to cement concepts.

SESSION 1: BUILDING THE INVESTMENT PORTFOLIO

- How do you decide how much of the total portfolio should be in the risky portfolio? How does/should your assumption about active management affect this decision?
- What role does funded status play in this decision?
- How should changes in funded status be fed back into the risky fraction decision?

SESSION 2: ALTERNATIVE INVESTMENT STRATEGIES

- The rationale for alternatives
- Advanced topics in asset allocation
- Nontraditional asset classes
- The promise and peril of derivatives
- The allure of exotic alternatives

SESSION 3: SIMULATION IMPLEMENTATION

The simulation tool will be used to illustrate different outcomes that result from different liability assumptions and asset mixes. Simulations of various mixes of risky and liability-hedging portfolios will be performed to show the effect of the risky portfolios on annual contributions and funded status. Participants will be provided with a portfolio construction assignment.

SESSION 4: TEAM BREAK OUTS

Participants will work in teams to create investment policy for the case retirement system. Teams meet and decide on risky/liability-hedge mix and use of active management.

Day 4

Evaluating Performance

Today, the teams will present their investment policies, discuss their approaches and test them in a simulation.

SESSION 1: TEAM PRESENTATIONS

- Teams will present their investment policies to the group.
- Groups will debate relative merits of investment policies

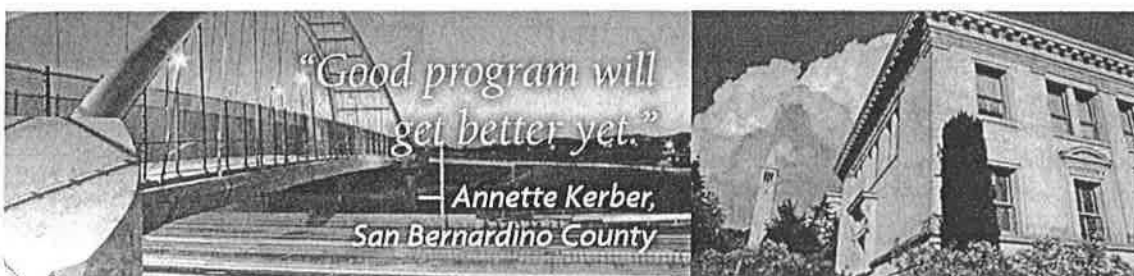
SESSION 2: SIMULATION DEBRIEF

- Results of simulation exercise will be presented to the participants.
- Evaluating the overall performance of the investment program

SESSION 3: BEHAVIORAL FINANCE: OVERCONFIDENCE AND EXPERTISE

In this session, we will discuss the major psychological barriers to prudent decision making by trustees and fund managers.

- Overconfidence
- Heuristics and biases
- Trend following
- Groupthink and herding





THOMAS GILBERT



Thomas Gilbert graduated from the Finance Ph.D. Program at the Haas School of Business in May 2008. Thomas is currently an Assistant Professor of Finance and Business Economics at the Michael G. Foster School of Business, University of Washington. His research lies in the area of information aggregation and the role of macroeconomic announcements on stock prices. Since 2003, he has taught parts of the Certified Investment Management Analyst program (CIMA®) and the Berkeley Finance Series within the Finance Executive Programs at the Haas School of Business. He has also taught in the Undergraduate, Full-Time MBA, and Evening & Weekend MBA programs at Haas, for which he won the Best Graduate Student Instructor Award in 2005, 2006, and 2007. He holds a Masters in Finance from U.C.

Berkeley and a Masters in Physics from Imperial College (United Kingdom).

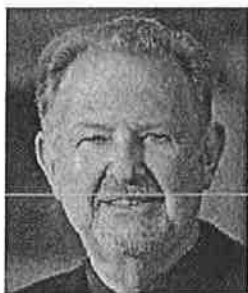
GREGORY LABLANC



Gregory LaBlanc has been a lecturer at UC Berkeley since 2004, teaching courses in Finance, Accounting, Law, and Strategy in the Haas School, the Law School (Boalt Hall) and the department of Economics. Prior to joining the Berkeley faculty, he studied Economics, Business, and Law at the Wharton School of the University of Pennsylvania, George Mason University Law School, Duke Law School, and Berkeley Law (Boalt Hall). He has previously taught Finance, Management, Law and Economics at the Wharton School, Duke University and the University of Virginia and has been a consultant in the fields of IP litigation and competitive intelligence. His research focuses on the impact of tax policy on organizational design, capital formation, and innovation. He has received several teaching awards and has

previously been involved in executive education programs at the Wharton School and Darden School.

JOHN O'BRIEN



John O'Brien is the Executive Director of the Master's in Financial Engineering (MFE) program at UC Berkeley, Haas School of Business. He assisted in developing the MFE program, and became its first Executive Director in July 2000. The Haas MFE is ranked number one in the world. Mr. O'Brien also is adjunct professor of finance at Haas; he created and teaches the MFE course in financial innovation. Professor O'Brien is the Haas faculty director for the Investment Management Consultants Association's preparatory course for its Certified Investment Management Advisor designation.

Prior to joining Haas, Mr. O'Brien was a managing director at Credit Suisse Asset Management in New York. At Credit Suisse, Mr. O'Brien had a series of responsibilities: creating and managing the performance measurement and risk management function, the client service function and the e-commerce effort.

Prior to Credit Suisse, Mr. O'Brien was co-founder, Chairman and CEO of Leland O'Brien Rubinstein (LOR) Associates, and Chairman of the Capital Market Fund, and the S&P 500 SuperTrust – the first exchange traded fund (ETF). LOR is credited with a series of financial market innovations and product offerings – a process that now is called “financial engineering”. Mr. O'Brien co-founded Wilshire Associates (originally operated as O'Brien Associates), and co-developed the Wilshire 5000 common stock index (originally named and published as the O'Brien 5000 Index).

Mr. O'Brien has received various awards, including the Financial Analyst's Graham and Dodd Scroll Award, the Matthew R. McArthur Award from the Investment Management Consultants Association for lifetime contributions to investment consulting. Mr. O'Brien was named among Fortune Magazine's ten Businessmen of the Year in 1987. Mr. O'Brien holds a S.B. in economics from MIT, and an M.S. in operations research from UCLA. He served as a Lieutenant in the United States Air Force.



TERRANCE ODEAN



Terrance Odean is the Willis H. Booth Professor of Banking and Finance at the Haas School of Business at the University of California, Berkeley. He earned a B.A. in Statistics at the University of California, Berkeley in 1990 and a Ph.D. in Finance from the Haas School of Business at the University of California, Berkeley in 1997. He is the former director of UC Berkeley's Experimental Social Science Laboratory and a former editor of *The Review of Financial Studies*. As an undergraduate at Berkeley, Odean studied Judgment and Decision Making with the 2002 Nobel Laureate in Economics, Daniel Kahneman. This led to his current research focus on how decision making biases affect investor welfare and securities prices. His research has been cited in *The Wall Street Journal*, *The New York Times*, *Time*, *Newsweek*, *Business Week*, and many other publications. While studying for his Ph.D., Odean worked at Wells Fargo Nikko Investment Advisors and IRIS Financial Engineering, and co-owned a seat on the Pacific Stock Exchange. During the summer of 1970, he drove a yellow cab in New York City.

DAN SCHNUR

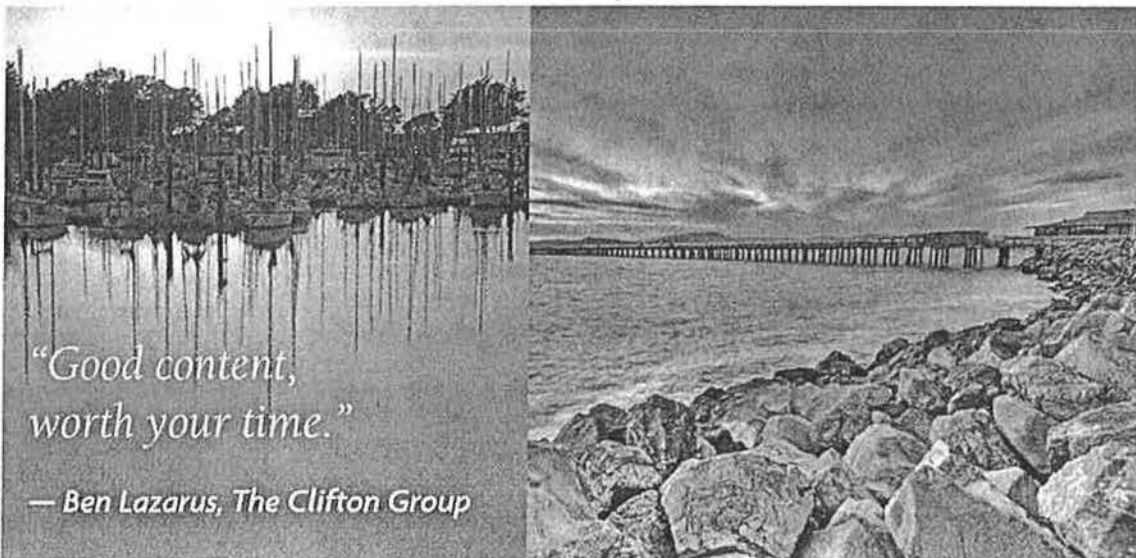


Dan Schnur is the Director of the Jesse M. Unruh Institute of Politics at The University of Southern California where he works to motivate students to become active in the world of politics and encourage public officials to participate in the daily life of USC.

For years, Dan was one of California's leading political and media strategists, whose record includes work on four presidential and three gubernatorial campaigns. Schnur served as the national Director of Communications for the 2000 presidential campaign of U.S. Senator John McCain and spent five years as chief media spokesman for California Governor Pete Wilson. In 2012, Schnur was

appointed as Chairman of the California practices Commission, a position he held through that year's elections and until spring of 2011.

In addition to his position at USC, Schnur is an Adjunct Instructor at the University of California at Berkeley's Institute of Governmental Studies. Schnur has also held the post of Visiting Fellow at the John F. Kennedy School of Government's Institute of Politics at Harvard University and taught an advanced course in political campaign communications at George Washington University's Graduate School of Political Management. He writes regular political commentary for the *Washington Post*, the *New York Times*, and *The Politico* websites, and has also been an analyst and political commentator for CNN, MSNBC, Fox News, and National Public Radio.



**DANIEL LASS, JD, SENIOR VICE PRESIDENT,
STANDISH**

Dan is a Senior Vice President of Standish, responsible for sales and marketing to US Public Funds. Dan joined Standish in 2009 directing marketing and sales for Coefficient Global Macro Funds. Prior to joining Standish, Dan was a Partner and Managing Director of Pareto Partners in London and in New York. Previous to Pareto, Dan was

Vice President at Bankers Trust Company in Los Angeles and London and began his professional career as Deputy Director and in-house counsel to the Minneapolis Employees' Retirement Fund. Dan earned his J.D. from the University of Notre Dame and his B.S. from the University of Minnesota. Dan has over 30 years of investment industry experience and holds his Series 30, 7 and 65 securities licenses.

BEN LAZARUS, PARAMETRIC CLIFTON

Ben Lazarus, Director, Institutional Relationships – Western North America, joined Parametric Clifton in 2004. He is responsible for developing, coordinating, and executing the business development and client services plan for Parametric Clifton's unique family of products with emphasis on the Western region of the United

States and Canada. In addition, Ben works on developing new strategies for Parametric Clifton and has presented on the use of derivatives at different industry events. Prior to joining Parametric Clifton, he was the Director of Sales Strategy at Deluxe Corporation in St. Paul, Minnesota. Ben holds a B.A. in Psychology from the University of California, San Diego and an M.B.A. in Marketing and Strategic Management from the University of Minnesota. He is a CFA charterholder and a member of the CFA Society of Minnesota.

TERI NOBLE, AMERICAN REALTY ADVISORS

Teri Noble is responsible for marketing American Realty Advisors' full line of real estate investment management services, including commingled fund and separate account investment programs to institutional clients in the Western United States. Most recently, Ms. Noble served as the Senior Vice President of Relationship Management at

Convergenx where she was responsible for relationship management with plan sponsors and consultants and developing new business opportunities throughout the in-

"Yes, I feel that all staff and board members should take advantage of this course. This course has been a refresher and update on many of the concepts used at board meeting level."

*— Sharon Naramore,
Contra Costa County Employees
Retirement Association*

stitutional investor and investment consultant community. Ms. Noble is the Vice President of the National Association of Securities Professionals - San Francisco Chapter and recently served as Board Director for the Financial Women's Association of San Francisco and as Vice President for the NASP (San Francisco Chapter).

DELIA M. ROGES, INVESCO



Delia Roges is a member of the Invesco US Institutional Sales & Service team. As managing director, she is responsible for relationship management and new business generation for institutional investors in public funds in the western United States. Mrs. Roges has been in the institutional investment management business since 1991. Prior

to joining Invesco in 2011, she was a senior member of a boutique investment banking and private placement firm focused on securing capital for private equity and real estate general partnerships.

Previously, she served nearly 14 years as a senior vice president for Trust Company of the West (TCW) where she was responsible for advising institutional clients and developing product solutions primarily for new business development. She joined TCW in 1994 from Southern California Edison Company (SCE) where she held various investment responsibilities in the Corporate Treasurer's Department.

Mrs. Roges presently serves on the Board of Regents to Loyola Marymount University (LMU) and on the Board of Visitors at the School of Education at LMU. She earned an MBA from the University of Southern California and a Bachelors in Business Administration from Loyola Marymount University.

GRAHAM SCHMIDT, CHEIRON



Graham Schmidt (Associate-SOA, Member-AAA, Fellow-CCA) served as the Senior Vice President of EFI Actuaries for ten years before joining Cheiron as a consulting actuary upon the merger of EFI and Cheiron in 2013. Graham is a frequent speaker at public employer conferences, on topics including actuarial funding policies, asset-liability management and GASB-related issues. In recent years, he has

spoken at national meetings sponsored by NCPERS, the Society of Actuaries, the Academy of Actuaries and other regional organizations, such as SACRS and CALAPRS. Graham is the SACRS-appointed representative to the California Actuarial Advisory Panel (CAAP), and is also a member of the Academy of Actuaries Public Plans Subcommittee and the Conference of Consulting Actuaries Public Plans Committee, the primary actuarial committees dealing with public sector retirement issues in the US.

KRISTIN V. SHOFNER, PYRAMIS GLOBAL ADVISORS



Kristin Shofner, is senior vice president, Business Development at Pyramis Global Advisors, a Fidelity Investments company. In this role, she leads the development of relationships with public pension plans.

Prior to joining Pyramis in 2013, Kristin was a director of Institutional Sales and Marketing at Lord Abbett & Co,

Inc since June 2003. Her previous positions include serving as a manager of Institutional Sales and Client Services from 2000 to 2003 and as a manager research associate from 1998 to 2000 at Asset Strategy Consulting/InvestorForce, Inc. She has been in the industry since 1998.

Kristin earned her bachelor of arts degree in history and sociology from the University of California at Santa Barbara.

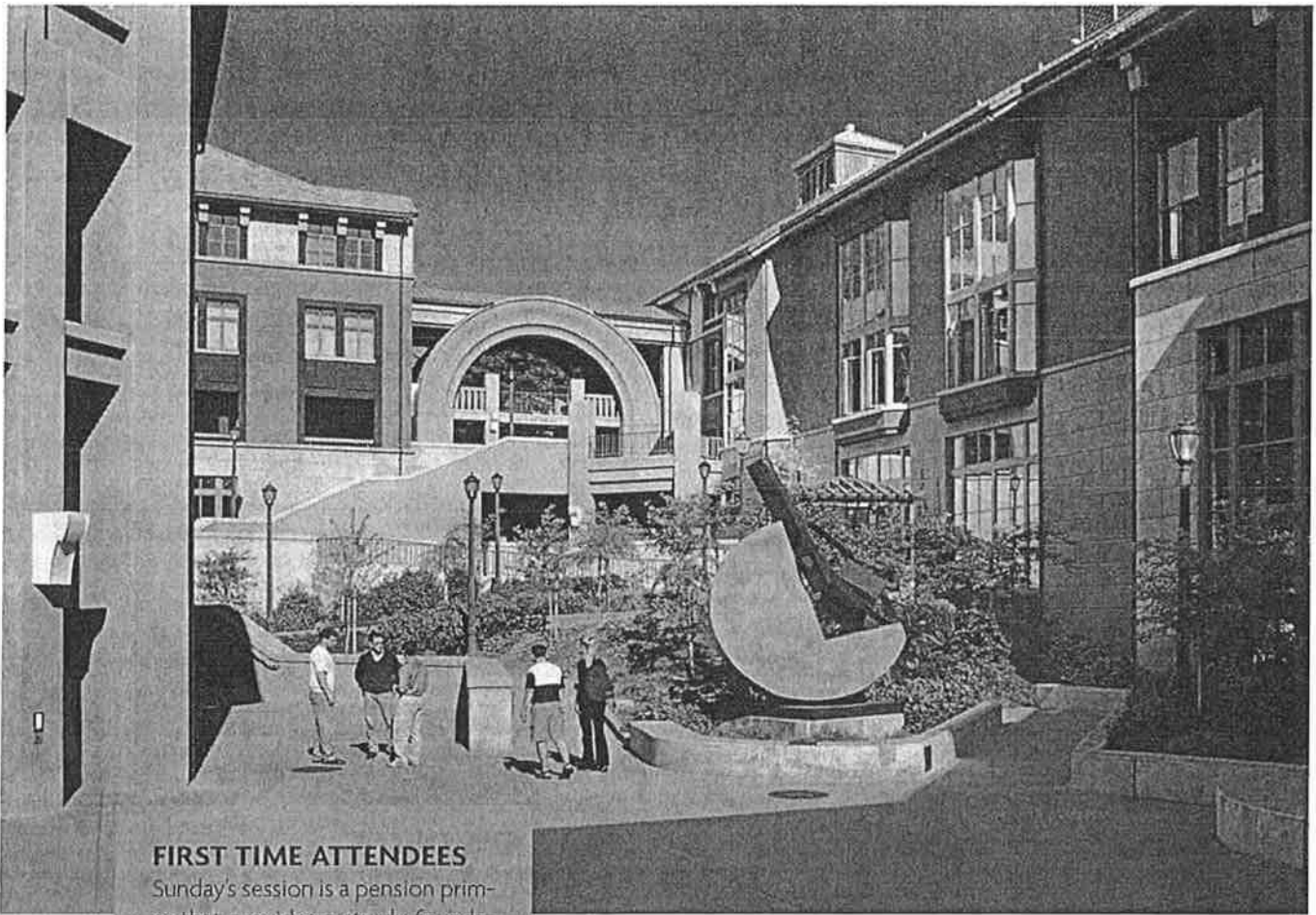
SCOTT J. WHALEN, CFA, WURTS AND ASSOCIATES



Scott J. Whalen, Executive Vice President and Senior Consultant, serves primarily to provide high quality strategic investment advice and ensure his clients meet their long-term investment objectives. In addition, Mr. Whalen is a key member of the Wurts & Associates leadership team. He sits on the Management Committee and oversees

the Los Angeles consulting staff. Prior to joining Wurts & Associates, Mr. Whalen built a distinguished career in management consulting with McKinsey & Company and Ernst & Young, where he led corporate and public sector institutions to increase efficiency and improve operational performance.

Through his vast experience working with multiple stakeholders across industries, Mr. Whalen has honed his ability to drive effective decision-making, often in challenging environments. He is a recognized speaker at industry conferences, where he has presented on a broad range of investment topics including asset allocation, alternative investing, investment manager oversight, attaining operational efficiencies in investment programs, the challenges and potential benefits of dynamic asset allocation, and the importance of maintaining a long-term perspective.



FIRST TIME ATTENDEES

Sunday's session is a pension primer that provides a sturdy foundation for new trustees and staff. The basic language of finance and portfolio management will be introduced, and participants will explore the building blocks of portfolio construction, time value of money, the tradeoff between risk and return, liability forecasting, and asset-liability matching.

RETURNING ATTENDEES

We encourage returning attendees, trustees and staff, to participate during Sunday's session to give you both a valuable refresher on the basics and an opportunity to share your experiences as veteran fiduciaries with your fellow classmates.



Participants will bring a strategic challenge from their own Retirement Plans to the program. They will have the opportunity to further define and develop their knowledge and objectives under faculty guidance.

The strength of the Haas School of Business is expressed in their philosophy "Leading through Innovation." Successful Retirement Plan Managers recognize innovation as an opportunity to maximize the creation of value. This program focuses on individual, team, and organizational levels of innovative potential.

The Public Pension Retirement Management Program is carefully designed to give participants access to the tools, the knowledge and the networks they need to master their particular challenges. Participants will bring a strategic challenge from their own Retirement Plans to the program. They will have the opportunity to further define and develop their knowledge and objectives under faculty guidance.

The programs are taught by the very same top faculty who teach in the UC Berkeley's Business Program—ranked Number 1 in the world. Outstanding faculty includes the top names of classical finance, Thomas Gilbert, and of behavioral finance, Terrance Odean. The programs are on the absolute cutting edge of today's research.



CONFERENCE REGISTRATION

Registration online at www.sacrs.org
JULY 20–23, 2014

All conference activities will take place on the campus of **UC Berkeley Center for Executive Education**. The host hotel is the **Claremont Resort and Spa**. Both locations are tucked away in the beautiful Berkeley hillside. Price for the session is \$2500 per person. (Price includes registration, training materials, food and beverage and daily transportation to and from the Claremont Hotel/UC Berkeley.)

PROGRAM LOCATION

UC Berkeley Center for Executive Education
2220 Piedmont Ave., Berkeley, CA 94720-1900

In order to receive a refund, you must cancel your registration by June 30, 2014. After June 30, 2014 no refunds will be permitted.

Participation is limited.

Register early by visiting www.sacrs.org. To submit your registration, complete the enclosed form and:

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C/O Sulema Peterson
1415 L Street, Suite 1000
Sacramento, CA 95814

OR E-MAIL TO: Sulema@sacrs.org

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and submit online

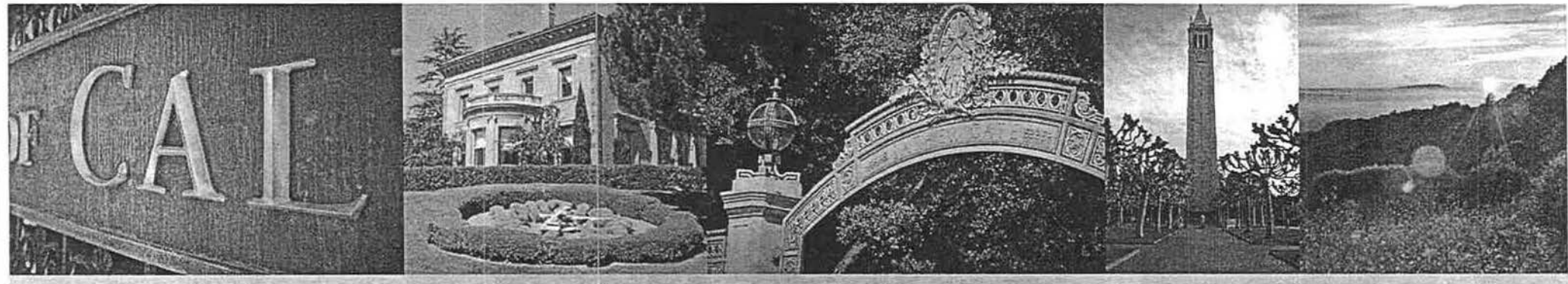
HOTEL RESERVATIONS

Claremont Resort and Spa
41 Tunnel Road, Berkeley, CA 94705
Tel: (510) 843-3000

Accommodations will be made for confirmed attendees at the **Claremont Resort and Spa** located just minutes away from UC Berkeley in the beautiful Berkeley Hills. Shuttle service between the hotel and UC Berkeley will be provided. **SACRS room rate is \$199 per room (not including tax)**. Overnight parking is available at \$18.00 per day per vehicle. Additionally, the hotel charges guests a \$10.00 (plus tax) resort fee per room/per day. This fee is to cover use of the computers and internet in the Business Center, High Speed Internet access in guest room, access to the Private Club & Fitness Center and all fitness classes, local calls, newspaper delivery and in-room coffee.

Cancellation with no penalties is 72 hours prior to arrival. **All hotel reservations will be made through SACRS. Please do not call the hotel directly to make reservations!** To reserve your hotel accommodations, contact Sulema H. Peterson, SACRS Administrator at the following: Sulema@sacrs.org or (916) 441-1850.

The UC Berkeley faculty members and participants enjoy meals together during the 3 day course. Topics from daily discussions are very often reinforced, vetted and simplified. During the evening, participants often enjoy dinner together as a group, taking in Berkeley's local restaurants within walking distance from the hotel. The informal and collegial atmosphere that develops at the SACRS UC Berkeley Program is one that is very special and unique compared with any other course and conference setting.



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