

# VENTURA COUNTY EMPLOYEES' RETIREMENT ASSOCIATION

## BOARD OF RETIREMENT

### DISABILITY MEETING

October 5, 2015

#### **AGENDA**

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

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

*Members of the public may comment on any item under the Board's jurisdiction by filling out a speaker form and presenting it to the Clerk. Unless otherwise directed by the Chair, comments related to items on the agenda will be heard when the Board considers that item. Comments related to items not on the agenda will generally be heard at the time designated for Public Comment.*

#### **ITEM:**

- |      |   |                    |
|------|---|--------------------|
| I.   | <b><u>CALL TO ORDER</u></b>   | Master<br>Page No. |
| II.  | <b><u>APPROVAL OF AGENDA</u></b>  | 1 – 3              |
| III. | <b><u>APPROVAL OF MINUTES</u></b>   |                    |
|      | A. Special Meeting of September 16, 2015.                                       | 4 – 7              |
|      | B. Business Meeting of September 21, 2015.                                      | 8 – 15             |
| IV.  | <b><u>RECEIVE AND FILE PENDING DISABILITY APPLICATION<br/>STATUS REPORT</u></b> | 16 – 45            |

**V. APPLICATIONS FOR DISABILITY RETIREMENT**

- A. Application for Non-Service Connected Disability Retirement, Randall C. Dalton; Case No. 13-035
  - 1. Recommendation from Staff to Consider Non-Service Connected Disability Retirement Application Dismissed, Without Prejudice 46 – 47
  - 2. Excerpt from Disability Application Status Report 48
  - 3. Hearing Notice served on September 24, 2015. 49 – 50
- B. Application for Service Connected Disability Retirement, Karen Anderson; Case No. 11-021.  
(Continued from the disability meeting of September 14, 2015)
  - 1. Proposed Findings of Fact, Conclusions of Law, and Recommendation, submitted by Hearing Officer Kenneth A. Perea, dated March 18, 2015. 51 – 80
  - 2. Hearing Decision Notice dated September 14, 2015. 81 – 82
  - 3. Hearing Notice served on September 28, 2015. 83 – 84

**VI. OLD BUSINESS**

- A. Chief Investment Officer Performance Evaluation Process 85  
*(materials will be on file with the Clerk and will be available prior to the meeting)*
- B. Update on Discussion of Reporting Relationships of VCERA Executive Management Staff to the Board and Retirement Administrator

**VII. NEW BUSINESS**

- A. Appointment of SACRS Voting Proxy for Fall 2015 Conference 86
- B. SACRS 2016 Legislative Proposals - Consider and Take Possible Action to Provide Direction to Voting Delegates
  - 1. Summary of Proposals 87 – 88
    - a. District Status for 1937 Act County Employee Retirement Systems (SACRS Board of Directors) 89 – 91

**VII.     NEW BUSINESS (continued)**

- |    |   |          |
|----|---|----------|
| b. | Optional Employee Sworn Statements (SDCERA)     | 92 – 93  |
| c. | Alternate Retiree Trustee Voting (Merced CERA)  | 94 – 97  |
| d. | BOR Trustee Per Diem (SACRS Board of Directors) | 98 – 100 |

**VIII.    PUBLIC COMMENT**

**IX.     STAFF COMMENT**

**X.      BOARD MEMBER COMMENT**

**XI.     ADJOURNMENT**

# **VENTURA COUNTY EMPLOYEES' RETIREMENT ASSOCIATION**

## **BOARD OF RETIREMENT**

### **SPECIAL MEETING**

**September 16, 2015**

### **MINUTES**

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

**DIRECTORS** Peter C. Foy, Public Member  
**ABSENT:** Mike Sedell, Public Member

**STAFF**  
**PRESENT:** Linda Webb, Retirement Administrator  
Henry Solis, Chief Financial Officer  
Dan Gallagher, Chief Investment Officer  
Lori Nemiroff, Assistant County Counsel  
Julie Stallings, Chief Operations Officer  
Vickie Williams, Retirement Benefits Manager  
Donna Edwards, Retirement Specialist  
Stephanie Caiazza, Program Assistant

**PLACE:** Ventura Beach Marriott  
Brisas Room I  
2055 East Harbor Boulevard  
Ventura, CA 93001

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

**ITEM:**

**I. CALL TO ORDER & APPROVAL OF AGENDA**

Chair Towner called the Special Meeting of September 16, 2015, to order at 9:00 a.m.

The following motion was made:

**MOTION:** Approve the agenda.

Moved by Henderson, seconded by Wilson.

Vote: Motion carried

Yes: Goulet, Johnston, Hintz, Henderson, Winter, McCormick, Wilson

No: -

Absent: Foy, Sedell

**II. Recommendation to Engage Outside Counsel for Consultation on Human Resources Contracted Services Related to AB1291**

**A. Letter from Staff**

The following motion was made:

**MOTION:** Authorize Retirement Administrator to engage outside counsel to assist VCERA in implementing Government Code Section 31468 (AB 1291), up to an amount not to exceed \$25,000. Authorize Board Chair to sign engagement letter for the agreement.

Moved by Goulet, seconded by McCormick.

Vote: Motion carried

Yes: Goulet, Johnston, Hintz, Henderson, Winter, McCormick, Wilson

No: -

Absent: Foy, Sedell

**III. Asset Allocation Portfolio Analysis**

Dan Gallagher, VCERA Chief Investment Officer

Following the presentation and discussion, the Board directed Mr. Gallagher to move forward with his Alternative #1 mix and to work with NEPC to bring back to the Board additional analysis of that mix with recommended asset allocation targets, ranges, and benchmarks.

IV. **Board Governance: Building an Ever-Improving Model**

Ashley Dunning, Nossaman

V. **Investment Risk**

Howard Marks, Chairman, Oaktree Capital Management

VI. **Behavioral Bias, Risk Taking and Market Evolution**  
**Observations for Active Management**

Laird Landmann, TCW

VII. **Update of Preliminary Report on PEPR Pensionable Compensation**  
**Analysis**

VCERA Staff & Ashley Dunning, Nossaman LLP

- A. Letter from Staff
- B. July 20, 2015 Preliminary Report on PEPR Pensionable Compensation Analysis
- C. Addendum to July 20, 2015 Preliminary Report for County of Ventura Pay Codes
- D. Addendum to July 20, 2015 Preliminary Report for Ventura County Regional Sanitation District Pay Codes
- E. PEPR Pensionable Compensation Response from Stephen H. Silver

Received public comment from Stephen Silver, Attorney at Law, who spoke on behalf of Ventura County Deputy Sheriffs Association (VCDSA), Ventura County Professional Firefighters Association (VCPFA) and the Ventura County Professional Peace Officers Association (VCPPOA).

Received public comment from Rick Shimmel, Attorney at Law, representing Ventura County Deputy Sheriffs Association (VCDSA).

Received public comment from SEIU representatives Mark Richmond, Joe Kahraman, and Angela Portillo.

Received public comment from Paul Derse, Ventura County Chief Financial Officer.

Trustee McCormick left the meeting during this item, at 3:50 p.m.

After discussion, the following motion was made:

MOTION: Receive and file addendums to July 20, 2015 Preliminary Report on Pensionable Compensation Analysis, and defer formal scheduled action until the business meeting of October 19, 2015 to allow until October 2, 2015 for all employees and stakeholders to provide written feedback and input.

Moved by Henderson, seconded by Hintz.

Vote: Motion carried

Yes: Goulet, Johnston, Hintz, Henderson, Winter, Wilson

No: -

Absent: Foy, Sedell, McCormick

**VIII. PUBLIC COMMENT**

None.

**IX. STAFF COMMENT**

None.

**X. BOARD MEMBER COMMENT**

Trustee Goulet commended counsel and staff on their work on the PEPR pensionable compensation update.

**XI. ADJOURNMENT**

The meeting was adjourned at 4:35 p.m.

Respectfully submitted,



---

LINDA WEBB, Retirement Administrator

Approved,

---

TRACY TOWNER, Chairman

# **VENTURA COUNTY EMPLOYEES' RETIREMENT ASSOCIATION**

## **BOARD OF RETIREMENT**

### **BUSINESS MEETING**

**September 21, 2015**

#### **MINUTES**

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

**DIRECTORS** Joseph Henderson, Public Member  
**ABSENT:**

**STAFF** Linda Webb, Retirement Administrator  
**PRESENT:** Henry Solis, Chief Financial Officer  
Dan Gallagher, Chief Investment Officer  
Lori Nemiroff, Assistant County Counsel  
Julie Stallings, Chief Operations Officer  
Chantell Garcia, Retirement Benefits Specialist  
Stephanie Caiazza, Program Assistant

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

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



**ITEM:**

**I. CALL TO ORDER**

Chair Towner called the Business Meeting of September 21, 2015, to order at 9:00 a.m.

**II. APPROVAL OF AGENDA**

The following motion was made:

**MOTION:** Approve the agenda.

Moved by Johnston, seconded by McCormick.

Vote: Motion carried

Yes: Goulet, Johnston, Hintz, Sedell, Winter, McCormick

No: -

Absent: Foy, Wilson, Henderson

**III. APPROVAL OF MINUTES**

A. Disability Meeting of September 14, 2015.

Ms. Webb offered a correction to page 4 of the minutes, stating that the motion on the application under item V.D. was to deny both service connected and non-service connected disability retirement. Ms. Webb offered a correction to a typographical error on the word "recommendation" on page 4 of the minutes.

**MOTION:** Approve as amended.

Moved by Goulet, seconded by Johnston.

Vote: Motion carried

Yes: Goulet, Johnston, Hintz, Sedell, Winter, McCormick

No: -

Absent: Foy, Wilson, Henderson

**IV. CONSENT AGENDA**

A. Approve Regular and Deferred Retirements and Survivors Continuances for the Month of July 2015

- B. Approve Regular and Deferred Retirements and Survivors Continuances for the Month of August 2015
- C. Receive and File Report of Checks Disbursed in July 2015
- D. Receive and File Report of Checks Disbursed in August 2015
- E. Receive and File Statement of Fiduciary Net Position, Statement of Changes in Fiduciary Net Position, Schedule of Investments and Cash Equivalents, and Schedule of Investment Management Fees for the Period Ending June 30, 2015.
- F. Receive and File Budget Summary for FY 2014-15 Month Ending June 30, 2015 (Final)
- G. Receive and File Budget Summary for FY 2015-16 Month Ending July 31, 2015
- H. Receive and File Budget Summary for FY 2015-16 Month Ending August 31, 2015

MOTION: Approve the Consent Agenda.

Moved by Hintz, seconded by Goulet.

Vote: Motion carried

Yes: Goulet, Johnston, Hintz, Winter, McCormick

No: -

Absent: Foy, Wilson, Henderson

Abstain: Sedell

Trustee Foy and Trustee Wilson arrived after this item at 9:03 a.m.

**V. INVESTMENT MANAGER PRESENTATIONS**

- A. Receive Annual Investment Presentation, Loomis Sayles, Stephanie S. Lord, Vice President (30 Minutes)

Stephanie S. Lord was present on behalf of Loomis Sayles to provide an organizational and investment performance update.

- B. Receive Annual Investment Presentation, PIMCO, David J. Blair, Senior Vice President, Account Manager, Sasha Talcott, Vice President, Account Manager (30 Minutes)

David J. Blair and Sasha Talcott were present on behalf of PIMCO to provide an organizational and investment performance update.

**VI. INVESTMENT INFORMATION**

The Board advanced to agenda item "VII. Actuarial Information", then continued to item "VI. Investment Information".

**A. NEPC – Allan Martin, Partner.**

**1. Quarterly Performance Report Month Ending June 30, 2015**

After discussion by the Board, Chief Investment Officer, and Mr. Martin, the following motion was made:

MOTION: Receive and file.

Moved by Hintz, seconded by Goulet.

Vote: Motion carried

Yes: Goulet, Foy, Johnston, Hintz, Sedell, Winter, McCormick,  
Wilson

No: -

Absent: Henderson

**2. Preliminary Performance Report Month Ending August 31, 2015**

The following motion was made:

MOTION: Receive and file.

Moved by McCormick, seconded by Winter.

Vote: Motion carried

Yes: Goulet, Foy, Johnston, Hintz, Sedell, Winter, McCormick,  
Wilson

No: -

Absent: Henderson

**VII. ACTUARIAL INFORMATION**

**A. Governmental Accounting Standards (GAS) 68 Actuarial Valuation as of June 30, 2015.**

Paul Angelo, FSA and John Monroe, ASA of Segal Consulting, Presenting via Teleconference

Time: 10:00 a.m.

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

MOTION: Approve.

Moved by Wilson, seconded by Hintz.

Vote: Motion carried

Yes: Goulet, Foy, Johnston, Hintz, Sedell, Winter, McCormick,  
Wilson

No: -

Absent: Henderson

**B. Segal Contract Renewal for Actuarial Services, and Proposed Schedule of Fixed Fees and Hourly Billing Rates**

1. Staff Letter

2. Actuarial Services Agreement between VCERA and The Segal Company (2003)

After discussion, the following motion was made:

MOTION: Grant authority to the Retirement Administrator to execute a contract amendment that includes the additional services of GASB 67 and 68, and to approve the fee letter, adopting the change of billing general consulting services to a time and materials basis.

Moved by Goulet, seconded by Foy.

Vote: Motion carried

Yes: Goulet, Foy, Johnston, Hintz, Sedell, Winter, McCormick,  
Wilson

No: -

Absent: Henderson

**VII. OLD BUSINESS**

**A. VCERIS Pension Administration Project Linea Solutions Change Order #7 Correction**

1. Staff Letter

2. Corrected Change Order #7

The following motion was made:

MOTION: Approve corrected Linea Solutions Change Order #7,  
and grant the Chair the authority to sign the revised contract.

Moved by Goulet, seconded by Winter.

Vote: Motion carried

Yes: Goulet, Foy, Johnston, Hintz, Sedell, Winter, McCormick,  
Wilson

No: -

Absent: Henderson

**IX. NEW BUSINESS**

- A. Discussion of Reporting Relationships of VCERA Executive  
Management Staff to the Board and Retirement Administrator

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

MOTION: Direct staff to obtain an estimate of the cost for Cortex to  
evaluate VCERA's organization and present their recommendations on  
organizational structure.

Moved by Foy, seconded by Sedell.

Vote: Motion carried

Yes: Goulet, Foy, Johnston, Hintz, Sedell, Winter, McCormick,  
Wilson

No: -

Absent: Henderson

**X. INFORMATIONAL**

- A. Letter to Board of Supervisors Regarding Board Member Terms, dated  
September 18, 2015

**XI. CLOSED SESSION**

- A. CONFERENCE WITH LEGAL COUNSEL-EXISTING LITIGATION  
(Government Code section 54956.9(a))  
Name of Case: In Re Motors Liquidation Company, et al, Bankr. Case  
No. 09-50026 (REG) Motors Liquidation Company Avoidance Action  
Trust v. JPMorgan Chase Bank, N.A. et al, Adv. Pro. 09-00504 (REG)

- B. CONFERENCE WITH LEGAL COUNSEL - PENDING LITIGATION (Gov. Code sec. 54956.9(c))  
Consider and take possible action regarding filing of amicus curiae brief in support of retirement system respondent in *Flethez v. San Bernardino County Employees' Retirement Association* (California Supreme Court Case No. S227679)

After returning from Closed Session, Counsel announced that the Board took action in the filing of amicus curiae brief in support of retirement system respondent in *Flethez v. San Bernardino County Employees' Retirement Association* (California Supreme Court Case No. S227679)

**XII. PUBLIC COMMENT**

None.

**XII. STAFF COMMENT**

Mr. Gallagher stated that has begun working with NEPC under the Board's direction in order to bring forward another asset allocation plan.

With regard to the ongoing labor dispute concerning the Doubletree Los Angeles hotel owned by UBS, Mr. Gallagher reported that the workers voted to unionize and Unite Here indicated that they would work with UBS and the hotel to make it more profitable.

Mr. Gallagher provided a personnel update on Sprucegrove and distributed a report on the due diligence visit to Reams, Tortoise, and State Street, and shared that he and Ms. McCormick found no items of concern during their visit.

Lastly, Mr. Gallagher stated that he wished to inform the Board that his daughter is employed by BlackRock as a consultant. Mr. Gallagher specified that his daughter is not involved in investment management and that he had been previously advised that this was of no fiduciary concern from a legal perspective, but wanted to provide this information to the Board in the interest of transparency.

Ms. Webb reported that she had plans to meet with representatives from SEIU and with representatives from the County of Ventura CEO's office, to discuss pay codes and issues regarding the pensionable compensation analysis.

**XIII. BOARD MEMBER COMMENT**

Trustee Johnston commended Mr. Gallagher and Trustee McCormick on their due diligence visit report.

Trustee Wilson suggested further discussion at a later time of potentially discounting the pre-paid County employer contributions by the short-term bond rate.

**XIV. ADJOURNMENT**

The meeting was adjourned at 12:25 p.m.

Respectfully submitted,



---

LINDA WEBB, Retirement Administrator

Approved,

---

TRACY TOWNER, Chairman

# VENTURA COUNTY EMPLOYEES' RETIREMENT ASSOCIATION

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

---

October 5, 2015

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

## **SUBJECT: CHIEF INVESTMENT OFFICER PERFORMANCE EVALUATION PROCESS**

Board Members:

The initial performance review for Dan Gallagher is due in the pay period beginning November 1<sup>st</sup>.

The Personnel Review Committee ("PRC") is in the process of reviewing possible recommendations regarding organizational structure and performance evaluation procedures for the current executive management positions, and the General Counsel, which will become effective after January 1, 2016.

Attached is an interim review form for Mr. Gallagher, which is based on the form used for the Retirement Administrator. In the event the PRC approves this form at its meeting on October 5, 2015, the PRC will recommend that the Board take action at its October 5, 2015 meeting to approve the interim use of this form, with any desired minor changes, so that we can move forward with Mr. Gallagher's evaluation in a timely manner. We plan to distribute copies of the final evaluation form to the Board by the end of the October 5, 2015 Disability Meeting.



Will Hoag  
Chair, PRC



## VENTURA COUNTY EMPLOYEES' RETIREMENT ASSOCIATION

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

---

October 5, 2015

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

**SUBJECT: SACRS VOTING DELEGATE**

Dear Board Members:

Staff recommends the appointment of a voting delegate and alternate voting delegate for the Fall 2015 SACRS (State Association of County Retirement Systems) conference.

As you are aware, each member retirement system is expected to participate and vote at the SACRS Business Meeting. Staff will provide the voting proxy form to SACRS to reflect Board's direction.

Sincerely,



Linda Webb  
Retirement Administrator

**From:** Jim Lites  
**Sent:** Wednesday, September 23, 2015 4:26 PM  
**Subject:** SACRS 2016 Legislative Proposals

Good afternoon SACRS Members –

Last week, the SACRS Legislative Committee considered four 2016 proposals. Two are recommended to go forward as SACRS-sponsored proposals in 2016 and consideration at the SACRS Business Meeting on November 20<sup>th</sup>.

Legislative Proposals Approved for Consideration for SACRS Sponsorship in 2016:

- 1) **District Status for 1937 Act County Employee Retirement Systems (SACRS Board of Directors).** This proposal would offer county Boards of Retirement options for pursuing District status. The option could follow the existing model utilized by OCERS in Govt Code Section 31468 or the VCERA approach enacted this year in AB 1291, which identifies specific positions that comprise the District. Specific language for this proposal would be developed by the Legislative Committee.
- 2) **Optional Employee Sworn Statements (SDCERA).** This proposal will allow 1937 Systems to accept electronic data in lieu of sworn statements from county employees. The proposal will not prevent systems from maintaining the requirement for, or continuing to utilize sworn statements.

Legislative Proposals Deferred Pending Additional Information:

- 3) **Alternate Retiree Trustee Voting (Merced CERA).** This proposal will add voting responsibilities for Alternate Retirees in the event

of certain trustee absences. This measure was deferred by the Legislative Committee until the October meeting while the SACRS consultants explore how various SACRS stakeholders may view the proposal. Legislative proposals related to alternate trustee voting have faced opposition in the past and the Committee wanted to further vet this specific proposal before presenting it to SACRS for consideration.

- 4) **BOR Trustee Per Diem (SACRS Board of Directors).** Based on direction from the SACRS Board of Directors to the Legislative Committee, this proposal was also deferred for the entirety of 2016 to explore with stakeholders how a proposal to increase trustee per diem payments would be received. The SACRS consultants will explore the question and convey the feedback to the Legislative Committee. PLEASE NOTE: The \$200 dollar figure in the attached proposal was for discussion purposes and not the specific recommendation of the SACRS BOD nor the Legislative Committee.

Thank you and please let us know if you have any questions at all.

Jim

Jim Lites  
California Strategies  
980 9<sup>th</sup> Street, Suite 2000  
Sacramento, CA 95814  
(916) 266-4575 – o  
(916) 601-1885 – c  
[jlites@calstrat.com](mailto:jlites@calstrat.com)

## YEAR 2016 SACRS LEGISLATIVE PLATFORM WORKSHEET

**PLEASE COMPLETE AND RETURN BY SEPTEMBER 4, 2015**

Title of Issue: 1937 Act County District Status Authorization

Association: SACRS Board of Directors

Contact Person: Jim Lites

Phone #: 916 266-4575

Fax #: 916 266-4580

Email: [jlites@calstrat.com](mailto:jlites@calstrat.com)

Please answer the following questions as fully as possible:

1. Description of issue.

District authorization essentially allows a county retirement system to hire key executive personnel as employees of the retirement system, rather than employees of the county. Orange, San Bernardino and Contra Costa already operate under this section of the County Employees Retirement Law of 1937. The Ventura County Employees Retirement System sponsored AB 1291/Ch. 223, Statutes of 2015, which provides a modified version of district status for Ventura.

With the enactment of the Public Employee Pension Reform Act of 2012 (PEPRA), one of the responsibilities PEPRA mandates upon boards of retirement is the requirement to monitor and enforce the anti-spiking provisions of the measure. With senior retirement system personnel as employees of the retirement system rather than the county, 1937 systems will have greater independence to fulfill the PEPRA anti-spiking provisions. In addition, it will assist our local retirement system in attracting and retaining highly-talented human capital necessary to effectively manage a retirement system and an investment portfolio in today's investment marketplace.

2. Recommended solution.

Provide statutory authorization for the Board of Retirement for any 1937 act system to make an election to become an independent district.

3. Specific language that you would like changed in, or added to, '37 Act Law, and suggested code section numbers.

The intent is to amend Government Code Sections 31468 and 31522.5 to allow each 1937 Act county retirement system to elect to have district status. The specific language will be written based on the guidance of the SACRS Legislative Committee.

4. Why should the proposed legislation be sponsored by SACRS rather than by your individual retirement association?

This proposal would provide the remaining 1937 Act county retirement systems with the authority to become a district. The requested revisions will affect all CERL systems that have not yet sought legislation to obtain district status.

5. Do you anticipate that the proposed legislation would create any major problems, such as conflicting with Proposition 162 or create a problem with any of the other 19 SACRS retirement associations?

The intent of this proposal is to provide county-optional authority.

6. Who will support or oppose this proposed change in the law?

SACRS would seek support from other 1937 Act stakeholders.

7. Who will be available from your association to testify before the Legislature?

Richard Stensrud, Chair, SACRS Legislative Committee.

E-mail or mail your legislative proposals to:

**Jim Lites**  
**California Strategies, LLC**  
**980 9<sup>th</sup> Street, Suite 2000**  
**Sacramento, CA 95814**  
**Phone: (916) 266-4575**  
**Email: [jlites@calstrat.com](mailto:jlites@calstrat.com)**



CALIFORNIA STRATEGIES, LLC

**MEMORANDUM**

**TO: SACRS ADMINISTRATORS and RETIREMENT BOARD CHAIR**

**FROM: RICHARD STENSRUD  
JIM LITES**

**DATE: JUNE 24, 2015**

**SUBJECT: SACRS YEAR 2016 LEGISLATIVE TIMELINES**

If you intend to propose legislation to be sponsored by SACRS, please return your request, EXPLAINED ON THE ATTACHED WORKSHEET, by September 4, 2015 to:

**Jim Lites  
California Strategies, LLC  
980 9<sup>th</sup> Street, Suite 2000  
Sacramento, CA 95814  
Phone: (916) 266-4575  
Email: [jlites@calstrat.com](mailto:jlites@calstrat.com)**

The SACRS Legislative Committee has adopted a calendar for soliciting legislative proposals from SACRS retirement associations for the year 2016:

June 24, 2015

E-mailing of Committee request that retirement associations submit proposals for inclusion in the SACRS 2016 Legislative Platform.

September 4, 2015

Deadline for requests to be received by California Strategies.

September 8, 2015

California Strategies will e-mail legislative requests to Legislative Committee members.

September 18, 2015

Date of Legislative Committee meeting at which association requests will be discussed.

October 5, 2015

Legislative Committee will submit proposals, (both those that the Legislative Committee recommends by inclusion in SACRS Legislative Platform, and other proposals received) to all retirement associations for consideration.

November 2015 (date TBD)

Those legislative proposals recommended by the Legislative Committee, as well as other proposals, will be discussed at the SACRS Fall Conference.

## YEAR 2016 SACRS LEGISLATIVE PLATFORM WORKSHEET

**PLEASE COMPLETE AND RETURN BY SEPTEMBER 4, 2015**

Title of Issue: Sworn Statement Requirement

Association: San Diego County Employees Retirement Association (SDCERA)

Contact Person: Johanna Shick, Chief Service Officer  
Elaine Reagan, Chief Legal Officer

Phone #: 619.515.6815  
619.515.6804

Fax #: 619.515.5071  
619.515.5067

Please answer the following questions as fully as possible:

1. Description of issue.

Government Code §31526 states “The regulations shall include provisions: (a) For the election of officers, their terms, meetings, and all other matters relating to the administrative procedure of the board. (b) For the filing of a sworn statement by every person who is or becomes a member, showing date of birth, nature and duration of employment with the county, compensation received, and such other information as is required by the board. (c) For forms of annuity certificates and for such other forms as are required.”

Some retirement systems receive date of birth, nature and duration of employment with the county and compensation automatically via electronic payroll feed from the County. At the time the statute became effective in 1947 electronic payroll feeds did not exist, making the collection of this information critical for enrolling members into the system.

When counties automatically enroll eligible employees into the retirement system, and collect and report to the retirement system the required information, the requirement of collecting a sworn statement from each eligible employee is duplicative and unnecessary. Further, requiring the collection of a sworn statement from each eligible employee creates compliance issues and inefficiencies. Because not all employees return their sworn statements, additional staff time and resources must be expended to obtain the form from employees in order to comply with Government Code §31526; however, the retirement system already has the necessary information from the employer via the payroll feed.

2. Recommended solution.

Add language that would allow counties to collect members’ date of birth, nature and duration of employment with the county, and compensation received from the employer in lieu of requiring the member to complete a sworn statement. This would enable those counties that have implemented procedures to automatically enroll eligible employees into the retirement system, and collect and report the required information to the retirement system automatically to streamline processes, thus making the administration of the benefit more efficient and bringing statute in alignment with modern-day technology.

3. Specific language that you would like changed in, or added to, '37 Act Law, and suggested code section numbers.

§31526: The regulations shall include provisions: (a) For the election of officers, their terms, meetings, and all other matters relating to the administrative procedure of the board. (b) For the filing of a sworn statement by every person who is or becomes a member, showing date of birth, nature and duration of employment with the county, compensation received, and such other information as is required by the board or, alternatively and in lieu of a sworn statement, for such information to be provided by the member's employer to the retirement association in a form to be determined by the retirement association. (c) For forms of annuity certificates and for such other forms as are required.

4. Why should the proposed legislation be sponsored by SACRS rather than by your individual retirement association?

The requested addition to Government Code §31526 affects all CERL systems, not only SDCERA.

5. Do you anticipate that the proposed legislation would create any major problems, such as conflicting with Proposition 162 or create a problem with any of the other 19 SACRS retirement associations?

No

6. Who will support or oppose this proposed change in the law?

The proposed amendment is unlikely to raise opposition as it is designed to allow the status quo for those systems that prefer it. It does not prohibit systems from continuing to use sworn statements; it simply allows those systems gathering this information electronically to streamline their processes and more reliably collect the information.

7. Who will be available from your association to testify before the Legislature?

Johanna Shick, Chief Service Officer  
Elaine Reagan, Chief Legal Officer

E-mail or mail your legislative proposals to:

**Jim Lites**  
**California Strategies, LLC**  
**980 9<sup>th</sup> Street, Suite 2000**  
**Sacramento, CA 95814**  
**Phone: (916) 266-4575**  
**Email: [jlites@calstrat.com](mailto:jlites@calstrat.com)**



**YEAR 2016 SACRS LEGISLATIVE PLATFORM WORKSHEET**  
**PLEASE COMPLETE AND RETURN BY SEPTEMBER 4, 2015**  
**RETIREE ALTERNATE**

**8/13/2015**  
**#3(a)**

Title of Issue: Retiree Alternate

Association: Merced CERA

Contact Person: Steven Bland

Phone #: 209.726.2724 Scott Johnston (209.617.2126)

Fax #: 209.725.3637

Please answer the following questions as fully as possible:

1. Description of issue.

Currently, the authority for the two alternates (safety and retiree) to fill in for absent trustees is limited. There are times when certain trustees are absent yet the alternates are not authorized to vote. This is depicted in the attached Appendix #I.

2. Recommended solution.

Alternate voting for employee representatives is unchanged in the event of one absence. In the event of two or more absences, the Alternate Retiree Member shall vote. Please see the attached Appendix #II.

3. Specific language that you would like changed in, or added to, '37 Act Law, and suggested code section numbers.

Section 31520.5 of state code would require modification. Please see Appendix III

4. Why should the proposed legislation be sponsored by SACRS rather than by your individual retirement association?

All County Employee Retirement Associations (CERAs) will benefit from this legislation. The CERAs fund training for the retiree alternate. The alternates have experience, background, and context on subjects. This should be utilized.

5. Do you anticipate that the proposed legislation would create any major problems, such as conflicting with Proposition 162 or create a problem with any of the other 19 SACRS retirement associations?

This should have no cost, and not offend. It is to increase efficiencies, and prevent a meeting being canceled for lack of a quorum.

6. Who will support or oppose this proposed change in the law?

The proposal was written to fill a vacuum without changing the existing hierarchy. Current authority is retained in full. The voting authority of the Safety & Retiree alternates would only come into play in the event of other trustee absences.

7. Who will be available from your association to testify before the Legislature?

Scott Johnston. The County lobbyist might testify.

E-mail or mail your legislative proposals to:

**Jim Lites**  
**California Strategies, LLC**  
**980 9<sup>th</sup> Street, Suite 2000**  
**Sacramento, CA 95814**  
**Phone: (916) 266-4575**  
**Email: [jlites@calstrat.com](mailto:jlites@calstrat.com)**



CALIFORNIA STRATEGIES, LLC

**MEMORANDUM**

**TO: SACRS ADMINISTRATORS and RETIREMENT BOARD CHAIR**

**FROM: RICHARD STENSRUD  
JIM LITES**

**DATE: JUNE 24, 2015**

**SUBJECT: SACRS YEAR 2016 LEGISLATIVE TIMELINES**

If you intend to propose legislation to be sponsored by SACRS, please return your request, EXPLAINED ON THE ATTACHED WORKSHEET, by September 4, 2015 to:

**Jim Lites  
California Strategies, LLC  
980 9<sup>th</sup> Street, Suite 2000  
Sacramento, CA 95814  
Phone: (916) 266-4575  
Email: [jlites@calstrat.com](mailto:jlites@calstrat.com)**

The SACRS Legislative Committee has adopted a calendar for soliciting legislative proposals from SACRS retirement associations for the year 2016:

June 24, 2015

E-mailing of Committee request that retirement associations submit proposals for inclusion in the SACRS 2016 Legislative Platform.

September 4, 2015

Deadline for requests to be received by California Strategies.

September 8, 2015

California Strategies will e-mail legislative requests to Legislative Committee members.

September 18, 2015

Date of Legislative Committee meeting at which association requests will be discussed.

October 5, 2015

Legislative Committee will submit proposals, (both those that the Legislative Committee recommends by inclusion in SACRS Legislative Platform, and other proposals received) to all retirement associations for consideration.

November 2015 (date TBD)

Those legislative proposals recommended by the Legislative Committee, as well as other proposals, will be discussed at the SACRS Fall Conference.

---

X:\Board Packet Material\2015\8 13\Legislative Proposals Worksheet Retiree Alternate.doc

## Appendix I Current Practice

Trustee	Who Votes in Their Absence
Treasurer	No one
Board of Supervisor Appointees (4)	No one
General Employees Representative	Safety Alternate
Safety	Safety Alternate
Retiree	Retiree Alternate only

## Appendix II Proposal

<b>Trustee</b>	<b>Who Votes in Their Absence</b>
Treasurer	No voting Alternate
Board of Supervisor Appointees (4)	No voting Alternate
General Employees Representative	Safety alternate. If two absences, then Retiree Alt.
Safety	Safety Alternate, then retiree alternate (if safety alternate is absent)
Retiree	Retiree Alternate, then safety alternate (if retiree alternate is absent)

## Appendix III Proposed language

31520.5 Counties with 9-member retirement boards; appointment of alternate retired member; term; rights and privileges

(b) The term of office of the alternate retired member shall run concurrently with the term of the eighth member. The alternate retired member shall vote as a member of the board only in the event the eighth member is absent. If the second, third, seventh, or eighth member is absent from a board meeting for any cause and if the alternate seventh member is absent from said board meeting. In the event that both alternate seventh member and alternate retired member are present at a board meeting and if the second, third, or seventh member is absent, the alternate seventh member shall vote for the absent board member. In the event that both alternate seventh and alternate retired member are present at a board meeting and if two or more of the second, third, seventh, or eighth members are absent from a board meeting, both alternate seventh member and alternate retired member shall be able to vote for the absent board members. If there is a vacancy with respect to the eighth member, the alternate retired member shall fill that vacancy for the remainder of the eighth member's term of office.

## YEAR 2016 SACRS LEGISLATIVE PLATFORM WORKSHEET

PLEASE COMPLETE AND RETURN BY SEPTEMBER 4, 2015

Title of Issue: Board of Retirement Trustee Compensation

Association: SACRS Board of Directors

Contact Person: Jim Lites

Phone #: 916 266-4575

Email: jlites@calstrat.com

Please answer the following questions as fully as possible:

1. Description of issue.

Trustees of 1937 Act retirement systems invest significant time to fulfill the fiduciary duties with which they are charged. In many cases, trustees can spend several hours in preparation and review of materials for board and committee meetings. Some committees, such as Disability, can carry substantial workloads

2. Recommended solution.

Provide authority for each system to set per-meeting compensation at any amount up to \$200 per meeting.

3. Specific language that you would like changed in, or added to, '37 Act Law, and suggested code section numbers.

**Government Code Section 31521.**

The board of supervisors may provide that the fourth and fifth members, and in counties having a board consisting of nine members or nine members and an alternate retired member, the fourth, fifth, sixth, eighth, ninth, and alternate retired members, and in counties having a board of investments under Section 31520.2, the fifth, sixth, seventh, eighth, and ninth members of the board of investments, shall receive compensation at a rate of not more than ***two hundred dollars (\$200)*** ~~one hundred dollars (\$100)~~ for a meeting, or for a meeting of a committee authorized by the board, for not more than five meetings per month, together with actual and necessary expenses for all members of the board.

4. Why should the proposed legislation be sponsored by SACRS rather than by your individual retirement association?

The proposal would be county-optional and apply to all 1937 Act systems.

5. Do you anticipate that the proposed legislation would create any major problems, such as conflicting with Proposition 162 or create a problem with any of the other 19 SACRS retirement associations?

None anticipated.

6. Who will support or oppose this proposed change in the law?

The proposal will require inquiries with 1937 Act stakeholders to determine and assess reaction and prospects for passage.

7. Who will be available from your association to testify before the Legislature?

The SACRS legislative advocates, Mike Robson and Trent Smith.

E-mail or mail your legislative proposals to:

**Jim Lites**  
**California Strategies, LLC**  
**980 9<sup>th</sup> Street, Suite 2000**  
**Sacramento, CA 95814**  
**Phone: (916) 266-4575**  
**Email: [jlites@calstrat.com](mailto:jlites@calstrat.com)**



CALIFORNIA STRATEGIES, LLC

**MEMORANDUM**

**TO: SACRS ADMINISTRATORS and RETIREMENT BOARD CHAIR**

**FROM: RICHARD STENSRUD  
JIM LITES**

**DATE: JUNE 24, 2015**

**SUBJECT: SACRS YEAR 2016 LEGISLATIVE TIMELINES**

If you intend to propose legislation to be sponsored by SACRS, please return your request, EXPLAINED ON THE ATTACHED WORKSHEET, by September 4, 2015 to:

**Jim Lites  
California Strategies, LLC  
980 9<sup>th</sup> Street, Suite 2000  
Sacramento, CA 95814  
Phone: (916) 266-4575  
Email: [jlites@calstrat.com](mailto:jlites@calstrat.com)**

The SACRS Legislative Committee has adopted a calendar for soliciting legislative proposals from SACRS retirement associations for the year 2016:

**June 24, 2015**

E-mailing of Committee request that retirement associations submit proposals for inclusion in the SACRS 2016 Legislative Platform.

**September 4, 2015**

Deadline for requests to be received by California Strategies.

**September 8, 2015**

California Strategies will e-mail legislative requests to Legislative Committee members.

**September 18, 2015**

Date of Legislative Committee meeting at which association requests will be discussed.

**October 5, 2015**

Legislative Committee will submit proposals, (both those that the Legislative Committee recommends by inclusion in SACRS Legislative Platform, and other proposals received) to all retirement associations for consideration.

**November 2015 (date TBD)**

Those legislative proposals recommended by the Legislative Committee, as well as other proposals, will be discussed at the SACRS Fall Conference.