

# VENTURA COUNTY EMPLOYEES' RETIREMENT ASSOCIATION

## BOARD OF RETIREMENT

### DISABILITY MEETING

**MAY 7, 2018**

### 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:**

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|--|--------------------|
| <b>I. <u>CALL TO ORDER</u></b>   |                    |
| <b>II. <u>APPROVAL OF AGENDA</u></b>   | 1 – 3              |
| <b>III. <u>APPROVAL OF MINUTES</u></b>   |                    |
| A. Disability & Business Meeting of April 16, 2018.  | 4 – 10             |
| <b>IV. <u>RECEIVE AND FILE PENDING DISABILITY APPLICATION STATUS REPORT</u></b>  | 11 – 43            |
| <b>V. <u>APPLICATIONS FOR DISABILITY RETIREMENT</u></b>  |                    |
| A. Application for Service-Connected Disability Retirement – Reason,<br>Randall E.; Case No. 17-004.   | 44 – 151           |
| 1. Application for Service-Connected Disability Retirement, filed<br>February 7, 2017.   |                    |
| 2. Medical Analysis and Recommendation, including Supporting Medical<br>Documentation, submitted by County of Ventura/Risk Management, in<br>support of the Application for Service-Connected Disability Retirement,<br>dated April 4, 2018. |                    |
| 3. Hearing Notice, dated April 5, 2018.  |                    |

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

- B. Application for Non-Service Connected Disability Retirement – Becker, Kristi L.; Case No. 17-009. 152 – 228
1. Application for Non-Service Connected Disability Retirement, filed May 15, 2017.
  2. Medical Analysis and Recommendation, including Supporting Medical Documentation, submitted by Ventura County Superior Court, in support of the Application for Non-Service Connected Disability Retirement, dated March 22, 2018.
  3. Hearing Notice, dated April 24, 2018.
- C. Application for Service-Connected Disability Retirement – Gonzalez, Carmen M.; Case No. 15-028. 229 – 278
1. Findings and Decision Regarding Employee Application for Disability Retirement, recommendation to grant the Service-Connected Disability, submitted by Hearing Officer Robert Klepa, dated March 9, 2018.
  2. Legal Memorandum by Respondent, County of Ventura/Risk Management, Objection to Findings and Decision and Recommendation of Hearing Officer Robert Klepa, submitted by Stephen D. Roberson, Counsel for County of Ventura/Risk Management, dated March 21, 2018.
  3. Hearing Notice, dated April 24, 2018.
- D. Application for Service-Connected Disability Retirement – Landeros, Maria L.; Case No. 15-008. 279 – 313
1. Proposed Findings of Fact and Recommended Decision to deny the Application for Service-Connected Disability, submitted by Hearing Officer Nancy T. Beardsley, dated February 19, 2018.
  2. Hearing Notice, dated April 26, 2018.

**VI. OLD BUSINESS**

- A. None.

**VII. NEW BUSINESS**

- A. Request for Direction on Timing of Election to Fill Pending Board Member Vacancy.

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**VII. NEW BUSINESS (continued)**

1. Staff Letter. 314 – 315

B. Request for Authorization to Engage Investigative Services to Enable Staff to Make Recommendations on Disability Retirement Re-Evaluations under Government Code 31729 when Circumstances Warrant.

1. Staff Letter. 316 – 317

**VIII. INFORMATIONAL**

A. Nossaman's Fiduciaries Forum, "Save the Date". 318 – 319

**IX. PUBLIC COMMENT**

**X. STAFF COMMENT**

**XI. BOARD MEMBER COMMENT**

**XII. ADJOURNMENT**

**VENTURA COUNTY EMPLOYEES' RETIREMENT ASSOCIATION**

**BOARD OF RETIREMENT**

**DISABILITY & BUSINESS MEETING**

**APRIL 16, 2018**

**MINUTES**

**DIRECTORS** Tracy Towner, Chair, Alternate Safety Employee Member  
**PRESENT:** William W. Wilson, Vice Chair, Public Member  
Mike Sedell, Public Member  
Craig Winter, General Employee Member  
Arthur E. Goulet, Retiree Member  
Will Hoag, Alternate Retiree Member  
Chris Johnston, Safety Employee Member  
Ed McCombs, Alternate Public Member

**DIRECTORS** Steven Hintz, Treasurer-Tax Collector  
**ABSENT:** Peter C. Foy, Public Member  
Robert Bianchi, Public Member  
Maeve Fox, General Member

**STAFF** Linda Webb, Retirement Administrator  
**PRESENT:** Lori Nemiroff, General Counsel  
Henry Solis, Chief Financial Officer  
Dan Gallagher, Chief Investment Officer  
Karen Scanlan, Accounting Manager I  
Stephanie Berkley, Retirement Benefits Specialist  
Chris Ayala, Program Assistant

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

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

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**ITEM:**

**I. CALL TO ORDER**

Chair Towner called the Disability & Business Meeting of April 16, 2018 to order at 9:00 a.m.

**II. APPROVAL OF AGENDA**

MOTION: Approve.

Moved by Goulet, seconded by Johnston.

Vote: Motion carried

Yes: Goulet, Johnston, McCombs, Sedell, Towner, Wilson, Winter

No: -

Absent: Bianchi, Foy, Fox, Hintz

Abstain: -

**III. APPROVAL OF MINUTES**

A. Business Meeting of March 26, 2018.

MOTION: Approve.

Moved by Goulet, seconded by McCombs.

Vote: Motion carried

Yes: Goulet, Johnston, McCombs, Sedell, Towner, Wilson, Winter

No: -

Absent: Bianchi, Foy, Fox, Hintz

Abstain: -

**IV. CONSENT AGENDA**

A. Approve Regular and Deferred Retirements and Survivors Continuances for the Month of March 2018.

B. Receive and File Report of Checks Disbursed in March 2018.

C. Receive and File Budget Summary for FY 2017-18 Month Ending March 31, 2018.

MOTION: Receive and File.

Moved by Wilson, seconded by Winter.

Vote: Motion carried

Yes: Goulet, Johnston, McCombs, Sedell, Towner, Wilson, Winter

No: -

Absent: Bianchi, Foy, Fox, Hintz

Abstain: -

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**V. INVESTMENT MANAGER PRESENTATIONS**

- A. Receive Annual Investment Presentation, Sprucegrove Investment Management, Tasleem Jamal and Arjun Kumar.

Tasleem Jamal and Arjun Kumar were present on behalf of Sprucegrove Investment Management to provide an organizational and investment performance update.

- B. Receive Annual Investment Presentation from State Street, John Muir and Julianna Frank.

Tonya Cordray, John Muir, and Julianna Frank were present on behalf of State Street to provide an organizational and investment performance update.

After receiving the presentation from State Street, the Board took a break at 9:52 a.m.

The Board returned from break at 10:02 a.m., to receive the presentation from Abbott Capital Management.

- C. Receive Annual Investment Presentation from Abbott Capital Management, Jonathan Roth, Matthew Smith, and Mary Hornby.

Jonathan Roth, Matthew Smith, and Mary Hornby were present on behalf of Abbott Capital Management to provide an organizational and investment performance update.

- D. Recommendation to Adopt the VCERA 2018 Private Equity Annual Plan from Abbott Capital Management.

**RECOMMENDED ACTION: Approve and Adopt.**

1. Staff Letter by C.I.O., Dan Gallagher.

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

MOTION: Approve and Adopt.

Moved by Sedell, seconded by Winter.

Vote: Motion carried

Yes: Goulet, Johnston, McCombs, Sedell, Towner, Wilson, Winter

No: -

Absent: Bianchi, Foy, Fox, Hintz

Abstain: -

**VI. INVESTMENT INFORMATION**

- A. NEPC – Allan Martin.  
VCERA – Dan Gallagher, Chief Investment Officer.

1. March 2018 Monthly Performance Report.

**RECOMMENDED ACTION: Receive and file.**

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

MOTION: Receive and File.

Moved by Goulet, seconded by Winter.

Vote: Motion carried

Yes: Goulet, Johnston, McCombs, Sedell, Towner, Wilson, Winter

No: -

Absent: Bianchi, Foy, Fox, Hintz

Abstain: -

**B. NEPC 2018 Asset Allocation Review and Discussion.**

Mr. Martin reminded the Board that in February he had presented a report of NEPC's assessment of market and economic conditions, and project returns across 40 asset classes.

Mr. Martin said in today's presentation, NEPC was submitting different models of asset mixes, several of which were included in the Board presentation booklet.

Mr. Gallagher noted that the purpose of the presentation was to offer several asset allocation options to begin a Board discussion, which in turn, would provide feedback. The feedback would form the basis for tailored alternatives for subsequent Board consideration and adoption, followed by a proposed plan for implementation.

After discussion by the Board, staff, and consultant, they advanced to the next agenda item.

**VII. OLD BUSINESS**

**A. VCERA Office Location Update.**

Ms. Webb provided a verbal update, saying that the Real Estate Committee had recently visited possible locations for a new office location.

She stated that the committee also wanted to consider staying at the current location, with the possibility of acquiring additional space on the 2<sup>nd</sup> floor. She also said she had engaged an architect to submit a proposal to best utilize the existing location's available space.

She then informed the Board that the Real Estate Committee would be meeting with CBRE later in the week to review some analyses and projections.

Trustee Goulet said he hoped that part of the architect's proposal would include options to make the Board Room more user friendly.

Ms. Webb replied that they had discussed that in the meeting with the architect.

After discussion by the Board, they advanced to the next agenda item.

**VIII. NEW BUSINESS**

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- A. Recommendation to Approve Application for Reinstatement to Active Membership Pursuant to GC 31680.4 & 31680.5 – Marilyn Miller  
**RECOMMENDED ACTION: Approve.**

1. Staff Letter.
2. Letter from Ms. Miller.
3. Offer of Employment.
4. Medical Clearance.

MOTION: Approve.

Moved by Goulet, seconded by McCombs.

Vote: Motion carried

Yes: Goulet, Johnston, McCombs, Sedell, Towner, Wilson, Winter

No: -

Absent: Bianchi, Foy, Fox, Hintz

Abstain: -

- B. SACRS Board of Directors 2018-19 Elections - Recommended Ballot.

Ms. Webb said the recommended Board of Directors ballot from SACRS was provided, and asked the Board to provide direction to their designee, who would be voting at the SACRS Spring conference.

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

MOTION: Instruct Designee to Vote for the Recommended Slate.

Moved by Sedell, seconded by Winter.

Vote: Motion carried

Yes: Goulet, Johnston, McCombs, Sedell, Towner, Wilson, Winter

No: -

Absent: Bianchi, Foy, Fox, Hintz

Abstain: -

- C. Quarterly Administrator's Report for January - March 2018.  
**RECOMMENDED ACTION: Receive and file.**

MOTION: Receive & File.

Moved by Wilson, seconded by Goulet.

Vote: Motion carried

Yes: Goulet, Johnston, McCombs, Sedell, Towner, Wilson, Winter

No: -

Absent: Bianchi, Foy, Fox, Hintz



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Abstain: -

- D. Recommendation to Approve Trustee McCombs Attendance at SACRS/UC Berkeley, Modern Investment Theory & Practice for Retirement Systems, Berkeley, CA, July 15 - 18, 2018.

**RECOMMENDED ACTION: Approve.**

1. Staff Letter.
2. SACRS/UC Berkeley Program Mailer.

MOTION: Approve.

Moved by Johnston, seconded by Goulet.

Vote: Motion carried

Yes: Goulet, Johnston, McCombs, Sedell, Towner, Wilson, Winter

No: -

Absent: Bianchi, Foy, Fox, Hintz

Abstain: -

- E. Recommendation for Authorization for General Counsel to Attend the NAPPA 2018 Legal Education Conference, Savannah, GA, June 26 – June 29, 2018

**RECOMMENDED ACTION: Approve.**

1. Staff Letter.
2. NAPPA 2018 Legal Education Brochure.

MOTION: Approve.

Moved by Winter, seconded by Johnston.

Vote: Motion carried

Yes: Goulet, Johnston, McCombs, Sedell, Towner, Wilson, Winter

No: -

Absent: Bianchi, Foy, Fox, Hintz

Abstain: -

- F. Recommendation for Authorization for C.I.O. to Attend Abbott Capital Management's 2018 ASO Advisory Board Meeting, New York, NY, June 12, 2018.

**RECOMMENDED ACTION: Approve.**

1. Staff Letter by C.I.O., Dan Gallagher.

MOTION: Approve.

Moved by Sedell, seconded by Johnston.

Vote: Motion carried

Yes: Goulet, Johnston, McCombs, Sedell, Towner, Wilson, Winter

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No: -  
Absent: Bianchi, Foy, Fox, Hintz  
Abstain: -

**IX. INFORMATIONAL**

A. UBS News Flash Article, "TPF and TPG Fund Updates".

**X. PUBLIC COMMENT**

None.

**XI. STAFF COMMENT**

Mr. Gallagher distributed a quarterly staff staff report summarizing investment results including steps taken to mitigate risk.

**XII. BOARD MEMBER COMMENT**

None.

**XIII. ADJOURNMENT**

The meeting was adjourned at 11:20 a.m.

Respectfully submitted,



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LINDA WEBB, Retirement Administrator

Approved,

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TRACY TOWNER, Chairman



May 7, 2018

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

**SUBJECT: REQUEST FOR DIRECTION ON TIMING OF ELECTION TO FILL PENDING BOARD MEMBER VACANCY**

Dear Board Members:

Trustee Towner has notified myself and Counsel of his recent termination of employment with the County of Ventura. Formal notification from the County has not yet been received.

Government Code §31524 provides, *"Separation from the service of the county of a member of the board vacates his office."*

Government Code §31523 provides, in pertinent part: *"(a) In the event of a vacancy in the second, third, seventh, eighth, or alternate seventh member position of the board of retirement, the board shall cause an election to fill the vacancy to be held at the earliest possible date, . . ."*

Section 31523 was added in 2011 at the request of the California Retired County Employees Association (CRCEA) to address two concerns:

- 1) To prevent unreasonable delays in filling vacancies to minimize risk of lack of quorum, particularly for smaller systems; and
- 2) To assure continued representation for the effected constituent group.

Mr. Towner has indicated that he has exercised his rights under the Ventura County Personnel Rules & Regulations to timely appeal his termination to the Civil Service Commission (CSC). The termination is therefore not final because the CSC has the authority to order the County to set it aside. In the meantime, Mr. Towner asks that the Board consider holding an election only in the event the CSC upholds the termination; he has indicated he will be providing this request in writing for today's meeting.

As the effected constituency group, the Ventura County Deputy Sheriffs' Association (VCDSA), has indicated they also would like for the CSC process to be complete before an election is scheduled. A formal written request is to be provided by VCDSA for today's meeting.

May 7, 2018  
Request for Board Guidance  
Page 2

Currently, the CSC indicates that it is usually 2-3 months between the time a hearing is requested and when it occurs, though certain cases may longer if particularly complex.

Staff requests Board direction on this issue.

Sincerely,

A handwritten signature in cursive script, appearing to read "Linda Webb".

Linda Webb  
Retirement Administrator



May 7, 2018

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

**SUBJECT: REQUEST FOR AUTHORIZATION TO ENGAGE INVESTIGATIVE SERVICES TO ENABLE STAFF  
TO MAKE RECOMMENDATIONS ON DISABILITY RETIREMENT RE-EVALUATIONS UNDER  
GOVERNMENT CODE 31729 WHEN CIRCUMSTANCES WARRANT**

Dear Board Members:

Staff requests guidance from the Board regarding Government Code 31729:

***"§31729. Medical examination of beneficiary; determination of board***

*The board may require any disability beneficiary under age 55 to undergo medical examination. The examination shall be made by a physician or surgeon appointed by the board at the place of residence of the beneficiary or other place mutually agreed upon. Upon the basis of the examination the board shall determine whether the disability beneficiary is still physically or mentally incapacitated for service in the office of department of the county or district where he was employed and in the position held by him when retired for disability."*

Government Code section 31730 provides that if the board determines that the member is not incapacitated, and the employer offers to reinstate the member, the member's retirement allowance shall be canceled and he/she shall be reinstated in county service.

VCERA does not have an established process or procedure for re-evaluation of a disability retiree's medical status, nor is there an occasion staff has identified where the Board has exercised its authority to require a disability retiree to undergo a medical examination after retirement benefits commence.

Recently, VCERA was forwarded information regarding an anonymous complaint that was received by the County's Employee Fraud Hotline. The complaint was in regard to a disability retiree (under age 55) who is collecting disability benefits, and at the same time allegedly participating in strenuous, athletic and physically demanding tasks, hobbies and activities. Staff has spoken with the complainant (who provided a telephone number but not a name), and reviewed the information provided, and has also done a cursory online search regarding the retiree. Based on this preliminary review, the complaint appears to have merit.

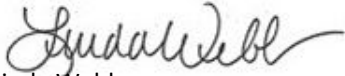
In absence of precedent or specific Board instruction on circumstances such as this, staff requests authorization to engage an independent investigation up to a Board-specified dollar amount for this and future cases in which VCERA is made aware of a potential need for re-evaluation under 31729. Staff will follow such Board direction unless otherwise directed in the future. Staff believes that the ability to conduct preliminary independent investigations would limit the number of cases that are recommended for re-evaluation, as medical examinations are costly and the success rate in securing an offer of reemployment is typically low.

May 7, 2018

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Staff will be happy to answer any questions regarding this request at the May 7, 2018 Disability meeting.

Sincerely,

A handwritten signature in cursive script, appearing to read "Linda Webb", written in dark ink.

Linda Webb

Retirement Administrator

[View as Web Page](#)



**SAVE THE DATE!**

## Save the Date for Nossaman's Annual Fiduciaries' Forum!

### Nossaman's Fiduciaries' Forum

**October 18-19, 2018**

Marriott Union Square, San Francisco, CA

This year, board members, executive staff, investment officers, and in-house counsel of retirement systems will be treated to a wealth of educational topics that are national in scope. The program will include sessions on:

- **National Litigation Update:** We'll discuss how public pension plans may be affected by recent court cases across the country, regarding fiduciary duties, benefit change legislation and more.
- **Investment Trends and Challenges:** As investment officers of public pension plans continue to face public scrutiny in connection with manager selection, investment decisions, asset allocation, and portfolio earnings, we'll review current trends, discuss best practices, and discuss the legal and business investment related challenges that keep many public pension plan trustees, investment professionals, and their counsel up at night.
- **2018 Tax Code Changes:** Now that the hoopla has died down and the dust has settled on the Tax Cuts and Jobs Act (TCJA) passed by Congress late last year, the real consequences for the pensions industry continue to emerge.
- **Defense and Indemnification Issues Impacting the Public Pension Systems:** From litigation and policy changes arising from the #MeToo movement to other dynamic situations impacting the pensions industry, this discussion will review board member and retirement system staff responses to demands for defense and indemnification.
- **And much, much more.**

This year's Forum will be the first that is open to our National, as well as our California-based clients. We look forward to providing pension industry attendees the chance to network and share best practices with their peers on a national basis in a relaxed setting that encourages an open flow of communication and meaningful discussion. Registration will begin at 2:30 p.m. on Thursday and the program will conclude at 2:00 p.m. on Friday afternoon. Highlights will include a keynote speaker during Thursday evening's dinner addressing issues of national importance to public retirement systems. This event is not to be missed.

Look for the invitation to arrive in the coming months. Should you have any questions, concerns or suggestions in the interim, please contact **Vanessa VanderZanden** at [vanderzanden@nossaman.com](mailto:vanderzanden@nossaman.com) or 213.612.7865.

We look forward to seeing you in October!

Stay tuned!



Thank you,  
**Ashley Dunning & Yuliya Oryol**  
Co-Chairs, Nossaman Public Pensions & Investments Practice Group

LOS ANGELES | SAN FRANCISCO | ORANGE COUNTY | SACRAMENTO | SAN DIEGO | WASHINGTON, DC | AUSTIN | SEATTLE

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