

VENTURA COUNTY EMPLOYEES' RETIREMENT ASSOCIATION

BOARD OF RETIREMENT

DISABILITY MEETING

January 5, 2015

AGENDA

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

TIME: 9:00 a.m.

ITEM:

- | | | |
|-------------|--|--------------------|
| I. | <u>CALL TO ORDER</u> | Master
Page No. |
| | Oath of Office for Craig Winter, Will Hoag, Art Goulet, Chris Johnston, and Tracy Towner to be Administered by Mark Lunn, County Clerk & Recorder. | |
| II. | <u>APPROVAL OF AGENDA</u> | 1 – 3 |
| III. | <u>APPROVAL OF MINUTES</u> | |
| | A. Business Meeting of November 15, 2014. | 4 – 12 |
| IV. | <u>RECEIVE AND FILE PENDING DISABILITY APPLICATION STATUS REPORT</u> | 13 – 47 |
| V. | <u>APPLICATIONS FOR DISABILITY RETIREMENT</u> | |
| | A. Application for Non-Service Connected Disability Retirement, Miller, Michael; Case No. 14-012. | 48 – 148 |
| | 1. Application for Non-Service Connected Disability Retirement and Supporting Documentation. | |
| | 2. Hearing Notice Served on December 26, 2014. | |

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

- B. Application for Non-Service Connected Disability Retirement, 149 – 158
Urango, Kimberly; Case No. 13-031.
1. Summary of Evidence, Findings of Fact, Conclusions of
Law and Recommendation, Submitted by Hearing Officer
Paul E. Crost, Dated December 16, 2014.

VI. **OLD BUSINESS**

- A. Recommendation from Trustee Johnston that the Chairman be
Authorized to Request the County of Ventura's Human
Resources Department Conduct a Salary and Other
Compensation Survey for VCERA's General Counsel Position.
RECOMMENDED ACTION: Approve
1. Letter from Trustee Johnston 159
2. Draft Letter to County of Ventura 160
- B. Recommendation to Approve Legal Agreement; Foley & Lardner LLP. 161
RECOMMENDED ACTION: Approve
1. Legal Agreement: VCERA and Foley & Lardner LLP 162 – 167
- C. Recommendation to Engage Ashley Dunning from Manatt,
Phelps & Phillips LLP to Assist VCERA Staff in Reviewing Items
of Pensionable Compensation under PEPRRA; Consideration of
Scope of Work and Timeline. 168 – 175
RECOMMENDED ACTION: Approve
- D. Recommendation to Approve Application for Reinstatement to
Active Membership Pursuant to GC 31680.4 & 31680.5 –
Cynthia Cantle
1. Letter from Staff 176
2. Letter from Cynthia Cantle 177
3. Offer of Employment 178
4. Medical Clearance 179
5. Additional Documentation
(Materials to be distributed prior to the meeting)

VII. NEW BUSINESS

- A. Recommendation to Approve Chair Towner’s Attendance at the PIMCO Institute, January 14-15, 2015. 180
RECOMMENDED ACTION: Approve
- B. Request for Trustee Goulet to Attend the CALAPRS Trustees’ Roundtable, February 6, 2015. 181
RECOMMENDED ACTION: Approve
- C. Recommendation to Approve Ms. Nemiroff’s Attendance at the NAPPA Winter Seminar, February 13 – 15, 2015. 182 – 187
RECOMMENDED ACTION: Approve
- D. Recommendation to Approve Change Orders – VCERIS Project 188 – 197
RECOMMENDED ACTION: Approve
1. Vitech Change Order
 2. Linea Change Order
 3. MBS Change Order
- E. Request from Yves Chery, SACRS President, for Input on SACRS Education and Communication Project. 198 – 199

VIII. PUBLIC COMMENT

IX. STAFF COMMENT

X. BOARD MEMBER COMMENT

XI. ADJOURNMENT

VENTURA COUNTY EMPLOYEES' RETIREMENT ASSOCIATION

BOARD OF RETIREMENT

BUSINESS MEETING

December 15, 2014

MINUTES

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

DIRECTORS Vacant, General Employee Member
ABSENT:

STAFF Henry Solis, Chief Financial Officer
PRESENT: Lori Nemiroff, Assistant County Counsel
Stephanie Caiazza, Program Assistant
Chantell Garcia, Retirement Benefits Specialist

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 December 15, 2014, to order at 9:00 a.m.

II. APPROVAL OF AGENDA

MOTION: Approve the Agenda.

Moved by Goulet, seconded by McCormick.

Vote: Motion carried.

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

No: -

III. APPROVAL OF MINUTES

A. Business Meeting of November 17, 2014.

MOTION: Approve the Minutes.

Moved by Sedell, seconded by Johnston.

Vote: Motion carried.

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

No: -

B. Disability Meeting of December 1, 2014.

MOTION: Approve the Minutes.

Moved by McCormick, seconded by Johnston.

Vote: Motion carried.

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

No: -

IV. CONSENT AGENDA

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

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

C. Receive and File Budget Summary for FY 2014-15 Month Ending October 31, 2014.

D. Receive and File Budget Summary for FY 2014-15 Month Ending November 30, 2014.

- E. 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 September 30, 2014 and October 31, 2014.

MOTION: Approve the Consent Agenda.

Moved by Goulet, seconded by Hintz.

Vote: Motion carried.

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

No: -

END OF CONSENT AGENDA

V. STANDING ITEM

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

Ms. Nemiroff stated that there was nothing new to report on Pensionable Compensation and PEPRA at this time.

VI. INVESTMENT MANAGER PRESENTATIONS

- A. Receive Annual Investment Presentation, BlackRock, Anthony Freitas, Managing Director, Laura Champion, Vice President, and Cara Barr, Director. (30 Minutes)

Laura Champion and Cara Barr were present on behalf of BlackRock to provide an organizational and investment performance update.

- B. Receive Annual Investment Presentation, RREEF, Jay Miller, Director, Portfolio Manager, and Nolan Olsen, Director, Global Client Group. (30 Minutes)

Jay Miller and Nolan Olsen were present on behalf of RREEF to provide an organizational and investment performance update.

VII. INVESTMENT INFORMATION

- A. NEPC – Allan Martin, Partner

- 1. Receive and File Preliminary Performance Report Month Ending November 30, 2014

Mr. Towner announced that Allan Martin and Daniel LeBeau will represent NEPC in future business meetings.

MOTION: Receive and file.

Moved by Henderson, seconded by Goulet.

Vote: Motion carried.

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

No: -

2. Memorandum from NEPC on PIMCO and Sprucegrove, dated December 15, 2014

MOTION: Receive and file.

Moved by Henderson, seconded by Wilson.

Vote: Motion carried.

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

No: -

3. Global Asset Allocation Review and Asset Allocation Update

Mr. Martin discussed several alternatives for the Board to consider should it decide to reduce VCERA's public equity allocation. Alternative asset categories discussed included GTAA (Global Tactical Asset Allocation), Credit Strategies, Risk Parity, and increasing VCERA's existing private equity allocation. NEPC is expected to have a specific proposal for VCERA's review by late January, or early February.

MOTION: Receive and file.

Moved by Wilson, seconded by Goulet.

Vote: Motion carried.

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

No: -

4. Selection of Legal Firm to Review Pantheon Global Secondary Fund V Documents

MOTION: Engage Foley & Lardner to accomplish necessary legal review of Pantheon's Global Secondary Fund V. investment documents.

Moved by Wilson, seconded by Goulet.

Vote: Motion carried.

Yes: Goulet, Hintz, McCormick, Henderson, Foy, Sedell, Wilson, Towner

No: Johnston

VIII. ACTUARIAL INFORMATION

A. GASB 67 Presentation: John Monroe, Segal Consulting Presenting via Teleconference

1. Segal Consulting's GASB 67 Report

Mr. Monroe presented Segal Consulting's initial review of the required GASB 67 Report.

MOTION: Approve.

Moved by Henderson, seconded by McCormick.

Vote: Motion carried.

Yes: Goulet, Hintz, McCormick, Henderson, Foy, Sedell, Wilson, Towner

No: Johnston

B. Receipt and Distribution of June 30, 2014 Actuarial Information

MOTION: Receive and file.

Moved by Henderson, seconded by Sedell.

Vote: Motion carried.

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

No: -

IX. OLD BUSINESS

A. Oral Update from Chair on Cost Estimate to File Amicus Brief in the SDCERA v. County of San Diego Case

Chair Towner reported that attorney Harvey Leiderman of Reed Smith LLP estimated the cost of filing an amicus brief in the SDCERA v. County of San Diego case to be \$15,000-25,000, depending on the approach and scope of

the brief. Mr. Leiderman advised the Board to postpone any action until the trial record is more developed.

MOTION: Table this item until April 2015.

Moved by Sedell, seconded by Goulet.

Vote: Motion carried.

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

No: -

B. Oral Update from Chair on General Counsel Position

Chair Towner informed the Board that his letter on the General Counsel position salary would appear on the correspondence agenda for the Board of Supervisors' meeting of December 16, 2014.

Mr. Goulet distributed copies of the job descriptions for Senior Civil Attorney and General Counsel- Retirement, noting the differences in salary and duties.

X. NEW BUSINESS

A. Receive and File VCERIS Project Monthly Report –November 2014

Mr. Towner stated that the change orders associated with the recently adopted VCERIS Transmittal Implementation Timeline will be on the agenda for the Board's January 5, 2014 meeting.

Mr. Foy left the meeting at 11:53 a.m.

MOTION: Receive and file.

Moved by Henderson, seconded by Wilson.

Vote: Motion carried.

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

No: -

Absent: Foy

B. Recommendation to Approve Trustee McCormick's Attendance at the 2015 Pension Bridge Conference, April 7 – 8, 2015, San Francisco, CA

Mr. Goulet requested his attendance to be considered as well.

MOTION: Approve Trustee McCormick and Trustee Goulet's attendance at the 2015 Pension Bridge Conference.

Moved by Wilson, seconded by Johnston.

Vote: Motion carried.

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

No: -

Absent: Foy

- C. Recommendation to Approve Board Member Travel to NEPC Public Fund Workshop, January 12 – 13, 2015, Tempe, AZ

MOTION: Approve.

Moved by Johnston, seconded by McCormick.

Vote: Motion carried.

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

No: -

Absent: Foy

- D. Consideration of Proposed CERL Legislation Drafted by Trustee Goulet

Received public comment from Pamm Fair, Coordinator SEIU 721.

After Board discussion, the following motion was made:

MOTION: Table this item until the business meeting of January 26, 2014, to allow time for the County Executive Office to respond, and to receive input from Mr. Leiderman of Reed Smith LLP.

Moved by Henderson, seconded by Sedell.

Vote: Motion carried.

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

No: -

Absent: Foy

- E. Recommendation to Approve Application for Reinstatement to Active Membership Pursuant to GC 31680.4 & 31680.5 – Cynthia Cattle

1. Letter from Staff
2. Letter from Cynthia Cattle

3. Offer of Employment
4. Medical Clearance

Mr. Goulet stated that the medical clearance was insufficient because the doctor's note should specify that the clearance was based on a medical examination. Mr. Goulet also stated that the applicant should provide a written statement certifying that no unemployment benefit was received.

Mr. Goulet proposed obtaining a legal opinion from outside counsel regarding the assignment of retirement plan and tier upon reinstatement.

After Board discussion, the following motion was made:

MOTION: Continue this matter to allow time to consult outside counsel regarding the assignment of retirement plan and tier, and to allow time for Applicant to submit further documentation of medical clearance and provide written certification that no unemployment benefit was received.

Moved by Goulet, seconded by McCormick.

Vote: Motion failed.
Yes: Goulet, McCormick, Johnston, Towner
No: Hintz, Henderson, Sedell, Wilson
Absent: Foy

After further discussion, the following motion was made:

MOTION: Continue this matter until the disability meeting of January 5, 2014, to allow time for Applicant to submit further documentation of medical clearance and provide written certification that no unemployment benefit was received.

Moved by Goulet, seconded by Sedell.

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

X. INFORMATIONAL

- A. Invitation to Winter Forum on Real Estate Opportunity & Private Fund Investing, January 21 – 23, 2015, at Laguna Beach, CA
- B. 2015 Americas Real Assets Client Conference, Deutsche Asset & Wealth Management, March 17-19, 2015, Dana Point, CA

XI. PUBLIC COMMENT

None.

XII. STAFF COMMENT

None.

XIII. BOARD MEMBER COMMENT

Trustee Hintz reported that he did not attend the Pacific States Institutional Investor Forum 2014 in San Francisco.

Mr. Towner welcomed incoming Retirement Administrator Linda Webb to VCERA, and thanked her for attending the board meeting.

XIV. ADJOURNMENT

The meeting was adjourned at 12:17 p.m.

Respectfully submitted,



TIM THONIS, Interim Retirement Administrator

Approved,

TRACY TOWNER, Chairman

VENTURA COUNTY EMPLOYEES' RETIREMENT ASSOCIATION

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

January 5, 2015

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

SUBJECT: GENERAL COUNSEL - RETIREMENT

Dear Board Members:

At our last Board meeting, during the discussion that ensued after Chair Towner briefed the Board on the status of the letter sent to the Board of Supervisors regarding adjustment of the salary for the vacant position of General Counsel – Retirement, it was suggested that we seek a salary survey to further support the request.

The attached letter to County Human Resources requests such a survey.

I recommend that the Board Chair be authorized to sign the attached letter.

Respectfully,

Chris Johnston
Board Member

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>

January 5, 2015

Ms. Kelly Shirk
Director, Human Resources
800 South Victoria Ave.
Ventura, CA 93009

Subject: Salary and other Compensation Survey

Dear Ms. Shirk:

You are hereby requested to perform a salary and other compensation survey for the position of General Counsel – Retirement (Class Code 00982). Agencies surveyed for this position should include only public retirement systems having a similar position and title (i.e., general counsel, chief counsel, and the like), and similar responsibilities.

Additionally, we would like the following added to the duties of the position: *Acts as compliance officer and monitors compliance with state laws and the retirement system's policies pertaining to ethics, conflicts of interest, education, reporting, filings, etc, as well as compliance by investment advisors and investment managers with federal securities laws and regulations.*

Further, we would like the text changed under “Distinguishing Characteristics” to indicate that the position reports to the Board of Retirement, is exempt from civil service, and serves at the will of the Board. We understand the latter will require that the Board of Supervisors adopt an ordinance removing the position from civil service.

If you have any questions, please contact me.

Thank you for your assistance.

Sincerely,

Tracy Towner
Chair of the Board of Retirement

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>

January 5, 2015

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

**SUBJECT: RECOMMENDATION TO APPROVE LEGAL AGREEMENT; FOLEY & LARDNER
LLP**

Dear Board Members:

Staff recommends approval of the attached legal agreement with Foley & Lardner LLP (Foley) to review investment fund documents for VCERA's previously approved \$50 million investment in Pantheon's Global Secondary Fund V. Foley's services will include reviewing all fund documents, reviewing all documentation produced by NEPC on the proposed investment and the preparation of a Briefing Memorandum outlining the key items and risks set forth in the fund documents. Foley has proposed a not to exceed amount of \$17,500 for its work, and will seek Board authority to exceed the amount of \$17,500 only if the entire process, including any side letter negotiations, warrants additional time and effort.

VCERA staff will be pleased to respond to any questions you may have on this matter at the January 5, 2015 disability.

Sincerely,



Tim Thonis
Interim Retirement Administrator

LEGAL AGREEMENT – VCERA BOARD – FOLEY & LARDNER LLP

The Ventura County Employees' Retirement Association (hereinafter referred to as "VCERA") and its Board of Retirement and FOLEY & LARDNER LLP. (hereinafter referred to as "ATTORNEY"), are parties to this Agreement, effective December 15, 2014.

WHEREAS, VCERA is a public entity, specifically a public pension plan, organized under the County Employees' Retirement Law of 1937 (Gov. Code sec. 32540 et seq.);

WHEREAS, VCERA is administered by the Board of Retirement (together with VCERA hereinafter referred to as the "BOARD");

WHEREAS, Government Code Section 31607 authorizes VCERA to employ an attorney in private practice to assist it in the carrying out of its investment powers and duties; and

WHEREAS, ATTORNEY has special skills, knowledge and experience in this area of law necessary to effectively advise and assist in the representation of VCERA on such matters; and

WHEREAS, VCERA determined that it was in its best interest to retain ATTORNEY to advise and assist in the representation of the VCERA in connection with document review, negotiation of subscriptions and various other legal matters as they arise in the context of investments, and provide additional legal services on such other legal matters, to represent the Board and not any individual Board members or staff, as may be mutually agreed between the parties; and

NOW, THEREFORE, in consideration of the mutual promises contained herein, the parties hereto agree as follows:

1. **Retention.** VCERA hereby retains ATTORNEY to perform legal services consultation in connection with VCERA's investments.

2. **Services.** ATTORNEY shall provide its best efforts and skill in performing any and all necessary professional legal services with respect to VCERA's investments, including but not limited to the following: 1) review any and all fund documents; 2) review any and all memoranda from NEPC regarding the proposed investment; 3) prepare a Briefing Memorandum highlighting the key terms as set forth in the fund documents; 4) confer as often as needed with staff and NEPC; 5) review VCERA's investment guidelines; 6) draft a Side Letter which seeks to bind the proposed investment manager/General Partner to VCERA's investment standards; and 7) negotiate the final terms of the Side Letter with the proposed investment manager/General Partner and its outside counsel, and

a. ATTORNEY shall be responsible for approval of any necessary legal documents for the engagement of investment fund managers.

LEGAL AGREEMENT – VCERA BOARD – FOLEY & LARDNER LLP

b. ATTORNEY shall assist VCERA as necessary in the preparation and negotiation of side letter agreements between VCERA and investment fund managers.

c. ATTORNEY shall provide other legal services as are necessary to represent the best interests of VCERA in connection with its investments.

d. It is anticipated by the parties that Thomas A. Hickey III shall be primarily responsible for the provision of the above legal services. Other attorneys and staff shall provide such services as are within their areas of expertise on an as-needed basis as determined by Thomas A. Hickey III.

e. The services performed by ATTORNEY under this Agreement shall be under the direction of VCERA's Assistant County Counsel or Retirement Administrator for VCERA and ATTORNEY shall not accept direction from any other official or employee.

f. ATTORNEY shall coordinate all its activities with Assistant County Counsel.

g. ATTORNEY shall provide to Assistant County Counsel at intervals determined appropriate by Assistant County Counsel such reports as Assistant County Counsel may reasonably request.

3. **Performance of Services, Hourly Rates and Maximum Payment.** It is agreed that ATTORNEY shall only assign persons to perform services under this Agreement who are approved by VCERA for performing the services for VCERA and that when feasible ATTORNEY will use lower compensated employees in order to reduce the costs of services to VCERA. VCERA agrees that THOMAS A. HICKEY III shall be lead attorney and supervise all work under this Agreement. The parties agree that the hourly rate and maximum payment for THOMAS A. HICKEY III will be \$825 and such other ATTORNEY assigned work under this contract by THOMAS A. HICKEY III will be provided at a future time. Each investment transaction should be completed for \$17,500. In the event that the negotiation process warrants additional time and effort, THOMAS A. HICKEY III will seek Board authority to exceed the \$17,500 quote. VCERA understands that this may be necessary.

4. **Coordination of Services.** ATTORNEY shall consult with VCERA's Assistant County Counsel concerning all substantive positions and procedural steps to be taken by ATTORNEY in the course of advice and representation pursuant to this Agreement.

5. **Billing.** ATTORNEY shall submit monthly billing statements to the VCERA Assistant County Counsel for fees and costs for services performed under this Agreement and VCERA shall pay its obligations to ATTORNEY within a reasonable time after receipt of billings. Such statements shall indicate the services performed, the person(s) performing the services and provide an

LEGAL AGREEMENT – VCERA BOARD – FOLEY & LARDNER LLP

accounting of work time spent for which payment is requested under this Agreement. Fees will be charged in one-tenth hour increments. All payments by VCERA for expenses and services under this Agreement shall be sent directly to the following address:

FOLEY & LARDNER LLP
Attention: Accounting Department
111 Huntington Avenue, 26th Floor
Boston, MA 02199

6. **Termination.** This Agreement shall commence on date cited above and terminate as follows. ATTORNEY and BOARD reserve the right in their discretion to terminate this Agreement at any time ATTORNEY or BOARD deem necessary or advisable upon fifteen (15) days written notice to the other party. Upon receipt of such notice of termination, ATTORNEY shall provide no further services to VCERA without specific request or authorization of the VCERA Assistant County Counsel of the Retirement Administrator. Services of ATTORNEY hereunder shall not be deemed terminated until ATTORNEY has had an opportunity to, and upon receipt of such notice of termination ATTORNEY are hereby authorized to, obtain leave of court to withdraw from any court proceeding concerning which ATTORNEY are attorney of record for BOARD. In the event of termination of this Agreement ATTORNEY shall, within a reasonable period of time sufficient to permit ATTORNEY to make copies at its own expense of such material, documents and work product that ATTORNEY may retain, provide VCERA with all materials, documents and final (not draft) work product retained in hard copy form in its permanent files related to services performed under this Agreement.
7. **No Assignment.** The experience, skill and expertise of ATTORNEY are of the essence to this Agreement. ATTORNEY shall not assign (whether by assignment or novation) this Agreement or delegate their duties hereunder in whole or in part or any right of interest hereunder without the prior written consent of VCERA.
8. **Amendment.** This Agreement may be amended or modified only by written agreement signed by each of the parties, and a failure on the part of either party to enforce any provision of this Agreement shall not be construed as a waiver of the right to compel enforcement of such provision or provisions.
9. **Prior Approval.** Unless otherwise instructed, ATTORNEY must obtain the approval of VCERA Retirement Administrator concerning:
 - a. Retention of any consultant or expert witness to assist with this matter; and
 - b. Any expense item exceeding One Thousand Dollars (\$1,000.00).

LEGAL AGREEMENT – VCERA BOARD – FOLEY & LARDNER LLP

10. **Copies of Work ATTORNEY Will Provide to VCERA.** ATTORNEY must provide the VCERA Assistant County Counsel with copies of all legal memoranda, legal research and legislative history.
11. **VCERA Retirement Administrator's Authority.** The VCERA Retirement Administrator shall have the authority to exercise BOARD's rights and authority under this Agreement.
12. **Notices.** All notices herein required shall be in writing, and delivered in person or sent by certified mail, postage prepaid, addressed as follows:

Tim Thonis (through January 9, 2015)
Interim Retirement Administrator
Ventura County Employees' Retirement Association (VCERA)
1190 S. Victoria Avenue, Suite 200
Ventura, California 93003-6572
Tel. (805) 339-4250
Fax. (805) 339-4269

After January 9, 2015 to:
Linda Webb
Retirement Administrator
Ventura County Employees' Retirement Association (VCERA)
1190 S. Victoria Avenue, Suite 200
Ventura, California 93003-6572

Thomas A. Hickey III, Esq.
FOLEY & LARDNER LLP.
111 Huntington Avenue, 26 Floor
Boston, MA 02199
Tel.: (617) 342-4097
Fax: (617) 342-4001

or at such other address or to such other persons as either of the parties may from time to time designate by written notice given as herein provided. Notice given by mail as required above shall be deemed delivered three (3) County business days after mailing.

13. **Insurance.**
 - A. **Coverage** - ATTORNEY shall secure and maintain throughout the Agreement the following types of insurance with limits as shown.
 - (1) **Workers' Compensation** - A program of Workers' Compensation insurance or a state-approved Self-Insurance Program in an amount and form to meet all applicable state law requirements, including Employer's Liability with

LEGAL AGREEMENT – VCERA BOARD – FOLEY & LARDNER LLP

\$250,000 limits covering all persons providing services on behalf of that party and all risks to such persons under this contract.

(2) **Errors and Omissions Liability Insurance** - Combined single limits of \$1,000,000 for bodily injury and property damage and \$3,000,000 in the aggregate, or

(3) **Professional Liability** - Professional liability insurance with limits of at least \$1,000,000 per claim or occurrence.

B. Proof of Coverage - ATTORNEY shall immediately furnish certificates of insurance to the VCERA Assistant County Counsel evidencing the insurance coverage, including endorsements, and ATTORNEY shall maintain such insurance from the time ATTORNEY commence performance of services hereunder until the completion of such services, and shall notify VCERA within 10 days of any cancellation of any of the required policies. Within sixty (60) days of the commencement of this contract, the ATTORNEY shall furnish copies of the policies and all endorsements.

C. Failure to Have Insurance - In the event VCERA receives a notice of cancellation concerning any of the required policies, or should fail to have in effect the required coverage at any time during this Agreement, VCERA may give notice to ATTORNEY to immediately suspend all activities and/or notice to reinstate or acquire the affected coverage. Should ATTORNEY fail to reinstate or acquire the affected coverage within ten (10) days of VCERA's notice to reinstate or acquire such coverage, VCERA may terminate this Agreement.

14. Fees and Costs. If any arbitration or legal action is instituted to enforce or declare any party's rights hereunder, each party, regardless of which party is the prevailing party, must bear its own costs and ATTORNEY' fees.

15. Venue. The parties acknowledge and agree that this Agreement was entered into and intended to be performed in whole or substantial part in Ventura County, California. Notwithstanding this, the parties agree that the venue for any action or claim brought by any party to this Agreement will be the Ventura County Superior Court unless VCERA consents, in writing, to a venue in a different jurisdiction. Each party hereby waives any law or rule of court that would allow them to request or demand a change of venue.

LEGAL AGREEMENT – VCERA BOARD – FOLEY & LARDNER LLP

16. **Agreement.** The above terms and conditions constitute the complete agreement between the parties hereto. This Agreement was jointly prepared by both parties and the language in all parts of this Agreement shall be construed, in all cases, according to its fair meaning, and not for or against either party hereto.

VENTURA COUNTY EMPLOYEES'
RETIREMENT ASSOCIATION and its
BOARD OF RETIREMENT

FOLEY & LARDNER LLP

A Limited Liability Partnership

TIM THONIS
Interim Retirement Administrator,
VCERA

Thomas A. Hickey III

THOMAS A. HICKEY III
Partner
FOLEY LARDNER LLP

Dated: _____

Dated: 12-24-14

Tracy Towner
Chairman
VCERA Board of Retirement

Dated: _____

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>

January 5, 2015

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

SUBJECT: RECOMMENDATION TO ENGAGE MS. ASHLEY DUNNING FROM MANATT, PHELPS & PHILLIPS, LLP TO ASSIST IN "PENSIONABLE COMPENSATION" DETERMINATION

Dear Board Members:

Recommendation:

Engage Ms. Ashley Dunning from Manatt Phelps & Phillips, LLP to assist VCERA staff in determining items of "pensionable compensation" under PEPRA (Public Employees' Pension Reform Act).

Discussion:

In November VCERA adopted, with Ms. Dunning's assistance, a resolution interpreting Government Code section 7522.34 subdivision (a) – "pensionable compensation". The Pensionable Compensation Resolution (Resolution) permits plan sponsor pay items to be included as "pensionable compensation" if the pay items are within either the normal monthly rate of pay or the base pay of the member. Plan sponsor pay items must also comply with all other requirements of subdivision (a) to be considered "pensionable compensation", as detailed in the Resolution.

VCERA staff, with the assistance of legal counsel, was charged with reviewing all plan sponsor pay items and determining whether they constitute "pensionable compensation" for subsequent approval, or disapproval, by Board action. Just as staff was beginning its work, it learned that VCERA's counsel will be unable to assist in the determination because the County Counsel has declared an *actual* conflict of interest now exists between the Board of Retirement and the Board of Supervisors regarding the definition of "pensionable compensation." As you are aware, VCERA's interpretation of "pensionable compensation" differs from the position previously taken by the Board of Supervisors.

January 5, 2015

Page 2 of 2

Conclusion:

VCERA staff will need legal assistance in determining “pensionable compensation” in accordance with the Resolution. Staff believes Ms. Dunning’s previous work for VCERA will assist greatly in analyzing some 450 plan sponsor pay items for inclusion, or exclusion, from “pensionable compensation.”

VCERA staff will be pleased to respond to any questions you may have on this matter at the January 5, 2015 disability.

Sincerely,

A handwritten signature in blue ink, appearing to read "Tim Thonis". The signature is cursive and somewhat stylized.

Tim Thonis
Interim Retirement Administrator

**RESOLUTION OF THE BOARD OF RETIREMENT OF VENTURA COUNTY
EMPLOYEES' RETIREMENT ASSOCIATION (VCERA)
REGARDING PENSIONABLE COMPENSATION DETERMINATIONS**

WHEREAS, the Ventura County Employees' Retirement Association ("VCERA") and the VCERA Board of Retirement ("Board") are governed by the County Employees Retirement Law of 1937 (Gov. Code sections 31450, et seq.) ("CERL") and the Public Employees' Pension Reform Act of 2013 (Gov. Code sections 7522., et seq.), enacted by Assembly Bill 340 (regular session 2011-2012), effective January 1, 2013 ("PEPRA").

WHEREAS, this Resolution implements PEPRA's provisions regarding the determination of "pensionable compensation" in Government Code section 7522.34 ("Pensionable Compensation"), which applies to VCERA members for their service rendered on or after January 1, 2013 as "new members" under Government Code 7522.04(f) of PEPRA ("New Members").

WHEREAS, this Resolution identifies items of compensation that the Board presently believes are permitted, or required, to be included in, or excluded from, Pensionable Compensation for purposes of the effective administration of retirement system benefits and collection of contributions. **If, however, the Board later concludes that it has identified an item herein as either includable or excludable in a manner that is inconsistent with Board policy as determined by that later Board, or with a determination by the legislature, a court of competent jurisdiction, or other persuasive administrative legal authority such as the California Attorney General, the Board reserves the right to change its prior determination and to make appropriate adjustments both prospectively and/or retroactively, as this Resolution is not intended to, and does not, create any vested rights in members to the past, present, or future determinations set forth herein. Where this Resolution conflicts with any subsequent Board amendment to it, that subsequent Board-amended Resolution shall prevail.**

WHEREAS, Government Code section 7522.34, subdivision (a), defines Pensionable Compensation as "the normal monthly rate of pay or base pay of the member paid in cash to similarly situated members of the same group or class of employment for services rendered on a full-time basis during normal working hours, pursuant to publicly available pay schedules."

WHEREAS, the Board interprets the above-quoted subdivision (a) as permitting pay items to be included in Pensionable Compensation if they are within either the normal monthly rate of pay or the base pay of the member. Such pay items must also comply with the other requirements of subdivision (a) that they be paid:

1. In cash,
2. Not only to the member but also to similarly situated members of the same group or class of employment,
3. For services rendered on a full-time basis,
4. For services rendered during normal working hours,

5. Pursuant to publicly available pay schedules, and
6. Not paid to enhance a member's retirement benefit.

WHEREAS, Government Code section 7522.34, subdivision (c), also identifies categories of payments that are not included in Pensionable Compensation under any circumstances, which are enumerated as follows:

1. Any compensation determined by the board to have been paid to increase a member's retirement benefit under that system.
2. Compensation that had previously been provided in kind to the member by the employer or paid directly by the employer to a third party other than the retirement system for the benefit of the member and which was converted to and received by the member in the form of a cash payment.
3. Any one-time or ad hoc payments made to a member.
4. Severance or any other payment that is granted or awarded to a member in connection with or in anticipation of a separation from employment, but is received by the member while employed.
5. Payments for unused vacation, annual leave, personal leave, sick leave, or compensatory time off, however denominated, whether paid in a lump sum or otherwise, regardless of when reported or paid.
6. Payments for additional services rendered outside of normal working hours, whether paid in a lump sum or otherwise.
7. Any employer-provided allowance, reimbursement, or payment, including, but not limited to, one made for housing, vehicle, or uniforms.
8. Compensation for overtime work, other than as defined in Section 207(k) of Title 29 of the United States Code.
9. Employer contributions to deferred compensation or defined contribution plans.
10. Any bonus paid in addition to the compensation described in subdivision (a).
11. Any other form of compensation a public retirement board determines is inconsistent with the requirements of subdivision (a).
12. Any other form of compensation a public retirement board determines should not be pensionable compensation.

NOW, THEREFORE, BE IT RESOLVED that the VCERA Board of Retirement declares the following:

1. The foregoing Recitals are incorporated herein by this reference.
2. The following pay types shall be included in Pensionable Compensation under section 7522.34, subdivision (a), and retirement contributions will be taken on all such payments, as follows:
 - a) Regular salary, including scheduled step increases;
 - b) FLSA premium pay for law enforcement and fire protection as defined in Section 207(k) of Title 29 of the United States Code.
 - c) Additional pay types will be included in Pensionable Compensation if the following criteria are met:

Special assignment payments or differentials, and payments for possessing specified certificates, certifications or licenses will be included only if the assignment, certification or license is part of a member's regularly assigned responsibilities on a matter that is a normal or essential function of the job and is not performed or received solely during the final average compensation period, and is part of the regular assignment of other members in the same group or class. The amounts must also be (i) paid in cash to similarly situated members of the same group or class of employment; (ii) paid for services rendered on a full-time basis; (iii) paid only for services rendered during normal working hours; (iv) paid pursuant to publicly available pay schedules; and (v) affirmatively and specifically approved by the Board as consistent with the Board policy set forth in this Resolution.
3. The following pay types shall be excluded from Pensionable Compensation under the referenced numerical subdivisions of Government Code section 7522.34, subdivision (c), and retirement contributions will not be collected on those payments for New Members:
 - a) Allowances (e.g., clothing, uniform, automobile, housing) (subdiv. (7)).
 - b) In-kind benefits converted to cash (subdiv. (2)).
 - c) All leave cash outs, regardless of when paid (e.g., annual, sick, floating holiday, personal, comp time) (subdiv. (5)).
 - d) Reimbursements and allowances (including, but not limited to, automobile, housing, moving, relocation, tool, meal, boot, cell phone, or license) (subdiv. (7)).

- e) Overtime, unless it is FLSA premium pay for certain safety members as defined by statute (subdiv. (8)).
- f) Severance pay, regardless of when or how paid (subdiv. (4)).
- g) Lump sum payment of comp time at promotion (subdiv. (5)).
- h) Bonuses that are not part of normal monthly rate of pay of the member and similarly situated members for full-time service during normal working hours pursuant to publicly available pay schedules (including, but not limited to, special non-essential skills bonus; temporary promotion bonus; productivity bonuses; discretionary or temporary special assignment bonuses (subdiv. (10)).
- i) Employer contributions to deferred compensation or defined contribution plans (subdiv. (9)).
- j) Payments for additional services rendered outside of normal working hours (including, but not limited to, call-back, standby pay, off-duty canine care, or extra-shift work) (subdiv. (6)).
- k) Payments made to enhance a retirement benefit as determined by the Board of Retirement (subdivs. (11) and (12)).

4. The “publicly available pay schedule” requirement in Government Code section 7522.34 means each employer plan sponsor of VCERA (“Employer”) must publish publically the amount of the pay item that is to be included in its employees’ Pensionable Compensation by meeting all of the following criteria:

- a) Has been duly approved and adopted by the Employer's governing body in accordance with requirements of applicable public meetings laws;
- b) Identifies the position title for every employee position used by the Employer;
- c) Specifies the Pensionable Compensation amount of each identified position, which may be stated as a single amount or as multiple amounts within a range;
- d) Indicates the conditions for payment of the item of Pensionable Compensation, including, but not limited to, eligibility for, and amount of each component of pay;

- e) Is posted at the office of the Employer or immediately accessible and available for public review from the Employer during normal business hours or posted on the Employer's internet website;
 - f) Indicates an effective date and date of any revisions;
 - g) Is retained by the Employer and available for public inspection for not fewer than five years; and
 - h) Does not reference another document in lieu of disclosing the item of Pensionable Compensation other than those outlined in a "labor policy or agreement," as described and limited below:
 - (i) A labor policy or agreement means any of the following: a Memorandum of Agreement; a Management, Confidential Clerical and Other Unrepresented Employees Resolution, or other similar document used by the Employer to specify the Pensionable Compensation of represented and unrepresented employees, as specifically approved by the VCERA Board of Retirement.
 - (ii) Identifying a percentage increase in salary, in lieu of a dollar amount, in a labor policy or agreement does comply with this interpretation of a "pay schedule".
5. The Retirement Administrator, with assistance of VCERA's legal counsel, is responsible for implementing the Board's determinations and policy decisions related to Pensionable Compensation. The VCERA Retirement Administrator will analyze pay codes to determine whether they constitute Pensionable Compensation or not under this Resolution, and will bring such determinations to the VCERA Board for action. The Chair of the Board may, but is not obligated to, appoint an ad hoc committee of the Board to address or recommend responses to any Pensionable Compensation implementation challenges, as appropriate.
6. Employers are responsible for coding of pay code categories consistent with this VCERA Resolution and subsequent VCERA determinations made consistent with this Resolution, and subject to the VCERA Retirement Administrator's review. Employers are responsible for notifying VCERA's Retirement Administrator regarding the facts and circumstances of any pay items they consider may be an exception to the Resolution and policy set forth herein, for review by the VCERA Retirement Administrator. Employers are also responsible for notifying the VCERA Retirement Administrator of new pay codes for Pensionable Compensation review by VCERA no later than the time of implementation of the codes.

7. The VCERA Retirement Administrator will review Employer pay code listings for compliance with this Resolution and policy established hereby as part of staff administrative procedures. When reviewing items of compensation, VCERA will audit pay items to identify those that may have a primary purpose to enhance retirement benefits, involve the manipulation of compensation by members or Employers to enhance benefits, and receipt of ad hoc payments or any other compensation considered to be inconsistent with the pension reform legislation provisions.
8. VCERA members or Employers may appeal a determination regarding pensionability of a particular pay item by the Retirement Administrator to the Retirement Board, through a VCERA administrative appeal process, as appropriate. The administrative appeal process, if implemented, may, but is not required, to follow the hearing process provides in Government Code sections 31533 and 31534.

ADOPTED AND APPROVED by the Board of Retirement of the Ventura County Employees' Retirement Association on the 17th day of NOVEMBER 2014.



Tracy Towner, Chair of the Board

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>

December 15, 2014

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

SUBJECT: REINSTATEMENT TO ACTIVE MEMBERSHIP; CYNTHIA CANTLE

Dear Board Members,

Staff recommends that VCERA retired member Ms. Cynthia Cantle be reinstated to active membership pursuant to Government Code Sections 31680.4 & 31680.5. Ms. Cantle has filed her application for reinstatement pursuant to section 31680.4, a medical determination that she is not incapacitated for the duties assigned, and a letter indicating her offer of full-time employment.

VCERA staff members will be pleased to answer any questions you may have on this item at the business meeting of December 15, 2014.

Sincerely,



Tim Thonis
Interim Retirement Administrator

December 15, 2014

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

Dear Members of the Board of Retirement:

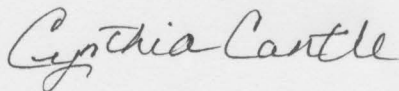
I hereby respectfully request reinstatement as an active employee of the County of Ventura, filling a position as Board of Supervisor's Chief of Staff, effective January 5, 2015.

As instructed by your staff, I have attached a copy of the offer of employment, the draft job description and a letter from my physician stating that I am capable of fulfilling the duties required.

I appreciate your favorable consideration of this request, and I look forward to once again becoming an active and contributing employee serving the citizens of Ventura County.

If you have any questions, please do not hesitate to contact me.

Sincerely,



Cynthia Cantle
465 Gridley Road
Ojai, CA
805-640-9598



BOARD OF SUPERVISORS
COUNTY OF VENTURA

GOVERNMENT CENTER, HALL OF ADMINISTRATION
800 SOUTH VICTORIA AVENUE, VENTURA, CALIFORNIA 93009

From the Desk of **STEVE BENNETT**
SUPERVISOR, FIRST DISTRICT
(805) 654-2703
FAX: (805) 654-2226
E-mail: steve.bennett@ventura.org

MEMBERS OF THE BOARD
STEVE BENNETT, Chair
LINDA PARKS
KATHY I. LONG
PETER C. FOY
JOHN C. ZARAGOZA

November 30, 2014

Cynthia Cattle
465 Gridley Road
Ojai, CA 93023

Dear Cynthia,

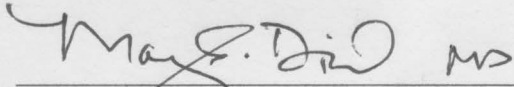
I am pleased to extend to you an offer of employment as my Board of Supervisor's Chief of Staff.

Cordially,

A handwritten signature in cursive script that reads "Steve Bennett".

Steve Bennett
Supervisor, First District

I have read the job description for Board of Supervisors Chief of Staff and confirm that Cynthia S. Cattle is physically capable of performing the job as described.

 MS

Dr. Mary E. Dial, MD

11/24/14

_____ Date

VENTURA COUNTY EMPLOYEES' RETIREMENT ASSOCIATION

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

January 5, 2015

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

SUBJECT: AUTHORIZATION FOR MR. TOWNER'S PARTICIPATION AT SPECIAL EDITION OF PIMCO INSTITUTE; JANUARY 14-15, 2015

Dear Board Members:

Staff recommends authorization for Mr. Towner to attend a special edition of the PIMCO Institute being held January 14 & 15, 2015. PIMCO is limiting attendance to clients only and this special edition of the PIMCO Institute will address macroeconomic themes, asset allocation decisions and how PIMCO's investment committee and portfolio managers are navigating in the current market environment.

The cost to attend is estimated to be \$500 including event registration, hotel and other travel related expenses.

VCERA staff will be pleased to respond to any questions you may have on this matter at the January 5, 2015 disability meeting.

Sincerely,



Tim Thonis
Interim Retirement Administrator

Attachment

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>

January 5, 2015

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

Subject: CALAPRS

Dear Board Members:

I am requesting the Board's approval to attend the CALAPRS Trustees' Roundtable on February 6, 2015 in San Jose.

The total cost of attendance will not exceed \$500.

Sincerely,



Arthur E. Goulet
Retiree Member

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>

January 5, 2015

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

SUBJECT: AUTHORIZATION FOR MS. NEMIROFF'S ATTENDANCE; NAPPA WINTER SEMINAR; FEBRUARY 13TH – 15TH, 2015; TEMPE, AZ

Dear Board Members:

Staff recommends authorization for Ms. Nemiroff to attend the NAPPA Winter Seminar being held February 13th – 15th, 2015 in Tempe, Arizona. The cost to attend is estimated to be \$1,600 including event registration, hotel, air fare and other travel related expenses.

VCERA staff will be pleased to respond to any questions you may have on this matter at the January 5, 2015 disability meeting.

Sincerely,



Tim Thonis
Interim Retirement Administrator

Attachment



National Association of
NAPPA
Public Pension Attorneys

Tempe, AZ

2015 Winter Seminar

Tempe Mission Palms Hotel and Conference Center



www.nappa.org

February 11-13, 2015

Registration Begins Monday, December 1, 2014

Registration Information & Deadlines

Online registration begins Monday, December 1, 2014.

To register for the conference:

Go to www.nappa.org

Click on **Winter Seminar Registration**

December 1 - January 28	Winter Seminar registration open Winter Seminar Fee: \$475 (if registered before 1/16) Winter Seminar Fee: \$575 (if registered 1/16 or after)
December 1 - January 28	Senior Counsel Seminar registration open Senior Counsel Seminar Fee: \$60 Limited to members with 10 years of public fund experience and/or members serving as general counsel of a fund.
January 28, 2015	Last day to register for the Winter Seminar

Seminar Cancellation Policy

Prior to January 16	Full refund
January 16 - January 28	\$100 administrative fee charged
January 29 or later	No refund

Conference Room Block Information

The NAPPA block room rate is available until the block is filled or January 20, 2015, whichever comes first.	NAPPA Block Room Rate \$199 (single/double)
---	--

If you have any questions, please call the NAPPA office at (573) 616-1895, or send an email to:

Karen Holterman..... Karen@nappa.org

Brenda Faken Brenda@nappa.org

Doris Dodge Doris@nappa.org

Hotel Information



All meetings will be held at the:

Tempe Mission Palms Hotel

60 E. 5th Street

Tempe, AZ 85281

Phone: (480) 894-1400

Toll Free: (800) 547-8705

Conference Room Rate: \$199 per night

Single/double occupancy

A block of rooms has been reserved at the Tempe Mission Palms Hotel. The block room rate is \$199 single/double. This rate is available until the room block is filled or until January 20, 2015, whichever comes first. The phone number for the hotel is 800-547-8705. Reservations can also be made online by selecting the Winter Seminar Registration link at www.nappa.org. The website password is **trust2014**.

Hotel Cancellation Policy: Guest room reservations must be cancelled 48 hours prior to arrival date or you will be charged for one night's accommodation.

If you book using the link provided on the NAPPA website, please disregard the Hospitality Fee that is included in the Total Rate. The fee will be removed from your bill at the time of check-out.

Please Note!

- Notebooks are no longer offered. Materials will be provided electronically.
- Continuing Legal Education (CLE) credits are **NOT** available for these meetings.
- You are responsible for your own airfare and hotel accommodations.
- There is a "No Smoking" policy at all sessions.
- Dress is business casual. Please note that most meeting rooms tend to be on the chilly side, so a sweater or jacket is recommended.

Solicitation and marketing are prohibited at all NAPPA meetings.

Wednesday, February 11

7:00 a.m. - 5:00 p.m. Registration

7:30 a.m. - 8:15 a.m. Breakfast

Investment Section Meeting

(8:30 a.m. - 11:30 a.m.)

8:30 a.m. - 9:45 a.m. Diligence and Current Trends in Private Equity – Top Matters

This session identifies and discusses timely issues and latest developments that are on the radar of private equity investors, consultants, and fund managers. The panel will explore developments including the following current topics: fees to sponsor affiliates, transparency and the SEC's focus; the role of the Limited Partner Advisory Committee; subscription documents (What's New Inside); limited partner access to books and records and disclosure matters; side letter developments; and consultant roles and responsibilities.

9:45 a.m. - 10:15 a.m. Break

10:15 a.m. - 11:30 a.m. Exit Strategies Across Private Market Asset Classes

This session will explore the various exit strategies available to investors across private market asset classes. The panel will identify and discuss the types of exit options and termination rights an investor needs to consider before making an investment. The panel will address the trends and developments related to exits from commingled funds, investment management agreements, funds of one, and other types of investment vehicles.

12:00 noon - 1:15 p.m. Lunch

Fiduciary and Plan Governance Section Meeting

(1:30 p.m. - 4:30 p.m.)

1:30 p.m. - 2:20 p.m. Can We Talk? Fiduciary Risks When Communicating With Plan Members

This panel will explore the potential fiduciary issues that arise when communicating with plan members. What exposure is there for the public pension plan if misinformation is presented at a retirement counseling session? What happens if something is posted on social media that isn't true or exposes confidential information? How can you protect your public pension plan from those risks?

Wednesday, February 11

2:20 p.m. - 3:10 p.m. Oversight Challenges Posed by Alternative Investments: What Issues do Alternative Investments Pose to Trustees/Board Members?

As public pension funds continue to move increasing percentages of their assets into private equity funds, hedge funds, and other alternative investments, trustees/board members must take particular care to ensure their pension funds have comprehensive oversight policies and practices in place. These oversight mechanisms should be crafted to reflect the particular challenges posed by investing in alternative asset classes. This panel discussion addresses challenges such as: conflicts of interests, management fees, transparency issues, sharing information with board members, and discussing these investments in open meetings to make sure the pension fund's interests are adequately protected.

3:10 p.m. - 3:40 p.m. Break

3:40 p.m. - 4:30 p.m. Trustees Gone Wild

How should legal counsel handle trustees/board members who don't follow proper protocols set up by the board? What if a trustee/board member goes to the press or discloses confidential information? What if a trustee/board member is also the union president and is making statements to the press on pension issues? What do you do if a trustee/board member is proposing potential investments to the board? This panel will discuss the legal issues presented by these actions and how legal counsel should address these touchy topics. The panel will also address what can be done to control these trustees/board members, if anything.

4:30 p.m. - 6:00 p.m. Reception provided by NAPPA

Thursday, February 12

7:00 a.m. - 5:00 p.m. Registration

7:30 a.m. - 8:15 a.m. Breakfast

Benefit Section Meeting

(8:30 a.m. - 11:30 a.m.)

8:30 a.m. - 9:45 a.m. Pension Spiking: What is the Problem and Why Should Your Board Be Concerned?

A discussion on pension spiking and what your board should know, including: actuarial funding issues; the board's fiduciary duty to prevent spiking, where possible; and how to educate your board about these issues.

Thursday, February 12

9:45 a.m. - 10:15 a.m. Break

10:15 a.m. - 11:30 a.m. Litigation With Plan Sponsors and Members, Part II - Settlements and Appeals

A discussion on settlement and appeal issues impacting benefit administration, such as: where plan sponsors settle separate litigation with employees, without consulting the retirement system, which affects administration of pension benefits; potential tax consequences of correcting benefits based on a settlement; when it's appropriate to settle or appeal adverse rulings in litigation between the system and its plan sponsor or members; and due process requirements for administrative hearings regarding member appeals of benefit decisions.

12:00 noon - 1:15 p.m. Lunch

Tax Section Meeting

(1:30 p.m. - 4:30 p.m.)

1:30 p.m. - 2:25 p.m. The Second Time Around: What You Need to Know to Prepare for "Cycle E"

The second "Cycle E" determination letter filing period begins in February, 2015. For many funds, this process will entail not only the filing but also necessary corrections of plan documentation and operation. This session provides a refresher on the IRS determination letter process and the updated Employee Plans Compliance Resolution System ("EPCRS").

2:25 p.m. - 3:15 p.m. Developments from DC

With the flip of the Senate, there will be plenty of activity on the Hill. This session outlines the pension and retirement legislative agenda of the new Congress. We will also discuss the compliance (and politics) of the Foreign Account Tax Compliance Act.

3:15 p.m. - 3:45 p.m. Break

3:45 p.m. - 4:30 p.m. The IRS Speaks!

As the IRS wraps up the second "Cycle C" and prepares for the second "Cycle E," we will have a moderated discussion with an IRS representative on some of the unique issues it has faced with public pension plans. The representative will answer questions solicited from NAPPA members.

Friday, February 13

7:00 a.m. - 11:30 a.m. Registration

7:30 a.m. - 8:15 a.m. Breakfast

Senior Counsel Seminar*

(8:30 a.m. - 11:30 a.m.)

8:30 a.m. - 9:30 a.m. New Attacks on Public Pension Plans

A discussion of the most recent attacks on the defined benefit plans offered by public funds and the proposals to replace such plans with defined contribution plans, cash balance plans, hybrid plans, cost sharing plans, etc., as a means to remedy what is alleged as the longstanding underfunding of those defined benefit plans. The discussion will include the arguments made for replacement of the plans, the strategies used to advance those arguments, and ways that public funds can meet and address these challenges.

9:30 a.m. - 10:00 a.m. Break

10:00 a.m. - 10:45 a.m. Insider Trading Policies

A discussion of the range and depth of insider trading policies that are in place among public pension funds and an evaluation of the effectiveness of those policies. There will be different approaches among funds based on their governance in the area of investments, and this session will provide an opportunity to explore different perspectives, which may aid in future policy development.

10:45 a.m. - 11:30 a.m. Organization of the Legal Department

A discussion of the organization of the legal department at various funds, including: how work is assigned to the department, the internal assignment of work in the department, and how the department interacts with other parts of the organization. The discussion will also cover the role of outside counsel in that process and management of outside counsel by the department. A free exchange of many different approaches to department organization may generate new ideas to incorporate into your own fund.

**The Senior Counsel Seminar is limited to members with 10 years of public fund experience and/or members serving as general counsel of a fund.*

2014-2015 Section Steering Committees

Investment Section

- Georgette A. Schaefer (Morgan, Lewis & Bockius), *Chair*
- Robert Feinstein (South Carolina Retirement System Investment Commission (RSIC))
- Joseph J. Indelicato, Jr. (New York State Teachers' Retirement System)
- Yuliya A. Oryol (Nossaman)
- Erin Perales (Houston Municipal Employees Pension System)
- *Dulcie D. Brand (Pillsbury Winthrop Shaw Pittman), Board Liaison*

Fiduciary & Plan Governance Section

- Doreen McGookey (Fort Worth Employees' Retirement Fund), *Chair*
- Bill Ackerman (Klausner, Kaufman, Jensen & Levinson)
- Suzanne M. Dugan (Cohen Milstein Sellers & Toll)
- Ian Lanoff (Groom Law Group)
- James H. Salvie (Massachusetts Teachers' Retirement System)
- Gina M. Ratto (California Public Employees' Retirement System)
- *Ashley K. Dunning (Manatt, Phelps & Phillips), Board Liaison*

Benefits Section

- Elaine W. Reagan (San Diego City Employees' Retirement System), *Chair*
- Laurie McKinnon (Kansas Public Employees Retirement System)
- Paul Neal (Washington State Law Enforcement Officers' & Fire Fighters' Plan 2 Retirement Board)
- David H. Nispel (Wisconsin Department of Employee Trust Funds)
- Katherine Rupinen (Kentucky Retirement Systems)
- *Adam Franklin (Colorado Public Employees' Retirement Association), Board Liaison*

Tax Section

- John A. Nixon (Duane Morris), *Chair*
- Lori W. Jones (Thompson Coburn)
- Mary Alice McGreevy (Wisconsin Department of Employee Trust Funds)
- Jonathan Needle (Houston Firefighters' Relief & Retirement Fund)
- Kimberly Gardner (Colorado Public Employees' Retirement Association)
- *Paul W. Madden (Whiteford, Taylor & Preston), Board Liaison*

NAPPA

2410 Hyde Park Road, Suite B
Jefferson City, MO 65109
Phone: (573) 616-1895
Fax: (573) 616-1897

NAPPA Staff

Susie DahlSusie@nappa.org
Karen HoltermanKaren@nappa.org
Brenda FakenBrenda@nappa.org
Doris DorgeDoris@nappa.org

www.nappa.org

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>

January 5th, 2015

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

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

Dear Board Members:

Attached are three change orders related to the Ventura County Employees' Retirement Information System ("VCERIS") project (Attachments A, B, and C). These change orders are the result of an eight month project extension needed for the County to complete the active payroll interface to the V3 system.

(1) Background

As detailed in the third 2014 VCERIS Quarterly Report, presented November 17th, 2014, the VCERIS project is approximately 66% complete. The major risk remaining on the project relates to the active payroll interface file. As the Board is aware, the County's active payroll interface file provides all of the key data required by VCERA to calculate and pay out benefits to members. The system cannot be implemented without accurate compensation, service, and demographic data, all of which are provided by the County and VRSD.

The project team and the County's payroll interface team began meeting shortly after the project launch in March of 2012 in order to discuss VCERA's interface requirements. In January 2013, these requirements were finalized in a detailed file format document. At that time, the VCERA team definitively learned that the County's team was having issues in producing some of the requested data elements. Although progress was made on many file elements, it became clear by June of 2013 that the payroll interface would not be completed by the inception of rollout #1, in October of 2013.

In order to give the County additional time to complete the interface (in addition to other factors), the VCERA project team changed the rollout methodology to a single, big bang implementation, scheduled for August of 2015. This involved a five month project extension, which the Board approved in July of 2013. The Auditor Controller addressed the Board in November of 2013 and stated that the County team would be able to complete the development active payroll interface file by March of 2014.

PENSION ADMINISTRATION SYSTEM (PAS) PROJECT UPDATE

January 5th, 2015

Page 2 of 4

In March of 2014, the County's payroll team indicated the interface file would not be available until June, and it would not include compensation earnable. VCERA's project team and the County's team worked throughout the summer on testing the file elements that were included in the file. In August and September, VCERA's team and Board Chair worked with the Auditor-Controller to establish that compensation earnable would be included in the payroll interface file. In November, both teams agreed to a final development schedule. This schedule will move the main system rollout date from August 2015 to April of 2016, and the overall project completion to June 30, 2016.

(2) Alternatives to the Proposed Delay

The VCERA project team considered numerous alternatives to the recommended eight month delay in order to minimize the impact to the project schedule and budget. Unfortunately, the team believes none of these strategies are viable. These strategies are discussed below:

Strategy	Description	Reason strategy is not viable
Manual fix to file	This strategy was discussed with the Board in November of 2013. It would involve Auditor/Controller staff manually fixing the interface file each pay period.	Auditor Controller ultimately rejected this approach due to the fact that it would involve a great deal of staff time both to research and fix the records.
Accept compensation earnable as is	This would involve VCERA accepting the earnable salary reported as is, without modification. The justification for this approach is the majority of records would be accurate, and the differences in some records would likely be small.	VCERA's counsel and Retirement Administrator determined this would not be compliant with CERL, and may negatively impact certain members disproportionately.
Modify V3 to programmatically create comp earnable	This would involve the V3 system accepting the County's records as-is and then using programmatic logic to create compensation earnable records from it.	This approach was rejected for two reasons: first, this would represent a very large change to V3 and would also delay the project by a minimum of six months, making it more costly than the current plan. Second, by creating compensation earnable records, VCERA would be removing this responsibility from its employers, which is not compliant with CERL and counter to the direction of VCERA management.
Reduce the scope of the overall project to minimize delay and cost impact	This would involve delaying the implementation of member self-service (MSS) in order to reduce the delay and minimize the cost impact	Member self-service is considered a very important component of the project. Reducing the scope of the project only delays the incurring of cost, since VCERA will ultimately implement MSS.

PENSION ADMINISTRATION SYSTEM (PAS) PROJECT UPDATE

January 5th, 2015

Page 3 of 4

The project team and the VCERA Steering Committee have determined that the best course of action is to extend the project to allow the interface file to be completed. Having an accurate and complete payroll file will allow the V3 system to function as intended, and to produce accurate benefit calculations for VCERA members.

(3) Change Orders Required for the Delay

There are three change orders that staff are recommending the Board approve. As discussed in previous Board meetings, the cost of delay is approximately \$250,000 per month for three vendors – Vitech Systems, Linea Solutions, and MBS.

They are discussed below.

Vitech Systems is proposing a monthly cost of \$195,000 for the delay. These costs include 19-21 staff members averaging 3,000-3,400 hours per month on the project, including six full-time on-site Vitech staff members. The costs also include \$5,000 per month in additional data conversion labor. Up to three additional data conversion cycles are necessitated by the delay, which impacts all three vendors. This change order represents a significant discount to VCERA, as the average staff cost of \$63.33 is significantly below Vitech's normal implementation rates, which average over \$100 per hour. The total cost of the change order, assuming an eight month delay, is \$1,580,000.

Linea Solutions is proposing a monthly cost of \$55,000 for the delay. These costs include five staff members, and include all system testing, project management, data conversion staging, design consulting, user training, user acceptance testing, and data research subject matter expertise, plus all travel costs. This represents a \$13,750 per month discount, or \$110,000 total. The total cost of the change order, assuming an eight month delay, is \$440,000.

MBS is proposing a total of \$41,580 for a total of three additional data conversion test cycles. This averages to \$5,197 per month. These additional conversion cycles are needed due to the extension of the project: new data must be analyzed to ensure that no issues could impact the cut-over to production.

It should be noted that the project team is in the process of determining the change orders required for CMP and Associates (the legacy system consultant) and ITS (for assistance with the legacy system). These will be presented in February of 2015.

Recommendations

Staff recommends your Board take the following actions:

- Request approval to increase the VCERIS project contingency budget from \$843,611 to \$2,943,611 (an increase of \$2.1 million)
- Request approval for the change orders (Attachments A, B, C) and direct the Board Chairman to sign.

We would be pleased to respond to any questions during the Board meeting.

PENSION ADMINISTRATION SYSTEM (PAS) PROJECT UPDATE

January 5th, 2015

Page 4 of 4

Sincerely,

A handwritten signature in blue ink, appearing to read "B. Colker", with a stylized, cursive script.

BRIAN COLKER
Linea Solutions, Inc.

Attachment (3)

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>

DATE: January 5, 2015

SUBJECT: Change Order to VCERA - Vitech Systems Group, Inc., VCERA Change Order #6

BACKGROUND

This Change Order extends the term of the License, Professional Services, Maintenance and Support Agreement Vitech Systems Group, Inc. ("Vitech" or "Vendor") and VCERA (the "Agreement") dated February 27, 2012 by up to eight months.

COST AND EFFORT

Payment for the extended services to be provided under this change order will be made at a monthly fixed price of \$190,000 for all Analysis, Meetings, Development, Testing, Project Management, Build/Deployment, etc. required by the License, Professional Services, Maintenance and Support Agreement Vitech Systems Group, Inc. ("Vitech" or "Vendor") and VCERA (the "Agreement") dated February 27, 2012, including change orders 1-5. Payment for additional data conversion work shall be on an hourly basis. Partial months will be billed on a pro-rated basis, in quarter-month increments. In the event that the members of the Project Steering Committee collectively determine that the full amount of the time extension provided for herein is no longer necessary, the Committee shall communicate the modified project schedule to Vitech, in writing, no later than August 14, 2015.

Services to be provided	Estimated Months	Estimated Hours	Fixed Price Per Month	Hourly Rate	Estimated Total
All Analysis, Meetings Development, Testing, Project Management, Build/Deployment, etc.	8	24000	\$190,000	\$63.33	\$1,520,000
Additional data conversion hours – 3 additional cycles		400		\$100	\$40,000
Data conversion services in support of final cut-over to production		200		\$100	\$20,000

VITECH – VCERA CHANGE ORDER #6

January 5, 2015

Page 2 of 4

VCERA Service Payment Schedule

Total Services (Old): 4,030,300

Total Services (New): **5,610,300**

Change Order for: **1,520,000**

Milestone #	License Fee	Est Invoice Date	Milestone Description*	Gross Payment	Payments Withheld	Withhold Release	Total Payment
1	\$ 575,000	Mar-12	Project Initiation / Initial License payment (development license)	200,000			200,000
2		May-12	QA Hardware and Software Installed and Configured	128,000	19,200		108,800
3		Jun-12	Detailed Implementation Plan Approved	96,000	14,400		81,600
4		Aug-12	V3 Baseline Application Configuration & Demonstration Complete	224,000	33,600		190,400
5		Nov-12	validated	224,000	33,600		190,400
6		Mar-13	Rollout 1: VCERA validates Segment B functionality delivered	224,000	33,600		190,400
7		Jun-13	Rollout 1: VCERA confirms Segment C functionality delivered	224,000	33,600		190,400
8		Jul-13	Change Order #2 Execution	370,720		168,000	538,720
9		Sep-13	Rollout 1: VCERA confirms Segment D Track 1 functionality delivered	314,640			314,640
10		Dec-13	Rollout 1: VCERA confirms Segment D Track 2 functionality delivered	314,640			314,640
11		Mar-14	Rollout 1: VCERA confirms Segment F functionality delivered	139,200			139,200
12		May-14	CO #4 Mobilization (33%)	81,857			81,857
13		Sep-14	Change Order #5 Execution (50%) - Four (4) Additional Interfaces	46,125			46,125
14		Sep-14	Rollout 1: VCERA confirms Segment G functionality delivered	139,200			139,200
15		Oct-14	Rollout 1: VCERA begins parallel testing of the transmittal files	139,200			139,200
16		Dec-14	Change Order #5 Completion (50%) - Four (4) Additional Interfaces	46,125			46,125
17		Dec-14	Rollout 1: VCERA confirms Segment H functionality delivered	139,200			139,200
18		Dec-14	Rollout 1: VCERA confirms Segment I track 1 functionality delivered	69,600			69,600
19		Mar-15	Rollout 1: VCERA confirms Segment I track 2 functionality delivered	69,600			69,600
20		May-15	CO #4 Progress Payment (33%)	81,857			81,857
21		May-15	CO #6: Project Extension for Active Payroll File [1 of 3]**	380,000			380,000
22		Jul-15	CO #6: Project Extension for Active Payroll File [2 of 3]	380,000			380,000
23		Sep-15	CO #6: Project Extension for Active Payroll File [3 of 3]	380,000			380,000
24		Sep-15	CO #4 Completion (34%)	84,336			84,336
25		Nov-15	CO #6: Optional Extension for Active Payroll File	380,000			380,000
26		Jan-16	Rollout 1: VCERA begins UAT	40,000			40,000
27		Apr-16	Rollout 1: VCERA accepts system for production	400,000			400,000
28		Apr-16	Rollout 2: Start of MSS Implementation	122,000			122,000
29		Jun-16	Rollout 2: VCERA accepts MSS for production	72,000			72,000
30		Sep-16	Warranty Complete: Three (3) months after System Live Date	50,000			50,000
31		Jun-17	Warranty for Cyclical Processes Complete: Twelve (12) months after Sys.	50,000			50,000
	\$575,000			5,610,300	168,000	168,000	5,610,300

* Rollout 1 includes contribution and benefit processing, payments and ROBS and RIS Replacement

** Depending on whether and when a determination has been made that the time extension is no longer necessary, subsequent milestones will be moved up one or two months.

This Change Order is made pursuant to and subject to the terms of the Agreement. This Change Order authorizes Vitech to perform the associated services for the fixed fee or hourly billing rate set forth herein. Travel expenses will be billed monthly as defined in the original agreement. This Change Order constitutes an addendum to the Agreement and except as expressly amended by this Change Order, all of the terms, conditions and provisions of the Agreement remain unchanged and shall remain in full force and effect for the purposes of this Change Order.

IN WITNESS WHEREOF, the parties hereto have caused this Change Order to be executed by their duly authorized representatives as of the Change Order Effective Date.

TRACY TOWNER
VCERA
Chairman of the Board

CHRISTOPHER LODGE
VITECH SYSTEMS GROUP, INC.
Vice President Operations

VITECH – VCERA CHANGE ORDER #6

January 5, 2015

Page 3 of 4

Change Order Effective Date: January 5, 2015

Signature:

Signature:

Date:

Date:



Organization	VCERA	
Project	VCERIS	
Subject	Contract Amendment #7	
Written by	Brian Colker	
Date	1/5/2015	
Doc #	VC-CHG-07	
Vers.	1.0	
	Page	1 of 1

Contract Amendment #7

This Change Order authorizes additional project management, testing, data conversion staging, design consulting, and training hours necessitated by the extension of the VCERIS project

The cost below is the monthly cost for the additional work.

Contract Amendment #7 Detail	Monthly Amount
Project Management, build testing, system testing, user acceptance testing (including script writing and test staging services), data conversion testing, oversight of the active payroll file development and testing process, legacy system data research and correction, oversight of the remaining V3 design process (including member web self-service), interfaces testing, assistance with V3 training, and production cut-over support. Includes travel fees.	\$55,000
Total Estimated Cost, 8 Month Extension	\$440,000

This contract amendment does not alter the terms or conditions of Linea’s Statement of Work for Pension Administration Consulting Services, dated February 12, 2012, with the exception of a change in the billing method: Linea will bill the remaining project on a fixed monthly cost of \$55,750¹, as of January 2015, which includes all of the services and travel fees referenced above. In the event of a partial month, Linea will bill in quarter-month increments.

LINEA SOLUTIONS, INC.

VCERA

By: 
 Brian Colker, CFO

By: _____
 Tracy Towner, Chairman of the Board

Date: 1/5/2015

Date: _____

¹ Please note that the fixed monthly cost for the remaining 18 months of the project is slightly higher than the monthly cost for the eight additional months proposed in this contract amendment. This is intentional. The fixed monthly cost represents an average cost for the 18 months; the change order calculation is only for the eight months of additional work.

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>

DATE: January 5, 2015

SUBJECT: Change Order to VCERA – Managed Business Solutions, LLC, VCERA Change Order #2

BACKGROUND

This Change Order authorizes additional data conversion hours necessitated by the extension of the VCERIS project. Specifically, it is anticipated that MBS may perform as many as three additional cycles of conversion from the VCERA legacy systems to the new V3 system.

COST AND EFFORT

The services to be provided under this change order shall be delivered on a time and materials basis at the same rates provided for in the MBS - VCERA agreement dated September 10, 2012, and shall not exceed the maximum amounts set forth in the table below. No additional on-site workshop time or travel is authorized by this change order.

The table below provides estimated hours and the not-to-exceed price.

<u>Cost Component</u>	<u>Hours</u>	<u>Max Cost</u>
Data conversion lead / project manager	108	\$11,880
Data Conversion technical consultant	396	\$29,700
TOTAL	504	\$41,580

This Change Order is made pursuant to and subject to the terms of the Master Services Agreement and the VCERA Pension Administration System (PAS) Data Conversion Statement of work between Managed Business Solutions, Inc. (“MBS” or “Vendor”) and VCERA (the “Agreement”) dated September 10, 2012. This Change Order constitutes an addendum to the Agreement and except as expressly amended by this Change Order, all of the terms, conditions and provisions of the Agreement remain unchanged and shall remain in full force and effect.

MBS CHANGE ORDER #2

January 5, 2015

Page 2 of 2

IN WITNESS WHEREOF, the parties hereto have caused this Change Order to be executed by their duly authorized representatives as of the Change Order Effective Date.


TRACY TOWNER
VCERA
Chairman of the Board
Change Order Effective Date: [_____]

Signature:

Date:

RICHARD MAINWARING
MBS, LLC
General Manager

Signature:



Date: 12/30/2014

Date: December 15, 2014
From: Yves Chery, SACRS President
To: '37 Act Retirement System Board Chairs
Subject: SACRS Education and Communications Project:
Seeking Your Feed Back and Opinion

To date, I have received a number of comments from individual trustees and CEO's about undertaking a communications and education program on Defined Benefits for our members and possibility our stakeholders' use. But typical of any SACRS venture, there is a wide, but limited, variation of opinion on this subject.

At the Fall SACRS Conference in Monterey, we focused on various aspects of communications and messaging with regard to the current and future Defined Benefit programs.

On Wednesday, we had invited Diane Oakley, Executive Director, for the National Institute on Retirement Security to speak on her NIRS program. They had completed a national study measuring the economic impact of DB pension expenditures. This study was quite similar to the one SACRS undertook several years ago with Cal PERS and Cal STRS and was California-based.

On Friday morning, we invited three speakers to review the court's decision on the Ventura County Initiative. Presenters were each actively involved in the outcome of the process, Deborah Caplan, Attorney with Olson, Hagel & Fishburn; Paul Angelo, Senior Actuary with Segal Consulting and Leroy Smith, County Counsel with Ventura County. Each spoke about their position on the matter and the final decision of the judge.

During the Business Meeting on that Friday morning, the audience had an opportunity to get an update on the activities of the ad hoc committee working on education and communications. Their charge was to investigate how SACRS can better fulfill its mission statement by strengthening its communications and education capacity.

Their recommendation was to start a dialogue now. Communications and educational programs take time to build. Such an undertaking for SACRS would take many months to create deliverable products to interested systems. However, no decisions have been made yet to venture into this area.

The committee had envisioned the next step to be a detailed survey to the SACRS members to determine if there is interest in developing communications materials for individual systems to use as they see fit.

With the survey results, a symposium would be called for all the '37 Act systems to focus on the results and then make appropriate recommendations to the organization as a whole.

The ability to communicate effectively on matters of this nature does require having experts in communications. To date, SACRS and the ad hoc committee have been working with a communications strategist. We have this firm on a limited time consulting basis. A question was raised at the business meeting about the funding of this activity. The board has authorized the agreement and we have been using funds from within the SACRS budget and reserves. If we do decide to proceed, the Board of Directors would need to incorporate the expenses into the overall budget.

At this point, I will be bringing this matter back to the Board of Directors for the SACRS meeting on January 27, 2015. I would appreciate your comments as the chair of a '37 Act system on whether this approach and activity make sense.

I would appreciate hearing back from you by January 16, 2015. That will give me time to consolidate all the comments in advance of the board meeting. If you need to contact me directly, I can be reached at ychery2013@gmail.com or (323) 908-6200. Thank you for your consideration.

Sincerely,

Yves Chery

Yves Chery, SACRS President

CC: SACRS BOD