

VENTURA COUNTY EMPLOYEES' RETIREMENT ASSOCIATION

BOARD OF RETIREMENT

DISABILITY MEETING

April 1, 2013

MINUTES

DIRECTORS William W. Wilson, Chair, Public Member
PRESENT: Steven Hintz, Treasurer-Tax Collector
Peter C. Foy, Public Member
Albert G. Harris, Public Member
Joseph Henderson, Public Member
Tom Johnston, General Employee Member
Deanna McCormick, General Employee Member
Arthur E. Goulet, Retiree Member
Chris Johnston, Alternate Employee Member
Will Hoag, Alternate Retiree Member

DIRECTORS Tracy Towner, Vice Chair, Safety Employee Member
ABSENT:

STAFF Donald C. Kendig, Retirement Administrator
PRESENT: Henry Solis, Chief Financial Officer
Lori Nemiroff, Assistant County Counsel
Glenda Jackson, Program Assistant
Angie Tolentino, 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. **INTRODUCTION OF MEETING**

Chairman Wilson called the Disability Meeting of March 4, 2013, to order at 9:00 a.m.

II. APPROVAL OF AGENDA

Staff recommended that Agenda item V.D, Application for Service Connected Disability Retirement; Joe Banuelos, Case 11-024, be moved to the beginning of Agenda item V. to allow applicant's counsel to appear in court later that morning.

MOTION: Mr. Harris moved, seconded by Mr. Henderson, to approve the agenda as amended.

Motion passed unanimously. Mr. Towner absent. Mr. C. Johnston voting.

III. APPROVAL OF MINUTES

A. Business Meeting of March 18, 2013.

Mr. Goulet requested the following correction:

Master Page No. 8, VIII. Board Member Comment, add "attorney" after "investment" and before "at."

MOTION: Mr. Goulet moved, seconded by Mr. Harris, to approve the minutes as corrected.

Motion passed unanimously. Mr. Towner absent. Mr. C. Johnston voting.

IV. PENDING DISABILITY APPLICATION STATUS REPORT

MOTION: Judge Hintz moved, seconded by Mr. Henderson, to receive and file the pending disability application status report.

Motion passed unanimously. Mr. Towner absent. Mr. C. Johnston voting.

V. APPLICATIONS FOR DISABILITY RETIREMENT

D. Application for Service Connected Disability Retirement; Joe Banuelos, Case 11-024.

1. Summary of Evidence, Findings of Fact, Conclusions of Law and Recommendation, Submitted by Hearing Officer Irene P. Ayala, dated February 18, 2013.

2. Hearing Notice.

V. APPLICATIONS FOR DISABILITY RETIREMENT (continued)

- D. Application for Service Connected Disability Retirement; Joe Banuelos, Case 11-024. (continued)

John Gilman was present representing the County of Ventura Risk Management. David Schumaker was present on behalf of the applicant. The applicant, Joe Banuelos, was present.

Following statements by both parties, and discussion, the following motion was made:

MOTION: Mr. Goulet moved, seconded by Judge Hintz, to adopt the hearing officer's recommendation finding that the applicant, Joe Banuelos, met his burden of proof that he is permanently disabled from the performance of his duties, but failed to meet his burden of proof that his disability is service connected, and grant a nonservice-connected disability retirement based on the parties' stipulation to amend the application to include a nonservice connected disability retirement, to accept the findings of fact, and conclusions of law in the hearing officer's report, and to the extent any further findings of fact and conclusions of law are warranted, they are waived.

Motion passed unanimously. Mr. Towner absent. Mr. C. Johnston voting.

- A. Application for Non-Service Connected Disability Retirement; Gary Kennedy, Case No. 12-033.
1. Application for Non-Service Connected Disability Retirement and Supporting Documentation.
 2. Hearing Notice.

Paul Hilbun was present representing the County of Ventura Risk Management. The applicant, Gary Kennedy, was present along with his wife, Katherine Kennedy.

Following statements by both parties, the following motion was made:

MOTION: Mr. Harris moved, seconded by Mr. Henderson, to grant a nonservice-connected disability retirement. The parties agreed to waive preparation of findings of fact and conclusions of law.

Motion passed unanimously. Mr. Towner absent. Mr. C. Johnston voting.

V. APPLICATIONS FOR DISABILITY RETIREMENT (continued)

B. Application for Service Connected Disability Retirement; Noel San Jose, Case No. 12-027.

1. Application for Service Connected Disability Retirement and Supporting Documentation.

Hearing Notice.

Paul Hilbun was present representing the County of Ventura Risk Management. The applicant, Noel San Jose, was present.

Mr. Goulet asked Mr. Hilbun if this was a heart presumption case and, if so, why wasn't there an explanation of why no attempt was made to rebut the presumption. Mr. Hilbun replied that it was a presumption case which he had failed to mention but this was not a rebuttal item without proof of contemporaneous activity, of which there was none. Mr. Hilbun's response will be entered into the official record.

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

MOTION: Mr. C. Johnston moved, seconded by Mr. T. Johnston, to grant a service-connected disability retirement. The parties agreed to waive preparation of findings of fact and conclusions of law.

Motion passed unanimously. Mr. Towner absent. Mr. C. Johnston voting.

C. Application for Non-Service Connected Disability Retirement; Debra L. Wolfe, Case No. 10-013.

1. Application for Non-Service Connected Disability Retirement and Supporting Documentation.

2. Hearing Notice.

Paul Hilbun was present representing the County of Ventura Risk Management. The applicant, Debra L. Wolfe, was present.

The following motion was made:

MOTION: Mr. Harris moved, seconded by Mr. C. Johnston, to grant a nonservice-connected disability retirement. The parties agreed to waive preparation of findings of fact and conclusions of law.

Motion passed unanimously. Mr. Towner absent. Mr. C. Johnston voting.

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

E. Application for Service Connected Disability Retirement; Crystal Litchmore, Case No. 11-023.

1. Summary of Evidence, Findings of Fact, Conclusions of Law and Recommendation, Submitted by Hearing Officer Irene P. Ayala, dated February 11, 2013.
2. Hearing Notice.

Marshall Graves was present representing the County of Ventura Risk Management. The applicant, Crystal Litchmore, was present.

After statements by both parties, and discussion, the following motion was made:

MOTION: Judge Hintz moved, seconded by Mr. Henderson, to adopt the hearing officer's recommendation finding that the applicant, Crystal Litchmore, failed to meet her burden of proof that she is permanently disabled from the performance of her duties and to deny the application for service connected disability retirement.

Motion passed unanimously. Mr. Towner absent. Mr. C. Johnston voting.

VI. **OLD BUSINESS**

Henry Solis entered the meeting at 9:20 a.m.

Judge Hintz left the meeting at 10:01 a.m. and returned at 10:14 a.m.

A. Disability Process Review and Educational Presentation.

1. Disability Retirement 101 Presentation.
2. Current Process Diagram.
3. Proposed Application for Disability Retirement Packet.
4. Current Application for Disability Retirement Packet.

Annette Paladino gave a presentation to the Board.

After discussion by the Board and Staff, Staff received direction to bring back the proposed Application for Disability Retirement packet at the May 6, 2013, Disability meeting with adjustments based on feedback provided by the trustees.

VI. OLD BUSINESS (continued)

B. Private Equity Allocation Update.

1. Adams Street Fees.
2. HarbourVest Fees.

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

MOTION: Mr. C. Johnston moved, seconded by Ms. McCormick to authorize the Retirement Administrator to engage the legal services of Manatt, Phelps, and Phillips for the review of the Adams Street Partners 2013 Global Fund documents and Reed Smith for the review of the HarbourVest Dover VIII Fund documents, and should either firm not provide the necessary review services, the Retirement Administrator is authorized to engage the services of Foley and Lardner.

Motion passed unanimously. Mr. Towner absent. Mr. C. Johnston voting.

After further discussion, Staff also received direction to obtain confirmation from HEK that the subsequent fund documents, service agreements, and investment objectives match what HEK understands was initially proposed to the Board, and to provide trustees additional fee clarification from Adams Street Partners.

C. Tortoise Capital Advisors Update.

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

MOTION: Mr. Goulet moved, seconded by Mr. C. Johnston, to authorize the Chair to execute the investment management agreement, client information document, and consent to electronic delivery.

Motion passed unanimously. Mr. Towner absent. Mr. C. Johnston voting.

D. Board Policies Update.

1. Board of Retirement Charter.
2. Chair Charter.
3. Vice Chair Charter.
4. Retirement Administrator Charter.
5. Board Policy Development Process.
6. Service Provider Selection Policy.
7. Monitoring and Reporting Policy.

VI. OLD BUSINESS (continued)

D. Board Policies Update. (continued)

After discussion by the Board and Staff, the Chair directed staff to bring the policies back next month with the additional changes proposed by trustees.

VII. NEW BUSINESS

A. Proposed Amendment to Professional Services Contract with CMP & Associates. Inc.

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

MOTION: Mr. C. Johnston moved, seconded by Mr. Henderson, to authorize the Retirement Administrator, upon final review and approval by Board Counsel, to execute an amendment to the existing agreement as outline in the Board letter with CMP & Association, Inc., for a revised amount not to exceed \$298,750 through June 30, 2013.

Motion passed unanimously. Mr. Towner absent. Mr. C. Johnston voting.

B. Recommended Organizational Changes.

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

MOTION: Judge Hintz moved, seconded by Mr. T. Johnston to approve the addition of two permanent full-time equivalent Benefits Specialist positions, and the conversion of two existing fixed-term Benefits Specialist positions to permanent positions within VCERA's Operations Unit.

The motion passed. Mr. Towner absent. Mr. C. Johnston voting. Mr. Foy, Mr. Goulet and Mr. Henderson voting no.

VIII. PUBLIC COMMENT

Staff reported that there will be a delay in the allocation to the Loomis unconstrained mandate, as there are separate subscription agreements and documentation that will need to be reviewed by Board Counsel and executed by the Chair. Staff also reported that the investment consultant search is proceeding smoothly and there were 12 vendors that indicated the intent to submit proposals, and of them, 6 are known to provide discretionary consulting services. In addition, staff received 11 questions and will be posting responses on VCERA's website by the close of business that day

VIII. PUBLIC COMMENT (continued)

Board Counsel provided a litigation update: 1) VCERA prevailed in the Yvonne Eads Writ of Mandate regarding her effective date, 2) The County has filed a Writ of Mandate in the Mark Lopez case 3) Mr. Koevenig has filed a government tort claim for payment of legal fees which will be heard in closed session. Mr. Koevenig is claiming he suffered damages as a result of relying on incorrect estimates provided by VCERA, and 4.) The Lanquist-Temple case will be heard tomorrow. At this time, the Chair asked Board Counsel if she had heard the decision on the Stockon bankruptcy case, as it was scheduled to be issued today, and she reported she had not.

IX. BOARD MEMBER COMMENT

Mr. Harris announced that he will be moving and submitted his letter of resignation from the Board effective May 1. The April 15 Board meeting will be his last.

Judge Hintz announced that he obtained approval to hire an Assistant Treasurer-Tax Collector overseeing operations and investments and to refer prospective candidates to the County HR website

Mr. Goulet expressed concern over a Ventura County Star article in which the District Attorney found a Simi Valley councilman violated the Brown Act for discussing an item that was not on the Agenda and asked Board Counsel to look into it.

X. ADJOURNMENT

The meeting was adjourned at 11:40 a.m.

Respectfully submitted,



DONALD C. KENDIG, Retirement Administrator

Approved,



WILLIAM W. WILSON, Chairman