

**VENTURA COUNTY
RETIREE MEDICAL EXPENSE REIMBURSEMENT COMMITTEE
Point Mugu Conference Room, CEO 4th Floor
Hall of Administration, County Government Center
800 S. Victoria Ave., Ventura, CA 93009**

Meeting Minutes for December 11, 2025

2:00 p.m.

Members present

Emily Gardner
Jeff Burgh
Tabin Cosio
Robert Bravo

Members absent

Sue Horgan

Also present

Patti Dowdy
Andrew Gratt
Maria Garcia
Amanda Diaz
Patty Zoll
Victor Portillo
Michelle Yamaguchi
Joan Steele
Suzanne Rogers
Jake O'Shaughnessy

Mr. Bravo called the meeting to order at 3:37 p.m.

1. Public Comments.

a. No public comments.

2. Committee Member Comments.

a. Ms. Patti Dowdy made mention to the Committee regarding the timing of the 2025 HRA Valuation for the review and approval. The valuation was delayed due to timing on receiving data from VCERA. Ms. Dowdy noted the release of the valuation for Committee review and approval is slated for late January.

3. Minutes of Regular Meeting – June 26, 2025.

A. Motion to receive and file Minutes of Regular Meeting.

Motion moved: 1. Ms. Gardner 2. Mr. Burgh

Vote: **Motion Carries**

Yes: Unanimous

No: N/A

Absent: Ms. Horgan

Abstain: Mr. Bravo

4. Section 115 Trust Funding Methodology Review.

Ms. Patti Dowdy, Benefits Manager, provided a background overview of the agenda item before the Committee pertaining to the Section 115 Trust Funding Methodology for the County of Ventura Retiree Medical Expense Reimbursement Plan (the Plan). The Committee reviewed multiple long-term funding scenarios outlined by CavMac Actuarial Consulting Services (CavMac), the County of Ventura's actuarial consulting firm, in December 2024. These scenarios included 10-, 15-, and 20-year amortization periods aimed at evaluating sustainable funding for the HRA Plan. In addition, staff reached out to the CEO Budget and Finance team for added input on fiscal implications to the County and possible funding sources. In their response, the Finance team expanded the analysis performed by CavMac and included additional projections based on 25-, 30-, and 40-year amortization schedules.

After a combined fiscal and actuarial review by the Committee, two strategies (short and long term) were approved. They are as follows:

1. Short-Term Strategy:
 - a. Fiscal Year (FY) 2025: Adopt a pay-as-you-go (PAYGO) approach funded with \$5 million from the General Fund.
 - b. FY 2026: Continue with the PAYGO approach but transition the funding source from the General Fund to charging departments directly. This approach provides fiscal flexibility while providing ample notice to departmental Fiscal Officers for inclusion of HRA contributions in FY 2026 department budgets.
2. Long-Term Strategy:
 - a. Transition from PAYGO to a 15-year amortization schedule in FY 2027 to coincide with expected reductions in employer retirement contribution rates. Through this approach, full funding of the Plan is anticipated within an 18-year timeframe.

It has been discovered that as the FY 2027 budget planning process began, the June 30, 2025, Ventura County Employees Retirement Association (VCERA) valuation did not reflect the anticipated reduction in retirement rates as anticipated. In lieu, VCERA adopted a revised Actuarial Funding Policy which includes a glide-path strategy to moderate year-over-year decreases in UAAL contribution rates. The Committee was not aware of the adoption of this revised policy by VCERA. Adopting this revised policy with glide-path structure strategy effectively eliminates the anticipated reduction in employer retirement contribution rates which was expected to support the switch to a 15-year HRA amortization schedule in FY 2027. In light of the absence of VCERA rate savings and after consultation with the Budget and Finance team, the recommendation is made that the County continue the PAYGO HRA funding methodology for FY 2027.

Another area of note was regarding the actual benefit payments in the prior two fiscal years. These payments have been considerably lower due to VCERA being currently in phase one of its multi-year Alameda project with phase two expected to begin mid-year 2026. Until the completion of this work the Plan population will continue to include only current retirees and benefit payments will stay lower than the assumed

valuation amounts. Given this information, continuing a PAYGO strategy for FY 2027 remains the most fiscally responsible approach. Staff will work with CavMac and the Budget and Finance team to determine alternate long-term funding options based on the new VCERA glide-path structure and staff will return with recommendations for the Committee.

Upon completion of a short Committee discussion, the action item before the Committee was moved to a vote. The action item include:

1. Decide whether to approve the PAYGO funding methodology for FY 2027 and direct staff to reevaluate long-term funding options based on the amended VCERA Actuarial Funding Policy.

A. Motion to Approve the PAYGO Funding Methodology for FY 2027 and Direct Staff to Reevaluate Long-term Funding Options Based on the Amended VCERA Actuarial Funding Policy.

Motion moved: 1. Mr. Burgh 2. Ms. Gardner

Vote: **Motion Carries**

Yes: Unanimous

No: N/A

Absent: Ms. Horgan

Abstain: N/A

5. Annual Consumer Price Index (CPI) Benefit Adjustment.

Ms. Dowdy began the discussion regarding the Annual Consumer Price Index benefit adjustment by providing a brief background for the Committee. The HRA plan provides for an annual adjustment to the monthly contribution amounts which is based on changes to the Consumer Price Index (CPI) for the Los Angeles metro area over the preceding 12 months of the new Plan year. The annual adjustment is capped at 3%. This stipulation is outlined in the Memorandum of Agreements (MOAs) with the County's labor partners, the Management Resolution, APCD, and VCERA Resolution. The CPI for the Los Angeles area is scheduled to be announced on December 18, 2025. At that time, the adjustment will be factored into the 2026 plan year monthly contribution amounts.

Due to this timing issue, staff is looking for approval to amend "Schedule A" of the Retiree Medical Expense Reimbursement Plan Document (the Plan Document) in order to incorporate the CPI percentage into and adjust the monthly contribution amounts, allowing staff to begin issuing adjusted monthly benefit amounts for Plan Year 2026. Since the Plan Document requires Board of Supervisors approval, staff will submit updated 2026 monthly benefit amounts to the Committee for review prior to submitting the Plan Document amendment to the Board of Supervisors. Staff will review alternate approval methods to streamline this process moving forward.

On completion of the background review, the table was open for discussion amongst Committee members. Ms. Emily Gardner, County Counsel, offered guidance on approval methods moving forward. Ms. Gardner stated that the Committee does not have any discretion in this instance since the Plan Document guidelines dictate

Minutes for December 11, 2025

Committee direction as it pertains to this topic. Ms. Gardner's advice was to approve the action item based on these guidelines.

Upon completion of a brief Committee discussion, the action item before the Committee was moved to a vote. The action item include:

1. Approve staff's request to amend "Schedule A" of the Retiree Medical Expense Reimbursement Plan Document to incorporate the updated 2026 benefit amounts based on the CPI percentage to be released on December 18, 2025.

- A. Motion to Approve Staff's Request to Amend "Schedule A" of the Retiree Medical Expense Reimbursement Plan Document to Incorporate the Updated 2026 Benefit Amounts Based on the CPI Percentage to be Released on December 18, 2025.

Motion moved: 1. Mr. Burgh 2. Ms. Gardner

Vote: **Motion Carries**

Yes: Unanimous

No: N/A

Absent: Ms. Horgan

Abstain: N/A

Mr. Bravo adjourned the meeting at 3:48 p.m.

Respectfully submitted,



Andrew Gratt
CEO/HR Benefits Personnel Analyst I