

VENTURA COUNTY EMPLOYEES' RETIREMENT ASSOCIATION

BOARD OF RETIREMENT

BUSINESS MEETING

JANUARY 22, 2024

MINUTES

**TRUSTEES
PRESENT:**

Aaron Grass, Chair, Elected Safety Member
Jordan Roberts, Vice Chair, Elected General Member
Greg Bergman, Elected General Member
Taylor Dacus, Appointed Member
Arthur E. Goulet, Elected Retired Member
Sue Horgan, Treasurer-Tax Collector
Tommie E. Joe, Appointed Member
Kelly Long, Appointed Member
Anthony Rainey, Appointed Member
Donald Brodt, Alternate Appointed Member
Maeve Fox, Alternate Elected Retired Member

**TRUSTEES
ABSENT:**

**STAFF
PRESENT:**

Amy Herron, Retirement Administrator
Rick Santos, Interim Retirement Administrator/Consultant
Lori Nemiroff, General Counsel
Dan Gallagher, Chief Investment Officer
La Valda Marshall, Chief Financial Officer
Leah Oliver, Chief Technology Officer
Josiah Vencel, Public Information Officer
Erika Herincx, Retirement Benefits Manager
Brian Owen, Sr. Information Technology Specialist
Michael Sanchez, Sr. Information Technology Specialist
Chris Ayala, Program Assistant

PLACE:

Ventura County Employees' Retirement Association
Second Floor, Boardroom
1190 S. Victoria Avenue, Suite 200
Ventura, CA 93003

TIME:

9:00 a.m.

ITEM:

I. CALL TO ORDER

A. Roll Call.

Chair Grass called the Business Meeting of January 22, 2024, to order at 9:00 a.m.

Roll Call:

Trustees Present: Greg Bergman, Donald Brodt, Taylor Dacus, Maeve Fox, Aaron Grass, Art Goulet, Sue Horgan, Tommie Joe, Anthony Rainey, Jordan Roberts

Trustees Absent: Kelly Long

Chair Grass noted that Trustee Long was running late but would be arriving at the meeting soon. Therefore, he recommended the Board return to the next agenda item, B. (Oath of Office to be Administered to Kelly Long) after she arrived.

The Board then advanced to agenda item, II., Approval of Agenda.

B. Oath of Office to be Administered to Kelly Long.

Mr. Ayala then administered the Oath of Office to Trustee Long.

Chair Grass noted that Trustee Joe had already been sworn in during a Finance Committee meeting on October 30, 2023.

After hearing this agenda item, the Board advanced to item, V.A., "Monthly Investment Performance Report for the Period Ending December 31, 2023".

II. APPROVAL OF AGENDA

MOTION: Approve.

Moved by Roberts, seconded by Rainey

Vote: Motion carried

Yes: Bergman, Dacus, Goulet, Horgan, Joe, Rainey, Robert, Grass

No: -

Absent: Long

Abstain: -

III. CONSENT AGENDA

A. Approve Disability Meeting Minutes of January 8, 2024.

B. Approve Regular and Deferred Retirements and Survivors Continuances for the Month of December 2023.

C. Retirement Administrator's Quarterly Report for October 1 - December 31, 2023.

1. Staff Letter from Retirement Administrator.
2. Quarterly Report for October 1 - December 31, 2023.
- D. Chief Investment Officer's 4th Quarter 2023 Investment Activity Report.
- E. Upcoming Educational Events Calendar.
 1. Staff Letter from Retirement Administrator.
 2. Upcoming Educational Events Calendar.
- F. Authorization for Trustees & Staff to Attend the CALAPRS General Assembly March 2-5, 2024 in Rancho Mirage, CA.
 1. Staff Letter from Retirement Administrator.
 2. CALAPRS General Assembly Program.
 3. CALAPRS General Assembly 2024 Registration & Topics.
- G. Authorization for Senior Information Technology Specialist to Attend the PRISM (Public Retirement Information Systems Management) Conference, April 21-24, 2024, in Austin, Texas.
 1. Staff Letter from Chief Technology Officer.
 2. 2024 PRISM Conference Schedule - Draft.
- H. Revised 2024 Calendars of Investment Presentations and Investment On-Site Due Diligence Meetings.
 1. Staff Letter from Chief Investment Officer.
 2. VCERA Board Meetings 2024 Investment Presentations Calendar.
 3. VCERA 2024 Calendar of Investment On-Site Due Diligence Meetings.
- I. Request for Authorization for VCERA's CIO and Up to 2 Trustees to Conduct an On-Site Due Diligence Visit to Drive Capital Management in Columbus Ohio.
 1. Staff Letter from Chief Investment Officer.
- J. Approval of Services Agreement with Ralph Andersen & Associates for Compensation Study and Authorization for Retirement Administrator to Execute.
 1. Letter from Chair of the Ad Hoc Benefit & Compensation Committee.
 2. Services Agreement.
- K. VCERA Cost-of-Living Adjustments (COLA) as of April 1, 2024.

1. Letter from Molly Calcagno, Senior Actuary at Segal.

Chair Grass said he was told that there were several members of the public were requesting to make comments related to agenda item, VI.A., "Alameda Implementation Status Report Dated January 22, 2024", so the Board would hear those comments during that item.

MOTION: Approve.

Moved by Roberts, seconded by Rainey

Vote: Motion carried

Yes: Bergman, Brodt, Dacus, Goulet, Horgan, Joe, Rainey, Robert, Grass

No: -

Absent: Long

Abstain: -

IV. INVESTMENT MANAGER PRESENTATIONS

- A. Annual Investment Presentation from LaSalle Value Partners US, Chadwick Cunningham, and Joseph Munoz.

Chadwick Cunningham and Joseph Munoz reported LaSalle's organizational changes and discussed the firm's investment outlook, portfolio strategy, composition, and investment portfolio performance, and responded to trustee questions.

- B. Annual Investment Presentation from PGIM Real Estate – U.S. Core Fund, Kaya Murray, and Steve Moen.

Kaya Murray and Steve Moen reported PGIM's organizational changes and discussed the firm's investment outlook, portfolio strategy, composition, and investment portfolio performance, and responded to trustee questions.

Trustee Long arrived at the meeting at 9:38 a.m.

After hearing this agenda item, the Board returned to item, I.B., "Oath of Office to be Administered to Kelly Long".

V. INVESTMENT INFORMATION

VCERA – Dan Gallagher, Chief Investment Officer.

NEPC – Rose Dean, and Daniel Hennessy.

- A. Monthly Investment Performance Report for the Period Ending December 31, 2023.
RECOMMENDED ACTION: Receive and File.

Ms. Dean presented the Monthly Investment Performance Report for the Period Ending December 31, 2023.

MOTION: Receive and File.

Moved by Goulet, seconded by Long

Vote: Motion carried

Yes: Bergman, Dacus, Goulet, Horgan, Joe, Long, Rainey, Robert, Grass

No: -

Absent: -

Abstain: -

After the vote on the agenda item, the Board took a break at 10:16 a.m.

The Board returned from a break at 10:27 a.m.

VI. OLD BUSINESS

A. Alameda Implementation Status Report Dated January 22, 2024.

RECOMMENDED ACTION: Receive and File.

Ms. Herron presented the Alameda Implementation Status Report Dated January 22, 2024, to the Board.

Ms. Nemiroff said that Nossaman, LLP had recently provided an update on a judgement issued by the Court of Appeal in VCERA's favor on the PEPRA Amendment dealing with the straddling of leave cash-outs, which meant that VCERA's implementation of the straddling issue was deemed correct. Initially, that decision was not to be published, but VCERA and the Orange County Employees' Retirement Association (OCERS) submitted a request for publication and consequently, the court ordered the publication on January 18th. There would also be 10-day period until the decision became final, to allow the public or the appellants to file a request for Supreme Court review.

Chair Grass said that as he had previously mentioned there were several requests to make a Public Comment, and the Board would now hear the public comments regarding the Alameda Implementation, and each of the 10 speakers would be given 2 minutes to make their comments.

Michael Walker, formerly with the County of Ventura, County Counsel's Office, provided public comment. Mr. Walker stated that he was against the Board's decision to eliminate the straddling of leave cash-outs retroactively back to January 1, 2013 and was therefore asking that the Board put the issue on an agenda for a future meeting to revisit that issue.

Roberta Griego, Vice-President of REAVC, provided public comment. She said that REAVC did not believe that the Board was required to eliminate the straddling of leave cash-outs retroactively back to January 1, 2013. So, REAVC respectfully asked if the Board would reconsider their actions in the matter.

Kelly Hixon Shirk, former HR Director for the County of Ventura, provided public comment. She said she was against the Board's decision to make the elimination of straddling of leave cash-outs retroactive. Therefore, she would like the Board to consider this matter at a future meeting.

Lynn Krieger, former department head for the County of Ventura, Harbor Department, provided public comment. She was against the Board's decision to make the elimination of straddling of leave cash-outs retroactive. So, if the Board could continue including these existing benefits for members, it would be in their best interest.

Chris Stephens, former County of Ventura employee with Planning and Building, provided public comment. He said that sometimes decisions to correct or change course were fiscally painful and

sometimes embarrassing, but those decisions had to be made. So, he wanted to tell the Board that it was never too late to do the right thing.

Marty Robinson, former CEO of the County of Ventura, provided public comment. Ms. Robinson said she hoped that the Board would do what was best on behalf of the many employees who would be affected by the retroactive elimination of straddling of leave cash-outs. So, she hoped the Board would deliberate the issue a little longer and more intensely.

Mark Lunn, former Ventura County Clerk-Recorder and Registrar of Voters, provided public comment. Mr. Lunn said that concerning the retroactive elimination of straddling of leave cash-outs, to do something that was not required to be done and to change the goalposts in the process after somebody had served, was at the very least not fair and at the most, was likely not right.

Scott Barash, former Program Administrator for the Employee Assistance Program (EAP), County of Ventura, provided public comment. Mr. Barash said concerning the retroactive elimination of straddling of leave cash-outs, the Board was now changing the rules, but the members didn't have the choice to change their plans, so opting to make a decision blind while impacting so many people was not responsible financial stewardship.

Renee Artman, former manager of the Forensic Services Bureau for the County of Ventura Sheriff's Department, provided public comment. Ms. Artman said that when the members retired, they were promised lifetime pension benefits, and now they were facing a possible reduction of those benefits. Therefore, she asked the Board to not apply the elimination of straddling of leave cash-outs retroactively because of the impact it would have in the lives of the retired members.

Tracey Pirie, former Bureau Manager for the County of Ventura Sheriff's Department, provided public comment. Ms. Pirie said that they believed that the Court's decision did not require the Board to make the elimination of straddling of leave cash-outs retroactive. Therefore, she believed that the Board should take another look and decide on what VCERA was actually required to do.

Trustee Long asked when the final decision from the Court was made, and if it would be presented to the Board.

Ms. Nemiroff said that when the final decision was made by the Court, she would have it agendized so that the Board could discuss the decision. Staff could send out a communication to the members to let them know about the Court's final decision and what it would mean to them.

MOTION: Receive and File.

Moved by Goulet, seconded by Joe

Vote: Motion carried

Yes: Bergman, Dacus, Goulet, Horgan, Joe, Long, Rainey, Robert, Grass

No: -

Absent: -

Abstain: -

After the vote on the agenda item, the Board took a break at 11:10 a.m.

The Board returned from a break at 11:15 a.m.

VII. NEW BUSINESS

- A. Appointment of Governance Committee 2024.
RECOMMENDED ACTION: Approve.

1. Staff Letter from Retirement Administrator.
2. Draft Governance Committee Charter.

Ms. Herron presented the Appointment of Governance Committee 2024 to the Board, with a recommendation to create the committee and appoint committee members.

Chair Grass noted that a few of the Trustees and spoken to him about their willingness to be a part of the Governance Committee. He then appointed Trustees Roberts, Fox, and Joe to the Governance Committee, with Trustee Roberts as the chair of that committee.

MOTION: Approve the Creation of a New Governance Committee for 2024.

Moved by Long, seconded by Joe

Vote: Motion carried

Yes: Bergman, Dacus, Goulet, Horgan, Joe, Long, Rainey, Robert, Grass

No: -

Absent: -

Abstain: -

- B. 2024 Proposed Finance Committee Calendar.
RECOMMENDED ACTION: Adopt.

1. Staff Letter from Chief Financial Officer.
2. 2024 Proposed Finance Committee Calendar and Fiscal Unit Deliverables List.

Ms. Marshall presented the 2024 Proposed Finance Committee Calendar agenda item to the Board, with a recommendation to adopt the calendar.

Chair Grass explained that since the first Finance Committee meeting was scheduled before the Board's next meeting, he would like to appoint 3 Board members to that committee, and then bring the matter back to the Board for formal ratification during the February Board meeting. He then appointed Trustees Goulet, Rainey, and Bergman to the Finance Committee, with Trustee Bergman as the Chair of Finance Committee.

MOTION: Adopt the Proposed Finance Committee Meeting Calendar for 2024.

Moved by Roberts, seconded by Rainey

Vote: Motion carried

Yes: Bergman, Dacus, Goulet, Horgan, Joe, Long, Rainey, Robert, Grass

No: -

Absent: -

Abstain: -

VIII. INFORMATIONAL

- A. SACRS Board of Director Elections 2024-2025 - Elections Notice.
- B. SACRS Legislative Update – January 2024.

IX. PUBLIC COMMENT

None.

X. STAFF COMMENT

Ms. Herron provided an update on the recruitment process for the vacant positions of COO, Investment Officer, and Public Information Officer. She also noted that staff had made an appointment to have a photographer come to the office on February 12th to take headshots of staff members and Board members who were interested in getting a headshot taken. Additionally, new laptops would be issued to Board members, except for those who were already using County-provided laptops. This was scheduled to happen before the February meeting, and staff would be providing training to those that received new laptops. As part of this process, staff would also be setting up County logins and new ventura.org email addresses for those who did not already have one. Staff would later bring a recommendation for an update to the Mobile Device Policy to include this change.

Staff had been in discussion with the County regarding the possibility of including a Deferred Retirement Option Program (DROP) for Safety members, but it was still under consideration at this point. Mr. Santos was assisting with this process, and the next step was to meet with VCERA's actuary Segal, and proceed with a County-funded study, so that the County could consider how they should proceed.

Progress was made on the legislation for adding the Chief Technology Officer (CTO) position to VCERA's list of district employees. The request was submitted to Assemblywoman Jackie Irwin's office on January 12th, and a meeting was held with her legislative director on January 19th to answer some questions and figure out their next steps. Staff would next meet with legislative committees to move the issue forward in the process.

Lastly, a Special Election was started for the Alternate Safety Member seat on the Board, but staff were informed that no nomination packets were received by the deadline. Therefore, the Election was canceled, and VCERA would have to reach out to the Fire Suppression group to see what to do next.

Mr. Gallagher informed the Board that at their February meeting, the Board would be presented with NEPC's Capital Market Assumptions, which was the first step in the Asset-Liability process. The Asset-Liability Study was the second step and was targeted to be presented to the Board at their April meeting. In the final step, a proposed Asset Allocation policy was targeted to be considered by the Board at May Board meeting.

XI. BOARD MEMBER COMMENT

None.

XII. ADJOURNMENT

The Chair adjourned the meeting at 11:31 a.m.

Respectfully submitted,



AMY HERON, Retirement Administrator

Approved,



AARON GRASS, Chair