

# VENTURA COUNTY EMPLOYEES' RETIREMENT ASSOCIATION

## BOARD OF RETIREMENT

### DISABILITY MEETING

MARCH 13, 2023

### MINUTES

**TRUSTEES**

**PRESENT:**

Mike Sedell, Chair, Public Member  
Arthur E. Goulet, Vice-Chair, Retired Member  
Sue Horgan, Treasurer-Tax Collector  
Jordan Roberts, General Employee Member  
Cecilia Hernandez-Garcia, General Employee Member  
Aaron Grass, Safety Employee Member  
Tommie E. Joe, Public Member  
Will Hoag, Alternate Retired Member  
Robert Ashby, Alternate Safety Employee Member

**TRUSTEES**

**ABSENT:**

Kelly Long, Public Member

**STAFF**

**PRESENT:**

Linda Webb, Retirement Administrator  
Amy Herron, Chief Operations Officer  
Lori Nemiroff, General Counsel  
Dan Gallagher, Chief Investment Officer  
La Valda Marshall, Chief Financial Officer  
Leah Oliver, Chief Technology Officer  
Josiah Vencel, Retirement Benefits Manager  
Brian Owen, Sr. Information Technology Specialist  
Michael Sanchez, Sr. Information Technology Specialist  
Jess Angeles, Communications Officer  
Chris Ayala, Program Assistant

**PLACE:**

This meeting will be conducted by the Board of Retirement both in person and by teleconference under California Government Code Section 54953(b). Any person may view the meeting in person at VCERA's office or online at, <https://www.vcera.org/meeting-agendas-minutes>.

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 Sedell called the Disability Meeting of March 13, 2023, to order at 9:00 a.m.

Roll Call:

Trustees Present: Aaron Grass, Art Goulet, Cecilia Hernandez-Garcia, Sue Horgan, Tommie Joe, Jordan Roberts, Will Hoag, Robert Ashby, Mike Sedell

Trustees Absent: Kelly Long

**II. APPROVAL OF AGENDA**

**III. CONSENT AGENDA**

- A. Approve Disability & Business Meeting Minutes of February 27, 2023.
- B. Receive and File Pending Disability Application Status Report.
- C. Receive and File Restated Financial Statements for June 30, 2022, Due to Audit Adjustments.
  - 1. Staff Letter by Chief Financial Officer.
  - 2. Restated Financial Statements.
  - 3. Audit Adjustment Listing by Investment Manager.
- D. Receive and File Fiscal Year 2022-23 Quarterly September 30, 2022, Budget Summaries and Financial Statements.
  - 1. Letter from Chair of the Finance Committee.
  - 2. Staff Letter by Chief Financial Officer.
  - 3. Financial Statements.
  - 4. Budget Summaries.

Chair Sedell removed the minutes of February 27, 2023, from the Consent Agenda because there had been submitted corrections. He recommended that the Board review the proposed changes before approving them with the rest of the consent agenda items.

Ms. Webb related Trustee Goulet's submitted corrections to the February 27 minutes. On page 1 the correct title for Trustee Goulet's office was, "Retired Member"; on page 11, the words, "was needed" should be removed; lastly, on page 12, 2<sup>nd</sup> line of the first full paragraph, the word, "was", should also be removed.

**MOTION:** Approve Consent Agenda with Minutes as Amended.

Moved by Goulet, seconded by Grass.

Vote: Motion carried

Yes: Grass, Goulet, Hernandez-Garcia, Joe, Roberts, Sedell

No: -  
Absent: Long  
Abstain: Horgan

**IV. APPLICATIONS FOR DISABILITY RETIREMENT**

A. Application for Service-connected Disability Retirement—Robarts, Jason; Case No. 20-003.

1. Proposed Findings of Fact, Conclusions of Law and Recommended Decision to Grant the Application for Service-connected Disability Retirement, filed by Hearing Officer Deborah Wissley, dated January 30, 2023.
2. Application for Service-connected Disability Retirement, filed by Applicant's Attorney, Thomas Wicke, dated January 22, 2020.
3. Hearing Notice, dated February 22, 2023.

Carol Kempner, Attorney at Law, was present on behalf of the County of Ventura-Risk Management. Josiah Vencel was present on behalf of VCERA. Thomas J. Wicke, Attorney at Law, was present on behalf of the applicant, Jason Robarts, who was not present.

Trustee Hoag arrived at the meeting at, 9:05 a.m., before the vote on the item.

Mr. Wicke made a brief summary statement.

Ms. Kempner also made a brief summary statement.

**MOTION:** Approve the Recommendation from the Hearing Officer to Grant the Application for Service-connected Disability Retirement, Effective March 6, 2020.

Moved by Grass, seconded by Joe.

Vote: Motion carried

Yes: Grass, Goulet, Hernandez-Garcia, Horgan, Joe, Roberts, Sedell

No: -

Absent: Long

Abstain: -

B. Application for Service-connected Disability Retirement—Gonzales, Mary; Case No. 21-017.

1. Staff Recommendation to Grant the Application for Service-connected Disability Retirement, dated March 1, 2023.
2. Supporting Documentation for Staff Recommendation.
3. Application for Service-connected Disability Retirement with Addendum, filed by Applicant's Department and Joined by Applicant, dated June 14, 2021.

4. Hearing Notice, dated March 2, 2023.

Josiah Vencel was present on behalf of VCERA. The applicant, Mary Gonzales, was not present.

Mr. Vencel made a brief summary statement.

MOTION: Approve Staff's Recommendation to Grant the Application for Service-connected Disability Retirement, Effective August 25, 2018.

Moved by Grass, seconded by Joe.

Vote: Motion carried

Yes: Grass, Goulet, Hernandez-Garcia, Horgan, Joe, Roberts, Sedell

No: -

Absent: Long

Abstain: -

## V. ANNUAL COMPREHENSIVE FINANCIAL REPORT (ACFR)

- A. June 30, 2022 Annual Comprehensive Financial Report (ACFR).

**RECOMMENDED ACTION: Receive and file.**

1. Letter from Chair of the Finance Committee.
2. Annual Comprehensive Financial Report (ACFR) Draft – June 30, 2022.
3. Independent Auditor's Report – Draft.
4. Brown Armstrong Draft Report to the Board of Retirement and Finance Committee.
5. Brown Armstrong Draft Presentation by Andrew Paulden and Neeraj Datta.

Ms. Marshall noted the items related to the ACFR were initially provided to the Finance Committee for review at their meeting on March 6, 2023, and a letter from the Chair of the committee was included in the agenda materials.

Mr. Andrew Paulden then presented a brief overview of the ACFR.

Chair Sedell thanked Mr. Paulden for the overview and noted that VCERA had received a *Certificate of Achievement* for the ACFR from the Government Finance Officers Association (GFOA), and commended staff for their work on the report.

MOTION: Receive and File.

Moved by Joe, seconded by Roberts.

Vote: Motion carried

Yes: Grass, Goulet, Hernandez-Garcia, Horgan, Joe, Roberts, Sedell

No: -

Absent: Long

Abstain: -

VI. OLD BUSINESS

- A. Annual Review of Education & Travel Policy (Revisited per Board Direction).  
**RECOMMENDED ACTION: Approve.**

1. Staff Letter from Retirement Administrator.
2. Education and Travel Policy Proposed (Redline).
3. Education and Travel Policy Proposed (Clean).

Chair Sedell suggested that on page 2, 2<sup>nd</sup> paragraph of the section, *On-Site Due Diligence*, as the word, “necessary” was replaced by the word, “appropriate”, in the first line, it should also be so in the 7<sup>th</sup> line. On page 2, in section, *Limitation on Meeting for Business Purposes*, he suggested that after the words, “however, caution should be taken to avoid discussion of items that may come before the Board”, to add, “now or in the future”, to the end of the sentence. Lastly, on page 7, in section, *Reporting*, he believed the language, “Retirement Board members shall, no later than the 2nd subsequent Board meeting, provide a brief written or verbal report to the Board on meetings or conferences attended on behalf of VCERA”, was not intended to apply to the SACRS Conferences as well as the other major conferences that the trustees typically attend. The language in question should just pertain to those conferences, seminars, or training courses that were not typically attended by the Board members.

Ms. Webb said to clarify Chair Sedell’s statement, the language in question in the *Reporting* section would apply to trustees who attended a conference, seminar, or training course that was not listed in the policy and therefore was a type of training not typically attended by the trustees.

MOTION: Approve Proposed Changes to the Education & Travel Policy, with Board Amendments.

Moved by Grass, seconded by Joe.

Vote: Motion carried

Yes: Grass, Goulet, Hernandez-Garcia, Horgan, Joe, Roberts, Sedell

No: -

Absent: Long

Abstain: -

- B. Addition to Business Meeting Minutes of January 23, 2023.  
**RECOMMENDED ACTION: Approve.**

1. Staff Letter from Retirement Administrator.
2. Business Meeting Minutes of January 23, 2023 (Redline).

Ms. Webb noted that Trustee Horgan was not able to attend the meeting where the Board approved minutes for the Business meeting of January 23, 2023. Trustee Horgan alerted staff after the meeting of a correction that was needed; specifically, to reflect that the reason she voted no on an investment opportunity. Staff recommended the Board adopt Trustee Horgan’s submitted change to the minutes of January 23, 2023.

MOTION: Approve Proposed Addition to the Business Meeting Minutes of January 23, 2023.

Moved by Joe, seconded by Horgan.

Vote: Motion carried

Yes: Grass, Goulet, Hernandez-Garcia, Horgan, Joe, Roberts, Sedell

No: -

Absent: Long

Abstain: -

- C. Approval of an On-Site Due Diligence Visit and Subsequent Attendance at the Walter Scott Investment Research Conference, May 8th – 11th in Edinburgh, Scotland, via Business Class Air Travel.

**RECOMMENDED ACTION: Approve.**

1. Staff Letter from Chief Investment Officer.

Mr. Gallagher said the Board traditionally conducts on-site due diligence visits with its Investment Managers every 3 years; however, it had been approximately 7 years since the Board had conducted one for Walter Scott. He noted VCERA's Education & Travel provided, *"For managers outside of North America, the frequency shall be every four years and whenever possible in conjunction with an educational opportunity to maximize the value of the overseas trip"*. In this case, the proposed due diligence visit was in conjunction with the Walter Scott Investment Research Conference.

MOTION: Approval of On-Site Due Diligence Visit and Subsequent Attendance of the Walter Scott Investment Research Conference, May 8 – 11, 2023, in Edinburgh, Scotland, via Business Class Air Travel for Up to Two VCERA Trustees and VCERA's CIO, Departing Thursday to Arrive Friday Night to Achieve Airfare Savings.

Moved by Joe, seconded by Grass.

Vote: Motion carried

Yes: Grass, Goulet, Hernandez-Garcia, Horgan, Joe, Roberts, Sedell

No: -

Absent: Long

Abstain: -

## VII. NEW BUSINESS

- A. Review of VCERA Charters.

**RECOMMENDED ACTION: Adopt.**

1. Staff Letter from Retirement Administrator.
2. Charter: Board of Retirement (Redline).
3. Charter: Board of Retirement (Clean).
4. Charter: Chair (Redline).
5. Charter: Chair (Clean).
6. Charter: Vice Chair (Redline).

7. Charter: Vice Chair (Clean).
8. Charter: Retirement Administrator (Redline).
9. Charter: Retirement Administrator (Clean).

Ms. Webb said staff was recommending minor changes to VCERA's Charters, mostly for clarification.

Trustee Goulet provided edits to the Board of Retirement, Chair, and Retirement Administrator charters. In the Board of Retirement Charter, item V. stated, "The Board will conduct a study of the relationship between the assets and liabilities of VCERA not less frequently than every three years". He asked whether that should be done more frequently, and if so, suggested the wording be changed to read, "The Board will conduct a study of the relationship between the assets and liabilities of VCERA, at least every 3 years, unless the Board determines circumstances dictate the need for an earlier study".

Ms. Nemiroff noted that the language from the Government Code section 31453 required an Actuarial evaluation to be made at intervals not to exceed 3 years.

Trustee Goulet proposed that they use the exact language from the Government code, rather than a variation of it.

Trustee Goulet continued: page 4, item 13, referenced, "Board Counsel", which should be changed to, "General Counsel"; page 5, item 17(e) it said the Board would annually, "Review VCERA's internal financial and operating controls as presented by the financial auditor", but proposed removal of the words, "as presented by the financial auditor" because the auditor did not opine on internal controls; page 6, item 23 used the word, "counsel", which should instead read, "outside counsel".

Ms. Webb noted an error in the numbering of the policy and said staff would correct the error.

Trustee Hernandez-Garcia asked how the Board reviewed itself.

Ms. Webb said it was not currently done formally, though she intended to recommend that a Board Self-Evaluation be incorporated into the annual retreat going forward. Staff was also researching how other retirement systems conducted Board self evaluations.

Trustee Goulet asked why, in the Board Chair charter, it was recommended the removal of text on page 2, item 3(h), "Review travel and other expenses of the Retirement Administrator on a quarterly basis".

Ms. Webb said it was because all of the travel for the Retirement Administrator was approved by the Board in an open session meeting or by policy, as well as being reported in the Retirement Administrator's Quarterly Report.

Trustee Goulet then said that the item did not say that it could not be reported in an open session meeting, because it simply said review travel and other expenses.

Chair Sedell said that he agreed with Trustee Goulet because there may be something that may be inadvertently omitted from an agenda. So, the wording simply would protect the Retirement Administrator as well as the Board, though there were no current concerns with the Retirement Administrators' travel or expenses.

Ms. Webb said she was certainly willing to withdraw that suggested edit.

Trustee Goulet then noted that in the Retirement Administrator Charter, item I, stated the position is “exempt from Ventura County civil service rules”; however, the Retirement Administrator was no longer a County position, and so that wording should be removed. Also, item IV. and V., he proposed the term, “compliantly implemented”, would be better with the wording, “and complied with”, so that the sentence read, “The Retirement Administrator will be responsible for ensuring that all administrative and operational policies of the Board, excluding governance and investment policies, are properly implemented and complied with.”

Chair Sedell remarked that the wording properly implemented was compliance automatically, therefore, staff should just remove the words, “and compliantly”.

Trustee Goulet agreed and noted the words, "and compliant" in item 5(a) should also be removed. Further, on page 2, item, 7(c), it said, "In consultation with medical evaluators and counsel, schedule disability applications to the Board for its consideration"; however, it was his understanding that the Retirement Administrator did not meet with the medical evaluators, or other counsels, pertaining to disability applications. Therefore, he suggested that the item simply say, "Schedule disability applications". On page 4, item 13(e), where it stated, "Legal Counsel", it should be, "Outside Legal Counsel" because they were service providers. Lastly, page 5, section III, item 15, it said, “The Retirement Administrator will provide the Board with relevant, appropriate and timely information to enable it to properly and compliantly carry out its oversight responsibilities with respect to the benefit administration function of VCERA”; however, he suggested that “and compliantly” be removed, and it should instead read, “information to enable it to properly carry out, and in compliance with its oversight responsibilities”.

MOTION: Approve Staff Recommendation to Adopt the Proposed Changes to the Board Charters, with Board Amendments to the Charters for the Board of Retirement, Chair, and Retirement Administrators.

Moved by Jordan, seconded by Goulet.

Vote: Motion carried

Yes: Grass, Goulet, Hernandez-Garcia, Horgan, Joe, Roberts, Sedell

No: -

Absent: Long

Abstain: -

B. Periodic Review of Compensation Review Policy.  
**RECOMMENDED ACTION: Adopt.**

1. Staff Letter from Retirement Administrator.
2. Compensation Review Policy Proposed (Redline).
3. Compensation Review Policy Proposed (Clean).

Trustee Goulet commented that on page 2, in the first line, the 2 government codes were out of order, and should be switched because 31462.2 comes before 31462.11.

Ms. Nemiroff said that staff would check to see if the government codes were indeed listed from lowest to highest and correct the policy accordingly.



MOTION: Approve Staff's Recommendation to Adopt Proposed Changes to the VCERA Compensation Review Policy.

Moved by Goulet, seconded by Joe.

Vote: Motion carried

Yes: Grass, Goulet, Hernandez-Garcia, Horgan, Joe, Roberts, Sedell

No: -

Absent: Long

Abstain: -

C. Updates to the Trustee Technology Use & Mobile Device Policy.

**RECOMMENDED ACTION: Approve.**

1. Staff Letter from Chief Technology Officer.
2. Trustee Technology Use and Mobile Device Policy Proposed (Redline).
3. Trustee Technology Use and Mobile Device Policy Proposed (Clean).

Ms. Oliver explained the proposed changes by staff were based on feedback from the trustees, conversations with Gartner, as well as the County of Ventura's Business Technology Committee. The changes were to assist with outlining the proper use of technology that was owned by VCERA, and highlight what was considered, "reasonable personal use".

MOTION: Approve Staff Proposed Changes to the Updated Trustee Technology Use & Mobile Device Policy.

Moved by Joe, seconded by Roberts.

Vote: Motion carried

Yes: Grass, Goulet, Hernandez-Garcia, Horgan, Joe, Roberts, Sedell

No: -

Absent: Long

Abstain: -

D. Request for Guidance Regarding Attendance Requirements for Presenters to the Board of Retirement and its Committees.

1. Staff Letter from Retirement Administrator.

Ms. Webb said the agenda item was to request guidance from the Board regarding the attendance requirements for presenters at Board meetings so that staff can communicate the Board's expectations to the various presenters.

Chair Sedell asked the other Board members if any of them had a preference on having the presenters attend the Board meetings in person or remotely.

Trustee Goulet said that his preference would be to have the presenters make their presentations in person, however, he would not argue strenuously for it.

Chair Sedell said he preferred to have the Investment Managers attend the meetings in person because he believed if the Board had invested a substantial amount of money with an Investment Manager, then it would be appropriate to ask that manager to have a face-to-face meeting with the Board, although the Board could argue on what would be considered a "substantial amount".

Ms. Webb noted that there were presenters aside from the Investment Managers, such as VCERA's Financial Auditor, who had attended today's meeting remotely.

Chair Sedell then said that he was mostly referring to those presenters who manage some of VCERA's investment assets.

Mr. Gallagher said that both in-person and virtual presentations have their benefits. While in-person presentations enable face-to-face interactions, virtual presentations offer a convenient and efficient time saving alternative, especially for presenters who may face travel difficulties to attend meetings. On the investment side, the costs of travel are paid from the funds in which we are invested. But of greatest impact, the entire time investment decision makers are travelling, they are not investing and generating investment returns, which is a significant opportunity cost. In addition, higher level investment decision makers would be available to present to the Board virtually than would be available for the much more time consuming travel to in-person presentations. He would therefore recommend the Board allow investment managers the option to attend the Board meetings in-person or remotely, while also reserving the right to require in-person attendance if the Board had any concerns.

Ms. Webb said that she would recommend that it be an "all or nothing" decision regarding presenters; however, she would strongly urge the Board to allow disability applicants to attend remotely because their health issues could make it difficult for them to attend in person.

Trustee Horgan said that she agreed with Mr. Gallagher, and believed that remote meetings, in current times were productive. However, she also liked the option to request that a presenter attend in person, because there may be times when VCERA would want someone to attend in person.

MOTION: Allow Remote Presentations, with the Option to Request In-Person Presentations.

Moved by Horgan, seconded by Grass.

Vote: Motion carried

Yes: Grass, Goulet, Hernandez-Garcia, Horgan, Joe, Roberts, Sedell

No: -

Absent: Long

Abstain: -

## **VIII. INFORMATIONAL**

- A. SACRS Legislative Update – March 2023.
- B. SACRS Legislative Committee Outreach Guide for 2023.
- C. CALAPRS Virtual Trustee Round Table.

## **IX. PUBLIC COMMENT**

None.

**X. STAFF COMMENT**

Mr. Gallagher reported that there was a Due Diligence visit conducted with Western Asset Management and PIMCO. Both he and VCERA's General Counsel conducted the visit with Western Asset Management, last Monday. They were then joined by Trustee Ashby at the visit with PIMCO, the next day. They did not find any concerns and they planned to have a written report for the Board at the next business meeting. Also, he understood that that Silicon Valley Bank (SVB), the primary lender to Startups, Buyouts, and Venture Capital Firms, had a run on the bank, which had not been seen since the 1930s. SVB went into receivership over the weekend, and deposits over the FDIC insurance coverage limit of \$250,000 were frozen. This action caused chaos in private markets over the weekend. Signature Bank in New York also went into receivership. Treasury Secretary, Janet Yellen instructed the FDIC to make all Silicon Valley Bank and Signature Bank depositors whole through the Deposit Insurance Fund, and not just on deposits under \$250,000. So, all the depositors should have access to their funds today and they made it very clear that rather than having any losses born by taxpayers, the losses to support uninsured depositors over the \$250,000.00 limit would be recovered by a special assessment on banks. Therefore, this is a huge relief for depositors at both banks.

Ms. Webb said that both she and the General Counsel would serve on a panel for a conference for the California Professional Firefighters Association, which was meeting in San Diego on the 29th.

Ms. Herron informed the Board that staff was continuing to work jointly with the Auditor-Controller's Office on implementing the programming changes needed in the Ventura County Human Resources Payroll system, to cap the pensionable compensation to normal working hours. Staff was also reviewing the results of the second round of testing, and targeting a 3<sup>rd</sup> round of testing to verify some fixes. She had served as the project manager on this while previously employed with the Auditor-Controller's Office, and was continuing to help lead now that she was with VCERA.

Ms. Marshall said that she wanted to acknowledge her Fiscal team, Operations, IT Department, Brown Armstrong, Finance Committee, and Ms. Webb for their helpful contributions in producing the ACFR.

**XI. BOARD MEMBER COMMENT**

Trustee Goulet said Ms. Marshall had done a great job on the ACFR and the final product reflected that.

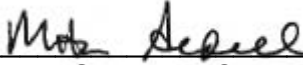
**XII. ADJOURNMENT**

The Chairman adjourned the meeting at, 10:32 a.m.

Respectfully submitted,

  
\_\_\_\_\_  
LINDA WEBB, Retirement Administrator

Approved,

  
\_\_\_\_\_  
MIKE SEDELL, Chair