

VENTURA COUNTY EMPLOYEES' RETIREMENT ASSOCIATION

BOARD OF RETIREMENT

DISABILITY & BUSINESS MEETING

APRIL 28, 2025

MINUTES

TRUSTEES PRESENT

Aaron Grass, Chair, Elected Safety Member
Jordan Roberts, Vice-Chair, Elected General Member
Greg Bergman, Elected General Member
Donald Brodt, Appointed Member
Taylor Dacus, Appointed Member
Maeve Fox, Alternate Elected Retired Member
Arthur E. Goulet, Elected Retired Member
Tommie E. Joe, Appointed Member
Kelly Long, Appointed Member
Ryan Resnick, Alternate Elected Safety Member

TRUSTEES ABSENT

Sue Horgan, Treasurer-Tax Collector

STAFF PRESENT

Amy Herron, Retirement Administrator
Lori Nemiroff, General Counsel
Dan Gallagher, Chief Investment Officer
Betsy Byrne, Chief Operations Officer
La Valda Marshall, Chief Financial Officer
Brian Owen, Sr. Information Technology Specialist
Michael Sanchez, Sr. Information Technology Specialist
Chris Ayala, Board Clerk/Program Assistant
Anikka Abbott, Communications Officer
Paris Ba, Investment Officer

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 Board Disability & Business Meeting of April 28, 2025, to order at 9:01 a.m. He stated that Trustee Horgan was unable to attend the meeting.

Roll Call:

Trustees Present: Bergman, Brodt, Dacus, Fox, Goulet, Grass, Joe, Long, Roberts

Trustees Absent: Horgan, Resnick

II. APPROVAL OF AGENDA

Trustee Resnick arrived at 9:02 a.m., immediately after Roll Call.

MOTION: Approve.

Moved by Joe, seconded by Goulet

Vote: Motion carried

Yes: Bergman, Brodt, Dacus, Goulet, Grass, Joe, Long, Roberts

No: -

Absent: Horgan

Abstain: -

III. CONSENT AGENDA

Notice: Any item appearing on the Consent Agenda may be moved to the Regular Agenda at the request of any Trustee who would like to propose changes to or have discussion on the item.

A. Approve Board Disability & Business Meeting Minutes of March 24, 2025.

B. Receive and File Report of Checks Disbursed in March 2025.

C. Approve Regular and Deferred Retirements and Survivors Continuances for the Month of March 2025.

D. Receive and File Pending Disability Application Status Report, Updated as of April 22, 2025.*

E. Receive and File NEPC Preliminary Monthly Investment Performance Reports for the Period Ending March 31, 2025.

1. Staff Letter from Chief Financial Officer.

2. Preliminary Monthly Investment Performance Reports for the Period Ending March 31, 2025.

- F. Receive and File Fiscal Year 2024-25 Quarterly Budget Summaries and Financial Statements (Unaudited) for the Period Ending December 31, 2024.
 - 1. Staff Letter from Chief Financial Officer.
 - 2. Budget Summaries (Unaudited).
 - 3. Financial Statements (Unaudited).
- G. Receive and File Retirement Administrator's Quarterly Report for January 1, 2025 to March 31, 2025.
 - 1. Staff Letter from Retirement Administrator.
 - 2. Retirement Administrator's Quarterly Report for January 1, 2025 to March 31, 2025.
- H. Receive and File Chief Investment Officer's 1st Quarter 2025 Investment Activity Report.
- I. Grant Nonservice-connected Disability Retirement - Leslie, Shannon; Case no. 22-013.*
 - 1. Staff Recommendation to Grant the Nonservice-connected Disability Retirement Application, dated April 21, 2025.*
 - 2. Supporting Documentation for Staff Recommendation.*
 - 3. Application for Nonservice and Service-connected Disability Retirement with Amendment, dated July 15, 2022.*
 - 4. Hearing Notice, dated April 21, 2025.*
- J. Grant Service-connected Disability Retirement - Yates, Kevin; Case no. 22-019. (Fire)*
 - 1. Staff Recommendation to Grant the Service-connected Disability Retirement Application, dated April 21, 2025.*
 - 2. Supporting Documentation for Staff Recommendation.*
 - 3. Application for Service-connected Disability Retirement, filed by Applicant, dated October 31, 2022.*
 - 4. Hearing Notice, dated April 21, 2025.*

Ms. Herron described two changes to Item A of the Consent Agenda, "Approve Board Disability Meeting Minutes of March 24, 2025." In Item VI. A. of the minutes, Trustee Goulet was listed as both the first and second on the motion, which would be corrected. There was also a minor typo under the staff comment.

She also noted that Item J of the Consent Agenda, "Grant Nonservice-connected Disability Retirement - Leslie, Shannon; Case no. 22-013," was to grant the nonservice-connected disability retirement, as that staff recommendation was uncontested by all parties. However, the staff

recommendation to deny the service connection was automatically sent to hearing per VCERA policy.

MOTION: Approve Consent Agenda, with Amendments to Item III. A.

Moved by Joe, seconded by Dacus

Vote: Motion carried

Yes: Bergman, Brodt, Dacus, Goulet, Grass, Joe, Long, Roberts

No: -

Absent: Horgan

Abstain: -

IV. APPLICATIONS FOR DISABILITY RETIREMENT

- A. Application for Service-connected Disability Retirement - Sanchez, Roxanna; Case No. 23-014. (Sheriff)*

RECOMMENDED ACTION: Grant Service-Connected Disability Retirement.

1. Staff Recommendation to Grant the Application for Service-connected Disability Retirement, dated April 21, 2025.*
2. Applicant's Response to VCERA's Preliminary Recommendation, filed by Applicant's Attorney, Thomas Wicke, dated April 16, 2025.*
3. Supporting Documentation for Staff Recommendation.*
4. Application for Service-connected Disability Retirement, filed by Applicant's Attorney, Thomas Wicke, dated June 7, 2023.*
5. Hearing Notice, dated April 21, 2025.*

Erika Herincx and Vivian Shultz, Attorney at Law, were present on behalf of VCERA. Thomas Wicke, Attorney at Law, was present on behalf of the applicant, Roxanna Sanchez. Catherine Laveau, Senior Deputy Executive Officer, was present on behalf of the County of Ventura, Risk Management.

Ms. Herincx introduced the case.

Ms. Shultz provided a summary of the staff recommendation.

Ms. Laveau provided a summary of the County's position.

Mr. Wicke provided a summary of the Applicant's position.

Trustee Goulet commented that Mr. Wicke had alleged discrimination on an age basis, and then pointed out that the legislature adopted the provision allowing the requirement of a re-examination up to the age of 55. He asked for clarification of terminology, stating that the Board's job was to review, not re-examine, and if after a review the Board determined re-examination was appropriate, then they could require it at that point. Ms. Shultz responded that there was some ambiguity in the original language used in the staff recommendation to incorporate both assessment and examination by using the word re-examination. It's best to refer directly back to the policy, which outlines the steps of

assessment first, and then if necessary, a re-examination. The assessment is usually in the form of a questionnaire. Trustee Goulet asked if staff had provided a copy of the policy to Mr. Wicke, to which she responded yes. Trustee Goulet stated his belief that the allegation of discrimination was then based on a misconception.

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

MOTION: Approve Staff's Recommendation to Grant a Service-connected Disability Retirement, Effective October 13, 2023, with Future Review in Accordance with VCERA's Policy.

Moved by Goulet, seconded by Joe

Vote: Motion carried

Yes: Bergman, Brodt, Dacus, Goulet, Grass, Joe, Long, Roberts

No: -

Absent: Horgan

Abstain: -

V. INVESTMENT MANAGER PRESENTATIONS

- A. Receive Annual Investment Presentation from Sprucegrove by Arjun Kumar and Tasleem Jamal.

RECOMMENDED ACTION: Receive and File.

Mr. Gallagher introduced the Sprucegrove team, and stated that they are one of VCERA's two active managers of publicly traded non-US stocks. They employ a bottom-up value strategy using internal research, investing in high quality companies. Arjun Kumar and Tasleem Jamal reported Sprucegrove's organizational changes, and discussed the firm's investment outlook, portfolio strategy, composition, and performance, and responded to questions from the trustees. After the presentation, the following motion was made:

MOTION: Receive and File the Annual Investment Presentation from Sprucegrove.

Moved by Joe, seconded by Bergman

Vote: Motion carried

Yes: Bergman, Brodt, Dacus, Goulet, Grass, Joe, Long, Roberts

No: -

Absent: Horgan

Abstain: -

After the vote on the agenda item, the Board took a break at 9:58 a.m. and returned at 10:08 a.m.

- B. Receive Annual Investment Manager Presentations from State Street by Aleph Granados, Joe Rooney, Julianna Frank, Henry Disano, and Samantha Cragan.

RECOMMENDED ACTION: Receive and File.

1. State Street Custody Services, Presented by Joe Rooney, Julianna Frank, and Aleph Granados.
2. State Street Securities Lending, Presented by Henry Disano and Samantha Cragan.

Mr. Gallagher introduced the State Street team, and stated that they would give two presentations: the first on their custody product and the second on their securities lending product. State Street is VCERA's master custodian bank, and the custodial relationship is among the most complex and critical to investments. Aleph Granados, Joe Rooney, Julianna Frank, Henry Disano, and Samantha Cragan reported State Street's organizational changes, and discussed the firm's investment outlook, portfolio strategy, composition, and performance. After the presentation, the following motion was made:

MOTION: Receive and File the Annual Investment Manager Presentations from State Street.

Moved by Joe, seconded by Bergman

Vote: Motion carried

Yes: Bergman, Brodt, Dacus, Goulet, Grass, Joe, Long, Roberts

No: -

Absent: Horgan

Abstain: -

VI. INVESTMENT INFORMATION

A. Arbour Lane Credit Opportunity Fund IV \$25 Million Add-On Investment Commitment Recommendation.

RECOMMENDED ACTION: Approve.

1. Staff Letter from Chief Investment Officer.
2. Joint Fund Recommendation Report from NEPC.
3. Arbour Lane Credit Opportunity Fund IV, Dan Galanter, Bob Franz, and Rachelle Udeogu.

Mr. Gallagher provided an overview of the agenda item to the Board for discussion and consideration. He stated that there was a small difference in the performance numbers, as he recently received an update. NEPC had used the last-audited financial report dated September 30, 2024, whereas the new report was dated December 31, 2024. He and Rose Dean of NEPC responded to questions from the trustees.

MOTION: Approve Staff's Recommendation to 1) Approve a \$25 Million Add-on Allocation to the Arbour Lane Credit Opportunity Fund IV, and Direct Staff and Counsel to Negotiate the Necessary Legal Documents; and 2) Subject to Successful Contract Negotiations, Authorize the Board Chair or the Retirement Administrator or in the Absence of Both the Chief Investment Officer to Approve and Execute the Required Documentation.

Moved by Joe, seconded by Bergman

Vote: Motion carried

Yes: Bergman, Brodt, Dacus, Goulet, Grass, Joe, Long, Roberts

No: -

Absent: Horgan

Abstain: -

- B. VWH Partners Fund IV \$25 Million Add-On Investment Commitment Recommendation.
RECOMMENDED ACTION: Approve.

1. Staff Letter from Chief Investment Officer.
2. Joint Fund Recommendation Report from NEPC.
3. VWH Partners Fund IV, Vivian Huang, Adam Van de Berghe, Brian Martin, and John Kenneally.

Mr. Gallagher provided an overview of the agenda item to the Board for discussion and consideration.

MOTION: Approve Joint Recommendation to 1) Approve a \$25 Million Add-on Allocation to the VWH Fund IV, and Direct Staff and Counsel to Negotiate the Necessary Legal Documents; and 2) Subject to Successful Contract Negotiations, Authorize the Board Chair or the Retirement Administrator or in the absence of both the Chief Investment Officer to approve and execute the required documentation.

Moved by Goulet, seconded by Joe

Vote: Motion carried

Yes: Bergman, Brodt, Dacus, Goulet, Grass, Joe, Long, Roberts

No: -

Absent: Horgan

Abstain: -

- C. NEPC Market Outlook: Tariff Turmoil.
RECOMMENDED ACTION: Receive and File.

1. NEPC Market Outlook, Tariff Turmoil Presentation by, Rose Dean and Dan Hennessy.

Mr. Gallagher introduced Daniel Hennessy of NEPC, who presented the agenda item to the Board.

MOTION: Receive and File NEPC's Market Outlook: Tariff Turmoil Presentation.

Moved by Joe, seconded by Goulet

Vote: Motion carried

Yes: Bergman, Brodt, Dacus, Goulet, Grass, Joe, Long, Roberts

No: -

Absent: Horgan

Abstain: -

After the vote on the agenda item, the Board took a break at 11:19 a.m. and returned at 11:30 a.m. Trustee Resnick left the meeting at 11:21 a.m., during the break.

VII. OLD BUSINESS

- A. None.

VIII. NEW BUSINESS

- A. Update on the Board of Retirement's Roles and Responsibilities in Disability Retirement Adjudications.

RECOMMENDED ACTION: Receive and File.

1. Update on the Board of Retirement's Roles and Responsibilities in Disability Retirement Adjudications Presentation by Ashley Dunning, Partner with Nossaman, LLP.

Ms. Herron explained that the following two agenda items were regarding VCERA's disability process and were provided to the Board to prepare them for future discussions regarding suggested modifications to VCERA's Bylaws and Disability Policies & Procedures, as recommended by the Governance Committee. However, the recommended modifications were not yet being presented to the Board. Staff had met with the most heavily impacted unions and received a positive response, but were still in continuing discussions with the County. The next step in the process would be to either bring further suggested modifications to the Governance Committee, or to present the existing suggestions to the Board as appropriate. She introduced Ashley Dunning, who presented the agenda item to the Board.

Ms. Dunning and Ms. Nemiroff responded to questions from the trustees.

Trustee Goulet said he understood that most CERL systems conduct items regarding disability applications in closed session, but that VCERA did not, and asked if this was required. Ms. Dunning responded that the legal authority for deliberation in Closed Session was a personnel exception that allowed disability cases to be heard in closed session, but it was not required. However, as confidential medical records are involved in such cases, the Board should be mindful not to go into those confidential details in Open Session.

MOTION: Receive and File the Update on the Board of Retirement's Roles and Responsibilities in Disability Retirement Adjudications Presentation.

Moved by Goulet, seconded by Joe

Vote: Motion carried

Yes: Bergman, Brodt, Dacus, Goulet, Grass, Joe, Long, Roberts

No: -

Absent: Horgan

Abstain: -

After the vote on the agenda item, the Board took a break at 12:26 p.m.

Trustee Long left the meeting at 12:45 p.m. and Trustee Joe left the meeting at 12:54 p.m., during the break.

The Board returned from break at 1:00 p.m.

- B. Disability Retirement Process Overview.

RECOMMENDED ACTION: Receive and File.

1. Disability Retirement Process Overview Presentation by, Erika Herincx.

Ms. Herron stated that this presentation was an updated version from the one the Board received last September at its annual retreat. It was meant to refresh the Board on the steps of the disability retirement process, while providing new statistics as well. She added that after internal review of the disability process, staff had come to the conclusion that despite the additional services from VCERA's disability counsel, VCERA would likely not be able to complete the backlog in the original timeline. Staff would present updates and recommendations to resolve this in a future meeting.

Ms. Herron introduced Ms. Herincx, VCERA's Disability Retirement Benefits Manager. Then, Ms. Herincx presented the report and responded to questions from the trustees.

Trustee Bergman left the meeting at 1:13 p.m. and returned at 1:14 p.m.

Catherine Laveau, Senior Deputy Executive Officer with Ventura County Risk Management, provided public comment. She stated that the County had indicated to the Board that they believe there are areas where the disability retirement process could be improved. She stated that the County most recently addressed this with public comment made by the County HR Director Danielle Keys at the January meeting. Ms. Laveau suggested that the year and a half goal was not attainable with the current backlog of cases. The County had spoken with VCERA staff about its concern with the review of the procedures, and looked forward to continued dialogue. She recommended that the Governance Committee hear from all stakeholders about suggestions they have related to efficiency with the process before any further action is taken by the Board.

MOTION: Receive and File the Disability Retirement Process Overview Presentation.

Moved by Brodt, seconded by Dacus

Vote: Motion carried

Yes: Bergman, Brodt, Dacus, Goulet, Grass, Roberts

No: -

Absent: Horgan, Joe, Long

Abstain: -

C. SACRS Business Meeting Agenda Items.

RECOMMENDED ACTION: Give Direction to the Voting Delegate.

1. SACRS Spring 2025 Conference Business Meeting Packet.
2. SACRS Spring 2025 Conference Preliminary Agenda.

Chair Grass provided a brief overview of the agenda item to the Board for discussion and consideration.

Trustee Long returned to the meeting at 1:21 p.m., before the vote on the agenda item.

MOTION: Request for VCERA's Voting Proxy the Authority to Approve Up to her Discretion.

Moved by Grass, seconded by Long

Vote: Motion carried

Yes: Bergman, Brodt, Dacus, Goulet, Grass, Long, Roberts

No: -

Absent: Horgan, Joe

Abstain: -

IX. INFORMATIONAL

A. SACRS Board of Director Elections 2025-2026 - Elections Notice.

X. PUBLIC COMMENT

Chair Grass stated that the only public comment was that of Ms. Laveau, which was given during its corresponding agenda item.

XI. STAFF COMMENT

Ms. Herron stated that recruitment for the Senior Accounting Technician was in its final stages. The final selection of the Benefits Manager recruitment was made, with the promotion of Chris Olivo from the Payroll unit to fill the role.

She stated that the next Alameda status update would be at the Board meeting in May. Staff were anticipating that some of the initial June 30 goals would go past their timelines, and they were working with partners to mitigate that as much as possible.

The Communications team planned to give a retirement presentation to the Sheriff's Office on Thursday, May 1.

Regarding the Financial Management System replacement project, RFP responses were due April 25th. The next step involved scoring the responses and bringing the results back to the Finance Committee for recommendation. VCERA had received four responses total.

Staff would also bring the Annual budget and contract renewals for Board consideration at the June meeting, and Segal would speak to the Board about their future projections at an upcoming meeting.

Mr. Gallagher reported that the two of the most dynamic assets classes were private credit and infrastructure, including data centers. Investment staff were invited to tour a data center in Irvine owned by a company in one of the Brookfield funds that VCERA is invested in, in Irvine, and visited on April 10. The same week, the VCERA investment team (Dan Gallagher, Paris Ba, and Holly Macki) presented for about 60 people at a conference held by the California Retired County Employees Association (CRCEA), and roughly four of the attendees were from Ventura County.

Ms. Nemiroff provided an update on the LACERA case. There were 6 amici briefs on behalf of over 41 entities in support of LACEARA's position, which included 22 separate California retirement systems, 14 CERL systems including VCERA, eight city or district entities, and four additional organizations such as labor unions and NCPERS. There was one amicus brief filed in favor of LA County, on behalf of the California State Association of Counties (CSAC). Regarding the Alameda leave straddling case, briefing had been completed and VCERA was waiting to hear from the court on an oral argument date, which would hopefully take place this year.

XII. BOARD MEMBER COMMENT

None.

XIII. ADJOURNMENT

The Chair adjourned the meeting at 1:29 p.m.

Respectfully submitted,

AMY HERRON, Retirement Administrator

Approved,

AARON GRASS, Chair