

VENTURA COUNTY EMPLOYEES' RETIREMENT ASSOCIATION

BOARD OF RETIREMENT

DISABILITY & BUSINESS MEETING

SEPTEMBER 9, 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:

None.

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
Leah Oliver, Chief Technology Officer
Erika Herincx, Disability Benefits Manager
Brian Owen, Sr. Information Technology Specialist
Michael Sanchez, Sr. Information Technology Specialist
Chris Ayala, Board Clerk/Program Assistant
Anikka Abbott, Communications 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 Business Meeting of September 9, 2024, to order at 9:00 a.m.

Roll Call:

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

Trustees Absent: Donald Brodt, Kelly Long

II. APPROVAL OF AGENDA

MOTION: Approve.

Moved by Rainey, seconded by Joe

Vote: Motion carried

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

No: -

Absent: Long

Abstain: -

Trustee Brodt arrived at 9:03 a.m., prior to review of the Consent Agenda.

III. CONSENT AGENDA

- A. Approve Disability & Business Meeting Minutes of July 29, 2024.
- B. Receive and File Report of Checks Disbursed in July 2024.
- C. Approve Regular and Deferred Retirements and Survivors Continuances for the Month of July 2024.
- D. Receive and File Pending Disability Application Status Report.
- E. Deny Application for Service-connected Disability Retirement – Silva, Maria; Case no.22-010. (New Model) (Applicant Waived Hearing)
 - 1. Executive Summary of Disability Retirement Case.
 - 2. Waiver of Right to Evidentiary Hearing, filed by Applicant, Maria Silva, dated July 18, 2024.
 - 3. Board Hearing Decision Notice, dated June 24, 2024.
 - 4. Application for Service-connected Disability Retirement, filed by Applicant, Maria Silva, dated March 18, 2022.

5. Board Hearing Notice, dated August 16, 2024.

MOTION: Approve Consent Agenda.

Moved by Joe, seconded by Bergman

Vote: Motion carried

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

No: -

Absent: -

Abstain: -

IV. APPLICATIONS FOR DISABILITY RETIREMENT

- A. Application for Service-connected Disability Retirement – Muhilly, John; Case no. 20-019. (New Model) (Petition for Reconsideration)

1. Petition for Reconsideration, filed by Anthony R. Strauss, Applicant's Attorney, dated July 26, 2024.
2. Opposition to Petition for Reconsideration, filed by Stephen D. Roberson, Attorney for Respondent, County of Ventura-Risk Management, dated August 8, 2024.
3. Opposition to Petition for Reconsideration, filed by Vivian W. Shultz, Attorney for VCERA, dated August 9, 2024.
4. Applicant's Reply to Oppositions to Petition for Reconsideration, filed by Anthony R. Strauss, Applicant's Attorney, dated August 30, 2024.
5. Proposed Findings of Fact, Conclusions of Law and Recommended Decision to Deny the Application for Service-connected Disability Retirement, filed by Hearing Officer Irene Ayala, dated April 15, 2024.
6. Application for Service-connected Disability Retirement, filed by Applicant, John Muhilly, dated September 28, 2020.
7. Board Hearing Notice, dated August 16, 2024.

Erika Herincx and Vivian Shultz, Attorney at Law, were present on behalf of VCERA. Anthony R. Strauss, Attorney at Law, was present on behalf of the applicant, John Muhilly. Stephen Roberson, Attorney at Law, was present on behalf of the County of Ventura, Risk Management.

Ms. Herincx introduced the case.

Mr. Strauss provided a brief summary statement of the Applicant's position.

Trustee Long arrived at 9:09 a.m., during Mr. Strauss' statement.

Mr. Roberson provided a brief summary of the County's position.

Ms. Shultz provided a brief summary of the staff recommendation.

Trustee Goulet asked if Mr. Strauss meant to submit new evidence, and Mr. Strauss responded that he did not want to submit new evidence, but was asking for more clarity on the hearing officer's decision.

Trustee Goulet stated he wished the Findings of Fact and Conclusions of Law to be listed separately on the hearing officer's report. Ms. Shultz explained that the report met legal muster under the *Topanga* requirement. Trustee Horgan suggested that the Board was still able to vote on the case because the Findings of Fact and Conclusions of Law were present in the report, even if in a different format. Ms. Nemiroff stated she would speak with the Hearing Officer for future formatting of this information in their reports.

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

MOTION: Deny the Applicant's Request for Reconsideration.

Moved by Horgan, seconded by Rainey

Vote: Motion carried

Yes: Bergman, Goulet, Grass, Horgan, Joe, Long, Rainey, Roberts

No: Roberts

Absent: -

Abstain: -

B. Application for Service-connected Disability Retirement – Martinez, Edward; Case no. 21-014. (New Model) (Hearing Officer Recommendation)

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 June 17, 2024.
2. Objections to the Hearing Officer's Report, filed by Vivian W. Shultz, Attorney for VCERA, dated June 27, 2024.
3. Application for Service-connected Disability Retirement, filed by Applicant, Edward Martinez, dated May 28, 2021.
4. Board Hearing Notice, dated August 16, 2024.

Trustee Bergman commented that he would recuse himself from this item, not because of a conflict of interest in the case, but because of the reasonable perception of bias based on him being copied on an email.

Erika Herincx and Vivian Shultz, Attorney at Law, were present on behalf of VCERA. The applicant, Edward Martinez, was present. Catherine Laveau, Risk Manager, and Carol A. Kempner, Attorney at Law, were present on behalf of the County of Ventura, Risk Management.

Ms. Herincx introduced the case.

Ms. Shultz provided a brief summary of the staff recommendation.

Mr. Martinez provided a brief summary statement of his position.

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

Trustees Horgan, Rainey, Horgan, and Goulet asked to clarify the dates of the application and the effective date of Mr. Martinez' disability retirement, should it be granted. Ms. Shultz and Ms. Herincx clarified the dates regarding the application. The disability retirement would be effective on August 24, 2019, the day after Mr. Martinez' last day of regular compensation. The application was signed on December 26, 2020.

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

MOTION: Approve the Hearing Officer's Recommendation to Grant the Application for Service-connected Disability Retirement, Effective August 24, 2019.

Moved by Long, seconded by Joe

Vote: Motion carried

Yes: Grass, Horgan, Joe, Long, Rainey, Roberts

No: -

Absent: Bergman

Abstain: Goulet

The Board took a break at 10:34 a.m., and returned from break at 10:46 a.m.

V. INVESTMENT MANAGER PRESENTATIONS

A. None.

VI. INVESTMENT INFORMATION

VCERA – Dan Gallagher, Chief Investment Officer.

NEPC – Rose Dean, and Daniel Hennessy.

A. Arbour Lane Credit Opportunity Fund IV \$50 Million 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 Presentation, Dan Galanter and Rachelle Udeogu.

Mr. Gallagher commented that the \$50 million investment commitment recommendation for the Arbour Lane Credit Opportunity Fund IV was a follow-on fund to VCERA's prior commitment to the Arbour Lane Credit Opportunity Fund III. He noted that the Board approved a private credit pacing plan targeting \$275 million for 2024 at its June meeting.

Mr. Gallagher and Dan Galanter of Arbour Lane responded to questions by the Trustees.

MOTION: 1) Approve Staff's Recommendation to Approve a Commitment of \$50 Million to 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 if Both are Unavailable the Chief Investment Officer to Approve and Execute the Required Documentation.

Moved by Joe, seconded by Goulet

Vote: Motion carried

Yes: Bergman, Goulet, Grass, Horgan, Joe, Long, Rainey, Roberts

No: -

Absent: -

Abstain: -

B. HarbourVest Infrastructure Opportunities Fund III \$30 Million Additional Commitment.

RECOMMENDED ACTION: Approve.

1. Staff Letter from Chief Investment Officer.
2. Joint Fund Recommendation Report from NEPC.
3. Harbourvest Partners Infrastructure Opportunities Fund III, Michael Dean and Teri Noble.

Mr. Gallagher introduced the joint recommendation with NEPC to approve a \$30 million add-on investment commitment to HarbourVest Infrastructure Opportunity Fund III. He reminded the Board that they had already committed \$75 million to this fund at its September 2023 meeting. He noted that VCERA would qualify for enhanced, revised, and additional fee discounts with this commitment.

Trustee Goulet recommended that the fee table show parentheses for reductions.

MOTION: 1) Approve Staff's Recommendation to Approve a \$30 Million Increased Commitment to HarbourVest Infrastructure Opportunities Fund III; and 2) Subject to Approval of Legal Counsel, the Board Authorize the Board Chair or the Retirement Administrator, or in the Absence of Both the Chief Investment Officer to Approve and Execute the Required Contract Addendum.

Moved by Goulet, seconded by Joe

Vote: Motion carried

Yes: Bergman, Goulet, Grass, Horgan, Joe, Long, Rainey, Roberts

No: -

Absent: -

Abstain: -

C. Recommendation to Place Western Asset Management on VCERA Investment Manager Watch List.

RECOMMENDED ACTION: Approve.

1. Staff Letter from Chief Investment Officer.

Mr. Gallagher summarized his rationale and recommendation that the Board put Western Asset Management Company (WAMCO) on its Watch List. He noted that VCERA's account was likely not

directly impacted by past trade allocations in select WAMCO-managed accounts that were made by WAMCO co-CIO Ken Leech between 2021 and 2023, that were subject to the Wells Notice. He credited VCERA General Counsel Lori Nemiroff for submitting that the investigation does not trigger a board policy required “quiet period.”

Trustee Rainey pointed out that a watch list gives the Board more internal control, which helps to detect and deal with risks. Trustee Horgan recommended that VCERA not give any money to WAMCO or any other company on the watch list in the future until issues of concern were resolved.

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

MOTION: Approve Staff’s Recommendation to Place Western Asset Management on VCERA’s Investment Manager Watch List.

Moved by Horgan, seconded by Rainey

Vote: Motion carried

Yes: Bergman, Goulet, Grass, Horgan, Joe, Long, Rainey, Roberts

No: -

Absent: -

Abstain: -

D. Second Quarter 2024 Performance Report for the Period Ending June 30, 2024.

RECOMMENDED ACTION: Receive and File.

Mr. Gallagher introduced Rose Dean, who presented the Second Quarter 2024 Performance Report.

Trustee Roberts left the meeting at 11:24 a.m., and returned at 11:25 a.m.

MOTION: Receive and File Second Quarter 2024 Performance Report for the Period Ending June 30, 2024.

Moved by Horgan, seconded by Joe

Vote: Motion carried

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

No: -

Absent: -

Abstain: -

E. Monthly Performance Report for the Period Ending July 31, 2024.

RECOMMENDED ACTION: Receive and File.

Ms. Dean introduced the Monthly Performance Report for the Period Ending July 31, 2024.

MOTION: Receive and File Monthly Performance Report for the Period Ending July 31, 2024.

Moved by Long, seconded by Horgan

Vote: Motion carried

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

No: -

Absent: -
Abstain: -

After the vote on the agenda item, the Board took a lunch break at 11:38 a.m. The Board returned from their lunch break at 12:00 p.m.

VII. OLD BUSINESS

A. Alameda Implementation Status Update dated September 9, 2024.

RECOMMENDED ACTION: Receive and File.

1. Staff Letter from Chief Operations Officer.
2. Attachment A, VPAC Gantt Chart.

Ms. Byrne provided an overview of the agenda item to the Board for discussion and consideration.

Trustee Horgan left the meeting at 12:03 p.m. and returned at 12:06 p.m.

Ms. Herron added VCERA is still trying to target the original timeline with some adjustments, but MBS's timeline is contingent upon some outstanding items from Vitech and the County. The County has been a good partner and is working on their calculations, but have discovered some complexities in the historical data which may cause additional modifications and push the timeline. Vitech has had changes in customer support and account representatives, and because of that turnover, has encountered delays. AP Consultants has been very helpful with VCERA's testing of scenarios and working with Vitech. Ms. Herron reminded the Board that the original timeline was just an estimate, as VCERA has never done a project of this scale.

Trustee Rainey asked about the certainty of the timeline and if there was an estimate for it to extend beyond January 1, 2025. Ms. Herron responded that VCERA does not have an estimate as it is waiting on additional items from the County and Vitech.

Trustee Rainey inquired about additional dependencies. Ms. Herron responded that some tasks from MBS intersect with tasks of the County, whose tasks are delayed. Ms. Byrne added that staff have been diligent about doing what tasks they can while other tasks are delayed. There is constant progress and dedication to the project on the part of staff, while they are also completing their existing duties.

Trustee Rainey asked if there is any other entity working with the flex credit issue that VCERA could ask about best practices. Ms. Herron responded that McChoi Consulting, the project manager, has been instrumental to this project, and they have inquired about this issue with other entities, but VCERA's project is the most complex she has seen, partly because of the number of impacted members and the various components of pay affected.

Trustee Goulet stated that he felt Vitech was not living up to their contract requirements, and asked what could VCERA do to hold them accountable. Ms. Byrne responded that part of how VCERA is handling the situation is by working with AP Consultants to communicate with Vitech. Part of the difficulty lies in the fact that Vitech has been going through a restructuring. VCERA was given a new Vitech account manager and staff are doing what they can to encourage Vitech's movement on the project. Ms. Oliver commented that VCERA currently uses an older version of V3, and that as technology changes, the staff managing those systems will change. Vitech was more limited in staff helping to manage this old system, as more of those staff have moved to support clients with newer versions. Ms. Herron reiterated that AP Consultants is helping VCERA to coordinate with Vitech. She

commented that VCERA's contract mainly covers maintenance and support. VCERA also paid Vitech for additional hours of work for enhancements, and Ms. Herron agreed she would like to see those items completed by Vitech more quickly but is not sure VCERA can contractually enforce this as these are special projects. Ms. Oliver commented that VCERA has pre-paid for a contracted number of hours of work from Vitech, and VCERA is still working through those hours. Trustee Joe commented that there is no incentive for them to finish the work in a timely manner. Ms. Herron responded that the incentive is for them to keep VCERA as a customer in the next updated V3 system contract.

Trustee Horgan said it's good to see where the project stands, and VCERA needs to keep the Board apprised if VCERA needs any more resources as this is a high priority project. Ms. Byrne responded that VCERA believes it has the resources it needs at this time. VCERA staff need time to correctly process complex data, and for the enhancements to be made.

Trustee Goulet said he felt VCERA was having to pay more money to get Vitech to do the job they were initially contracted to do. Ms. Oliver commented that this is a very large and complex project. To make sure all enhancements are accurate, having consultants is important in making sure communication with Vitech is accurate and complete. Ms. Herron stated that VCERA has a duty to move this project along, and it is trying to complete it in the most strategic way given the current status of the project. Trustee Goulet asked if VCERA should charge Vitech backpay. Ms. Byrne stated that this project was unprecedented and reiterated that she believes VCERA has what it needs to complete the job, and that it will take time because VCERA is not willing to rush or cut corners, as staff must complete accurate work.

Trustee Brodt inquired about AP Consultants and if they were working with just Vitech, or also on other projects. Ms. Oliver responded that they were working on many other projects with VCERA, alongside the V3 System enhancements. They were also helping VCERA to build processes and work on developing and testing scenarios to check Vitech's work. Trustee Brodt clarified that VCERA was not spending money on AP Consultants just to work with Vitech, and Ms. Oliver confirmed that was correct - VCERA was using AP Consultants for other projects as well.

Trustee Goulet inquired about how the prepaid hours are used. Ms. Oliver commented that Vitech would create a cost estimate, deliver it to VCERA, and then VCERA would send it back with any fixes. Vitech was not adding hours to their cost estimates. They were tabulating that the hours they were working fit into these prepaid hours. VCERA was trying to streamline the process of communicating with Vitech so that it reduces much of the time of the back and forth with them. Ms. Herron said that VCERA staff have also had this conversation with the new Vitech representative about VCERA's account.

Mr. Rainey asked to confirm the expectation that if everything goes as planned and these Phase 1 items are completed in December, then VCERA would move into Phase 2. Ms. Herron responded yes, and that VCERA planned to bring a proposed Phase 2 timeline to the Board soon.

Trustee Goulet commented that the Supreme Court decision on leave straddling may bring further changes to calculations. Trustee Rainey asked about what portion of the project would involve leave straddling. Ms. Herron stated that the total number of members affected in the project was in the thousands, and her guess is that those affected by straddling were in the hundreds. However, not all of those would ultimately have straddling.

Trustee Roberts inquired about the end of the contract with Vitech and asked about the migration to a different system. Ms. Oliver said that the contract doesn't have an end date (although the support

contract is renewed periodically), and migration to a new system is a large process. VCERA would not be able to migrate while also handling the Alameda corrections.

Trustee Long and Chair Grass commented that Tracey Pirie with REAVC had left a letter of public comment for the Board, and that it was received and distributed to the Board.

MOTION: Receive and File the Alameda Implementation Status Update.

Moved by Rainey, seconded by Long

Vote: Motion carried

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

No: -

Absent: -

Abstain: -

B. Ratify & Approve Existing Contract & Amendment with the Law Offices of Vivian W. Shultz for Legal Services Relating to Disability Retirement Applications.

RECOMMENDED ACTION: Approve.

1. Staff Letter from Retirement Administrator and Chief Technology Officer.

Ms. Herron provided an overview of the agenda item to the Board for discussion and consideration.

Trustee Goulet commented that he had no issue with the item other than there was not an upper limit of the contract amount. Ms. Herron responded that the limit was usually set through VCERA's annual budget, and that is what they based their spending on. Trustee Rainey agreed with Trustee Goulet's comment, and said it was usually called a "not to exceed" amount. Ms. Herron stated that it was reported as its own line item on our budget summaries. Trustees Goulet, Long, and Horgan commented they would like to see it written in the contract. Trustee Goulet stated this would allow them to decide if VCERA needed to hire additional staff to do this job instead of hiring consultants.

Trustee Horgan asked about the current budgeted amount for these services. Ms. Herron responded that it was \$90,000.

Trustee Long asked if contracts were supposed to come to the Board prior to approval. Ms. Herron responded that yes, they were. This contract was initially approved in 2020, prior to her time at VCERA, and could not answer as to why this contract was initially made without Board approval. Trustee Goulet responded that the previous Retirement Administrator, Linda Webb, assumed that the contract did not fall under the service provider provision and it was within her authority of \$100,000.

MOTION: Approve Staff's Recommendation to Ratify & Approve Existing Contract & Amendment with the Law Offices of Vivian W. Shultz for Legal Services Relating to Disability Retirement Applications, Subject to Executing an Amendment that Includes a Not-to-Exceed Amount of \$90,000.

Moved by Goulet, seconded by Joe

Vote: Motion carried

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

No: -

Absent: -

Abstain: -

The Board took a break at 12:50 p.m. Trustee Joe left during the break at 12:53 p.m. The Board returned from break at 12:58 p.m.

VIII. NEW BUSINESS

- A. Receive & File Retirement Administrator's Annual Business Plan for Fiscal Year 2024-25.

RECOMMENDED ACTION: Receive and File.

1. Staff Letter from Retirement Administrator.
2. Annual Business Plan for Fiscal Year 2024-25.

Ms. Herron provided an overview of the agenda item to the Board for discussion and consideration.

Trustee Rainey thanked Ms. Herron for the context of everything listed in the business plan because it would make for good policy. He said he eventually would like the Board to also come up with a list of goals and objectives.

Trustee Goulet commented about the Funding Objective on page 4. He stated that more explanation could be provided regarding the new assumptions resulting in an estimated valuation reducing VCERA's funding level from 97 percent to 92.7 percent, as there are other components that may offset that. Ms. Herron agreed.

Trustee Goulet commented that on page 6, VCERA canceled the Assistant Services Director position. He stated that VCERA may consider it in a future budget request due to the Chief Operations Officer's large workload, and Ms. Herron agreed.

Trustee Goulet commented that on page 8, the upgrade of PrimeGov was discussed. He said that while it may be easier for staff to use, it was cumbersome for others. Ms. Herron commented that VCERA was working with the vendor to address his requested list of items to be addressed in OneMeeting (formerly PrimeGov.)

MOTION: Receive & File Retirement Administrator's Annual Business Plan for Fiscal Year 2024-25.

Moved by Rainey, seconded by Horgan

Vote: Motion carried

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

No: -

Absent: Joe

Abstain: -

- B. Updates to the Business Planning Policy.

RECOMMENDED ACTION: Approve.

1. Staff Letter from Retirement Administrator.
2. Board Business Planning Policy (Redline).
3. Board Business Planning Policy (Clean).

Ms. Herron provided an overview of the agenda item to the Board for discussion and consideration.

MOTION: Approve Staff's Recommendations to Approve the Updates to the Business Planning Policy.

Moved by Long, seconded by Goulet

Vote: Motion carried

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

No: -

Absent: Joe

Abstain: -

C. Implementation Plan for SB 1189 to Add Chief Technology Officer to VCERA Positions.
RECOMMENDED ACTION: Receive and File.

1. Staff Letter from Retirement Administrator.

Ms. Herron provided an overview of the agenda item to the Board for discussion and consideration.

Trustee Goulet asked who the Chief Technology Officer (CTO) currently reports to. Ms. Herron stated that the CTO currently reports to her, and her preference was that the CTO would continue to report to the Retirement Administrator, as do the Chief Operations Officer (COO) and the Chief Financial Officer (CFO).

Trustee Goulet asked to clarify which item was to be considered in closed session. Ms. Nemiroff clarified that you could only go to closed session when you were considering a specific individual for the appointment, but that any general discussion of the appointment process would need to be had in open session. Trustee Goulet commented he believed that the first CTO hire should be made by the Board, and subsequent hires could be made by the Retirement Administrator. Chair Grass commented that it would be inconsistent with the process of the last few hires. Ms. Long clarified that of the high-level hires that were made, the Board appointed the staff that report directly to the Board (Retirement Administrator, General Counsel, and Chief Investment Officer), and the CTO would report to the Retirement Administrator. Ms. Nemiroff stated that when the VCERA district was first formed, all five appointments were initially made by the Board.

MOTION: Receive & File the Implementation Plan for SB 1189 to Add the Chief Technology Officer to VCERA Special District Positions; with Delegating the Appointment and Supervision of the CTO Position to the Retirement Administrator.

Moved by Long, seconded by Horgan

Vote: Motion carried

Yes: Bergman, Brodt, Dacus, Grass, Horgan, Long, Rainey, Roberts

No: -

Absent: Joe

Abstain: Goulet

- D. SACRS Voting Delegate and Alternate for 2024 Fall Conference.
RECOMMENDED ACTION: Assign SACRS Voting Delegate and Alternate for 2024 Fall Conference.

1. Staff Letter from Retirement Administrator.

Ms. Herron introduced the agenda item.

Chair Grass commented that Trustees Roberts, Dacus, and Brodt would attend the SACRS meeting.

Ms. Long inquired about which staff would attend the meeting. Ms. Herron stated that she, Ms. Nemiroff, Ms. Byrne, and Mr. Gallagher would attend.

Trustee Roberts volunteered to be the proxy and Trustee Brodt volunteered to be the alternate.

MOTION: Appoint Trustee Roberts as the Voting Proxy and Trustee Brodt as the Alternate Voting Proxy.

Moved by Long, seconded by Bergman

Vote: Motion carried

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

No: -

Absent: Joe

Abstain: -

IX. INFORMATIONAL

- A. SACRS Fall Conference 2024 – Conference Information.

Chair Grass commented that the SACRS Conference information and dates had been sent to the Board.

X. PUBLIC COMMENT

None.

XI. STAFF COMMENT

Ms. Herron commented that VCERA was making final Accounting Manager recruitment decisions after interviewing the final candidates.

Ms. Herron commented that the California State Association of Counties (CSAC) Excellence in County Government Program, a state-level executive training program, was approaching. It would take place an average of one day per month over a six-month period. The program is free due to the County sponsoring a local version of it, and Ms. Herron would be attending.

Ms. Herron commented that the County has the Leadership Excellence & Action Program (LEAP) training program, and that VCERA has had staff attend in the past. Next, Ms. Oliver would attend the LEAP program.

Ms. Herron shared that VCERA rolled out a new website, which mostly entailed a move to a new and more efficient development platform. More website content would be forthcoming.

Ms. Herron commented that the Ventura County Courts would soon move off the County payroll and benefits systems to different systems. Staff were coordinating with the Courts and County staff to implement this change in terms of receiving employer and employee contributions to VCERA and setting up Courts medical benefits with CalPERS.

Mr. Gallagher said that VCERA had narrowed the list of candidates for the Investment Officer position to four finalists, and that VCERA was expecting to select a new hire by the next Board meeting.

Mr. Gallagher reported that he had conducted on-site due diligence visits at the headquarters of NEPC and Loomis Sayles in Boston. He did not find due diligence concerns at either firm.

Mr. Gallagher noted that the Board retreat would be September 30, 2024, and that there would be more investment information at that meeting.

Mr. Ayala commented that there would be a Finance Committee meeting on September 16 (Monday) and the first Governance Committee meeting on October 16 (Wednesday.)

Mr. Ayala reminded the Board that the General Board Member election and Safety Member special elections were approaching. The election process would begin November 19 with the election to be held in February.

Mr. Ayala noted that Trustee Rainey's appointment would be expiring at the end of the year, and a notice would be sent to the Board of Supervisors. Ms. Long commented that the letter should be addressed to the County CEO.

XII. BOARD MEMBER COMMENT

Trustee Rainey commented that he attended the SACRS Berkeley Investment Program conference, and that it gave a great overview of investments and the roles of Board members and staff. It gave good assessments of benchmarks for index funds, including a look at historical numbers. He wished it contained more information about private equity. He commented that it was valuable to meet with Board members from other retirement systems and talk about their challenges.

Trustee Fox commented that she attended the CALAPRS Principles for Trustees training. She thought it was valuable to meet other trustees from mid-sized systems. The governance training was especially helpful. She believed that the VCERA Board operates on a high level, but that it had too much input on disability items, and that most Board members she talked to relied on their staff to make those decisions and placed them on the Consent Agenda. She commented that the Fresno City presentation on investments was very interesting, especially regarding private equity. Trustee Horgan agreed that it was very valuable, and that the training had good overviews of disability, fiduciary responsibilities, and actuaries. She stated that she would like to bring up the fact that the Board approved two investment decisions at the meeting. She felt uncomfortable that the Board approved investments because Board members are not subject matter experts. She believed the Board should approve the asset allocation, and then the experts should decide on the portfolio. She said the consensus of the trainers was that the Board does not need to approve those items. She would like the Governance Committee to visit this responsibility, or for the Board to visit it at the retreat. Ms. Long clarified that investments could be moved to consent to maintain it as public information. Trustee Brodt also agreed that they should not get too into the weeds. He commented

that these experiences make everyone better trustees. Trustee Goulet clarified that disability cases do go on consent, except when there are disagreements between the parties.

Chair Grass commended staff for their work. He said that he recently spoke with two VCERA members, and they had high praise for the service they received.

XIII. ADJOURNMENT

The Chair adjourned the meeting at 1:44 p.m.

Respectfully submitted,



AMY HERRON, Retirement Administrator

Approved,

AARON GRASS, Chair