

VENTURA COUNTY EMPLOYEES' RETIREMENT ASSOCIATION

BOARD OF RETIREMENT

DISABILITY & BUSINESS MEETING

OCTOBER 28, 2024

MINUTES

**TRUSTEES
PRESENT:**

Aaron Grass, Chair, Elected Safety Member
Jordan Roberts, Vice Chair, 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:**

Greg Bergman, Elected General Member

**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 Board Retreat & Business Meeting of October 28, 2024, to order at 9:00 a.m. He noted that Trustee Bergman would be absent.

Roll Call:

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

Trustees Absent: Bergman

II. APPROVAL OF AGENDA

Trustee Rainey stated he would like to table agenda item VIII. A. "Ex Parte Communication Policy for Pending Disability Retirement Applications" to a later date after further review. Chair Grass stated that staff had a presentation prepared and it may be worthwhile to hear their recommendation. Trustee Goulet stated that he agreed with Trustee Rainey, and that the policy should have gone to the Governance Committee first. Chair Grass said he would like to hear the recommendation, and that there had not been pushback on policy recommendations going directly to the Board of Retirement before. Trustee Rainey stated that it was not pushback, but that if there was a committee that reviewed policies, it should go there first. Trustee Roberts stated that he understood the request to present the policy to the Governance Committee, but he would appreciate hearing discussion about the staff presentation, and that discussion would be of benefit to staff and the Governance Committee if it went there for review later. He stated it may be helpful to have more Board members see it, rather than just the three Board members on the Governance committee, as due to the Brown Act, the Committee members can't discuss items together for understanding. Trustee Goulet said the Governance Committee met on October 16, and he didn't understand why it was not brought to the Committee then. Trustee Fox agreed with Trustee Roberts that it would be helpful to review the proposed policy at the Board meeting.

Ms. Herron stated that the reason the proposed policy was not brought to the Governance Committee was because the Committee just held its first meeting, and although a proposed Charter was brought to the Committee, it had not yet been approved by the full Board so the duties of the committee were not fully established yet. The other topics of that Committee meeting were focused on issues considered "low hanging fruit," including changes to existing policies to reflect prior feedback from the Board regarding its governance initiatives (such as changes to the Education and Travel Policy to move the Board more towards a policy-driven board and make the Board more efficient.) Nothing related to the disability retirement application process was discussed at that first Committee meeting.

MOTION: Approve the Agenda with the Amendment to Hear Agenda Item VIII.A. and Receive Feedback from the Board to Determine if the Board Would Bring the Policy to the Governance Committee.

Moved by Roberts, seconded by Joe

Vote: Motion carried

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

No: Goulet, Rainey

Absent: Bergman
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 Retreat & Business Meeting Minutes of September 30, 2024.
- B. Receive and File Report of Checks Disbursed in September 2024.
- C. Approve Regular and Deferred Retirements and Survivors Continuances for the Month of September 2024.
- D. Receive and File Pending Disability Application Status Report.
- E. Receive and File Retirement Administrator's Quarterly Report for July 1 - September 30, 2024.
- F. Receive and File Chief Investment Officer's 3rd Quarter 2024 Investment Activity Report.
- G. Approve Authorization for Staff to Attend the CALAPRS Intermediate & Advanced Courses on November 6 - 8 and December 11 - 13, 2024 in San Jose, CA.
 - 1. Staff Letter from Retirement Administrator.
 - 2. CALAPRS Intermediate Course in Retirement Plan Administration Agenda.
 - 3. CALAPRS Advanced Course in Retirement Administration Agenda.
- H. Approve Application for Nonservice-connected Disability Retirement—Porter, James; Case No. 23-004 (New Model) (Sheriff).
 - 1. Staff Recommendation to Grant the Application for Nonservice-connected Disability Retirement, dated October 28, 2024.
 - 2. County of Ventura-Risk Management's Response to VCERA's Preliminary Recommendation, filed by Catherine Laveau, dated April 12, 2024.
 - 3. Supporting Documentation for Staff Recommendation.
 - 4. Application for Nonservice-connected Disability Retirement, filed by Applicant, dated April 3, 2023.
 - 5. Board Hearing Notice, dated October 15, 2024.
- I. Approve Application for Service-connected Disability Retirement – Hodge, Jason; Case No. 23-018 (New Model) (Fire).
 - 1. Staff Recommendation to Grant the Application for Service-connected Disability Retirement, dated October 18, 2024.

2. Supporting Documentation for Staff Recommendation.
3. Application for Service-connected Disability Retirement, filed by Applicant, dated August 2, 2023.
4. Board Hearing Notice, dated October 21, 2024.

MOTION: Approve Consent Agenda.

Moved by Long, seconded by Horgan

Vote: Motion carried

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

No: -

Absent: Bergman

Abstain: -

IV. APPLICATIONS FOR DISABILITY RETIREMENT

- A. Application for Service-connected Disability Retirement—Myers, James; Case No. 20-022 (New Model) (HCA).
 1. Proposed Findings of Fact, Conclusions of Law and Recommended Decision to Grant the Application for Service-connected Disability Retirement, filed by Hearing Officer Humberto Flores, dated September 3, 2024.
 2. County of Ventura-Risk Management's Objections to the Hearing Officer's Report, filed by Stephen Roberson, Attorney for Respondent, dated September 12, 2024.
 3. Applicant's Response to the County of Ventura's Objections to the Hearing Officer's Report, filed by Jane Oatman, Attorney for Applicant, dated September 23, 2024.
 4. VCERA's Response to the County of Ventura's Objections to the Hearing Officer's Report, filed by Vivian Shultz, Attorney for VCERA, dated September 23, 2024.
 5. Application for Service-connected Disability Retirement, filed by Jane Oatman, Attorney for Applicant, dated October 29, 2020.
 6. Board Hearing Notice, dated October 2, 2024.

Erika Herincx and Vivian Shultz, Attorney at Law, were present on behalf of VCERA. Jane Oatman, Attorney at Law, was present on behalf of the applicant, James Myers. Stephen Roberson, Attorney at Law, was present on behalf of the County of Ventura, Risk Management.

Ms. Herincx introduced the case and provided a brief summary.

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

Trustee Goulet stated that there was a burden on the applicant to present the case, and he didn't understand why VCERA was speaking on behalf of the applicant. Ms. Shultz responded that VCERA is a party in the disability retirement process. VCERA must ensure that the applicant has met the

burden of proof to show that they are entitled to disability retirement as a matter of law. If VCERA decided that the evidence did or did not support disability retirement, they would attest to that fact. Trustee Goulet said that the applicant had his own attorney. Ms. Schultz responded that there were three parties in the hearing: 1) the retirement association (VCERA), 2) the County, and 3) the applicant, and that the applicant's attorney was also present at the meeting and was going to speak on behalf of their client. Trustee Goulet asked why VCERA also must appear at the hearing, and Ms. Shultz responded that VCERA was there to state their position. Ms. Nemiroff added that the Board's job was to approve and pay benefits when it finds the applicant has met their burden of proof and the legal criteria has been met. When the County makes legal arguments or objections, it is appropriate for VCERA to respond and make clarifications as to their position.

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

Ms. Oatman provided a brief summary statement of the Applicant's position.

Trustee Roberts left the meeting at 9:35 a.m., and returned at 9:36 a.m., before the vote on the agenda item.

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

MOTION: Have the Impeachment Records Sent to the Examining Physicians and an IME Selected by VCERA, Before Sending the Case Back to the Hearing Officer for Further Review and Determination.

Moved by Goulet, seconded by Dacus

Vote: Motion carried

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

No: -

Absent: Bergman

Abstain: -

After the vote on the agenda item, the Board took a break at 10:13 a.m. and returned from break at 10:25 a.m.

Upon returning from break, Chair Grass announced that agenda item VIII. A. "Ex Parte Communication Policy for Pending Disability Retirement Applications" would be discussed at 1:00 p.m.

V. INVESTMENT MANAGER PRESENTATIONS

A. California Government Code Section 7514.7 Annual Reporting.

RECOMMENDED ACTION: Approve.

1. Staff Letter from Chief Investment Officer.

2. Combined Annual Report from NEPC and Abbott Capital Management.

Mr. Gallagher advised the Board that in order to satisfy the requirements of CA Gov Code 7514.7 for Annual Mandatory disclosure of fees and other specified information at a Public Meeting of the Board, a report had been constructed by NEPC and Abbott Capital Management. Rose Dean of NEPC presented the first part of the combined report, and Matthew Smith of Abbott presented the

second part of the report. NEPC and Abbott representatives responded to questions from the trustees.

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

MOTION: Approve the Combined Report to Meet the Public Disclosure Requirements of California Government Code Section 7514.7.

Moved by Horgan, seconded by Rainey

Vote: Motion carried

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

No: -

Absent: Bergman

Abstain: -

B. Annual Investment Presentation from Abbott Capital Management by Matthew Smith, Young Lee, and William Crenshaw.

RECOMMENDED ACTION: Receive and File.

Mr. Gallagher introduced Mathew Smith, William Crenshaw, and Young Lee from Abbott Capital Management, observing that Abbott's long-standing industry relationships had gained VCERA access to some of the top, oversubscribed private equity and venture funds. Abbott representatives then presented their semi-annual report of Abbott Capital Management's organizational changes, the firm's investment outlook, and portfolio strategy, composition, and performance. After the presentation, the following motion was made:

MOTION: Receive and File the Annual Investment Presentation from Abbott Capital Management by Matthew Smith, Young Lee, and William Crenshaw.

Moved by Horgan, seconded by Joe

Vote: Motion carried

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

No: -

Absent: Bergman

Abstain: -

C. Annual Investment Presentation from Reams Asset Management by Clark W. Holland.

RECOMMENDED ACTION: Receive and File.

Mr. Gallagher introduced Reams Asset Management's portfolio manager Clark Holland. Clark Holland presented Reams Asset Management's annual report to the VCERA Board which included a discussion of the firm's organizational changes and investment outlook. Mr. Holland also reviewed portfolio investment strategies, compositions, and performance of both the unconstrained fixed income portfolio. Mr. Gallagher observed that the Reams unconstrained bond portfolio is defensively positioned, consisting of high quality and of shorter duration investments. Mr. Holland separately reviewed the dedicated U.S. Treasury securities portfolio.

Trustee Horgan left the meeting at 11:06 a.m. and returned at 11:09 a.m., before the vote on the agenda item.

After the presentation, the following motion was made:

MOTION: Receive and File the Annual Investment Presentation from Reams Asset Management by Clark W. Holland.

Moved by Joe, seconded by Rainey

Vote: Motion carried

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

No: -

Absent: Bergman

Abstain: -

D. Annual Investment Presentation from Western Asset Management, Julien Scholnick, Nicholas Mastroianni, and Kevin P. Gore.

RECOMMENDED ACTION: Receive and File.

Mr. Gallagher introduced Western Asset Management's (WAMCO), reminding the Board that in September, the Board placed them on watch because of a pending SEC investigation. Mr. Gallagher noted that both he and NEPC were in regular communication with WAMCO, were monitoring the situation, and would keep the Board apprised. Client relations representative Kevin Gore, and portfolio managers Nick Mastroianni and Julien Scholnick, presented WAMCO's annual report to VCERA's Board. The team reviewed the two portfolios managed for VCERA, an enhanced equity index product, and a core-plus bond portfolio. They discussed the firm's investment outlook, portfolio strategies, compositions, and performance.

Their longer-duration bond portfolio strategy was complimentary to Reams' short-term bond portfolio.

After the presentation, the following motion was made:

MOTION: Receive and File the Annual Investment Presentation from Western Asset Management, Julien Scholnick, Nicholas Mastroianni, and Kevin P. Gore.

Moved by Goulet, seconded by Rainey

Vote: Motion carried

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

No: -

Absent: Bergman

Abstain: -

VI. INVESTMENT INFORMATION

VCERA – Dan Gallagher, Chief Investment Officer.

NEPC – Rose Dean, and Daniel Hennessy.

A. Crayhill Principal Strategies Fund III \$50 Million Add-On Commitment and LPAC Representation.

RECOMMENDED ACTION: Approve.

1. Staff Letter from Chief Investment Officer.

2. Joint Fund Recommendation Report from NEPC.

3. Crayhill Principal Strategies Fund III Presentation, Carlos Mendez, and Pamela Juergens.

Mr. Gallagher reported that the Board had committed \$25 million to Crayhill Principal Strategies Fund II in 2020, and that the fund was delivering strong performance. In 2023, the Board committed \$25 million to its follow-on fund (Fund III). He and NEPC jointly recommended the Board top-up the Fund III commitment with an add-on of \$50 million. He was also recommending that if offered, the Board accept an LPAC seat and designate investment staff as VCERA's representative on the LPAC.

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

MOTION: 1. Approve a \$50 Million Add-On Commitment to the Crayhill Principal Strategies Fund III, and Acceptance of an LPAC Seat if Offered, 2. Subject to Successful Contract Negotiations, Authorize the Board Chair or the Retirement Administrator, or if Both Unavailable, the Chief Investment Officer to Approve and Execute the Required Documentation.

Moved by Joe, seconded by Goulet

Vote: Motion carried

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

No: -

Absent: Bergman

Abstain: -

- B. Cross Ocean European Special Situations Fund V \$50 Million Add-On Commitment and LPAC Representation.

RECOMMENDED ACTION: Approve.

1. Staff Letter from Chief Investment Officer.
2. Joint Fund Recommendation Report from NEPC.
3. Cross Ocean European Special Situations Fund V Presentation, Steve Zander, Steven Heanly, and Peter Rausch.

Mr. Gallagher reminded the Board that VCERA topped off its commitment to Cross Ocean European Special Situations Fund IV at \$50 million in 2023. In June 2024, the Board committed \$25 million to follow-on Fund V. He also recommended the Board accept an LPAC seat, and designate investment staff as VCERA's representative on the LPAC should the LPAC seat be offered. After the presentation, the following motion was made:

MOTION: 1. Approve a \$50 Million Add-On Commitment to Cross Ocean European Special Situations Fund V and Acceptance of an LPAC Seat if Offered, 2. Subject to Successful Contract Negotiations, Authorize the Board Chair, the Retirement Administrator, or in their Absence, the Chief Investment Officer to Approve and Execute the Required Documentation.

Moved by Joe, seconded by Long

Vote: Motion carried

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

No: -

Absent: Bergman

Abstain: -

C. Monthly Performance Report for the Period Ending September 30, 2024.

RECOMMENDED ACTION: Receive and File.

Mr. Gallagher introduced Rose Dean of NEPC, who presented the monthly performance report.

After the presentation, the following motion was made:

MOTION: Receive and File the Monthly Performance Report for the Period Ending September 30, 2024.

Moved by Goulet, seconded by Horgan

Vote: Motion carried

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

No: -

Absent: Bergman

Abstain: -

After the vote on the agenda item, the Board took a break at 11:53 a.m.

Trustee Roberts left the meeting at 11:55 a.m., during the break.

The Board returned from break at 12:01 p.m.

VII. OLD BUSINESS

A. Periodic Review and Modifications to Surplus Property Policy.

RECOMMENDED ACTION: Approve.

1. Staff Letter from Chief Operations Officer.

2. Surplus Property Policy (Redline).

3. Surplus Property Policy (Clean).

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

Trustee Rainey inquired about how surplus asset depreciation is handled. Ms. Marshall responded that VCERA has not capitalized and depreciated anything that has been disposed of. VCERA only had two assets on the books: 1) the pension administration system, and 2) the building office improvements. Trustee Rainey asked if VCERA had an asset capitalization policy and asked how the County handles depreciated assets. Ms. Herron responded that VCERA capitalization level is \$5,000 and staff would research the County's current policies if desired. Ms. Marshall responded that VCERA usually benchmarks against County policies.

MOTION: Approve Proposed Changes to the Surplus Property Policy.

Moved by Horgan, seconded by Goulet

Vote: Motion carried

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

No: -

Absent: Bergman, Roberts

Abstain: -

B. Alameda Implementation Status Update dated October 28, 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 Goulet stated he had concerns about pulling staff from Alameda implementation work and moving them to projects such as the Courts ADP implementation and Courts benefits transition. Ms. Herron responded that VCERA was strategically helping the Courts in the transition to ensure accurate and complete data, which is in the best interest of VCERA.

Trustee Rainey inquired about what milestones were needed to stay on track for Phase 2 beginning in January. Ms. Byrne responded that VCERA would bring that information to the Board meeting in November. Ms. Herron responded that staff was looking at reordering some of the Phase 2 tasks to accommodate some Phase 1 tasks that may carry into Phase 2. Trustee Rainey asked if staff could identify any dependencies at the November meeting. Ms. Herron responded that the biggest dependency was the system changes for recalculating the retiree benefits, which VCERA was still working on with Vitech, and that staff would provide more information at the next meeting.

MOTION: Receive and File the Alameda Implementation Status Update dated October 28, 2024.

Moved by Horgan, seconded by Joe

Vote: Motion carried

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

No: -

Absent: Bergman, Roberts

Abstain: -

After the vote on the agenda item, the Board took a break at 12:19 p.m.

Trustee Joe left the meeting during the break at 12:53 p.m., leaving Trustee Brodt to vote in his absence.

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

Trustee Roberts returned to the meeting at 1:00 p.m.

VIII. NEW BUSINESS

A. Ex Parte Communication Policy for Pending Disability Retirement Applications.

RECOMMENDED ACTION: Approve.

1. Staff Letter from Retirement Administrator.

2. Ex Parte Communication Policy.

Ms. Herron provided an overview of the agenda item to the Board for discussion and consideration. She added that while initially she did not feel any urgency in presenting this to the Board, recent discussions with the County exposed that these ex parte communications may already be occurring, and this is inappropriate and should be stopped. She then responded to questions of clarification from the Trustees.

Ms. Long asked how the proposed policy was different from current actions. Ms. Herron stated that staff had been following these procedures already, but that the County had acknowledged in their letter (from the County Human Resources Director) to the Board that there were some communications happening by the County. Ms. Nemiroff stated that avoidance of ex parte communications has always been the law. She added that it was also best practice to memorialize this in a policy as a reminder to the parties involved, and VCERA was in the minority of systems that did not have it in writing.

Trustee Goulet stated that he had never been approached by a member or the County. Ms. Nemiroff stated that she had been asked by trustees for advice because they had been approached, and that this policy would protect those Board members and avoid tainting the process.

Trustee Long asked how this policy affected the individual in the disability retirement application process, particularly in delayed cases. Ms. Nemiroff responded that this policy would not impact the length in which the application was processed. If an applicant was concerned about the length of the process, they should contact staff, not Board Members, about their application status. If an applicant has medical evidence to share, they should present it to staff during the investigation phase or at the hearing if in that phase.

Trustee Grass stated that he had been approached by applicants and had to redirect members to staff, and as an elected member he thought it was likely that other board members had also been approached.

Trustee Horgan stated that she was approached often by members about various topics, especially about the Alameda implementation. She added that the consensus of her recent CALAPRS pension trustee training was that they strongly discouraged any individual meetings on agenda-item topics.

Trustee Fox stated that this policy was for the protection of the Board members, and that this was a matter of law. She felt that the disability process was unique from other duties of the Board, in that the Board acts as a judge. The Ex Parte Communication Policy was common sense and putting it in writing would protect the Board from litigation.

Trustee Rainey stated that he disagreed, mainly with the approach that was taken. He said he received the policy for review on Friday for the Board meeting on Monday, and that he just today received the letter from the County. Ms. Herron responded that the agenda was published on the Wednesday prior to today's meeting and the County letter was emailed that same Wednesday to the Board. Trustee Rainey stated he felt that policy sounded reasonable, but some type of discussion prior to the meeting should have taken place, for example, by the Governance Committee.

Chair Grass stated that he felt that Trustee Rainey's point was mischaracterized, as Ms. Herron had brought up this policy originally in July. He felt as a board member he knew this was coming and was also given enough time to review the item. He agreed with Trustee Fox that this policy was meant to protect Board members. He felt that the Governance Committee may want to review how the disability retirement process worked in general, due to huge differences with other CERL counties.

Trustee Roberts stated that as an elected member, members felt more comfortable with approaching him and other elected members. He appreciated being able to point to a policy in response to them, to help maintain an appropriate distance from these processes. He suggested reviewing the way disability processes were communicated. He asked for grace with staff, as the Governance Committee just had their first meeting, and there was no established process at this point since it was a new committee.

Trustee Long asked when the policy would be reviewed to determine if it was working or not. Ms. Herron stated that three years was the minimum review cycle and was the standard for all policies, but policies could be reviewed at any time if something was not working. Trustee Roberts added that the Governance Committee just discussed the timeframe for review of policies at their meeting, and recommendations on that will be brought to the full Board in December.

Trustee Fox stated that there were two discussions going on: 1) about the process and inclusion of the Governance Committee, and 2) about the legal process and the procedures that were currently taking place. She stated that ex parte communication was illegal in most instances, and the repercussion was a lawsuit, so the purpose of the policy was to put in a layer of insulation in a written policy to point applicants to, and asked Ms. Nemiroff to clarify if she was correct. Ms. Nemiroff stated that Trustee Fox was correct.

Chair Grass invited public comments.

Emily Gardner, Principal Assistant County Counsel, summarized the letter from the County Human Resources Director, stating that this proposed policy was more restrictive than needed. The County took issue with the phase before something was sent to evidentiary hearing (i.e. during staff investigation of a pending application). In their view, ex parte communication was only a concern where the Board was exercising quasi-judicial powers. Due Process was defined as the right to a fair hearing. Ex parte communication was therefore only an issue when the Board was serving as the judge and discussed the case. They did not always serve in this capacity; for example, the disability retirement cases granted on staff recommendation on the Consent Agenda had no discussion take place and was not part of an evidentiary hearing. Therefore, it was not an issue. The proposed Ex Parte Communication Policy prohibited any communications and ordered recusal if a Board member had any communication with members. She stated that all that is necessary for due process is for a Board member to disclose any communication, and that they did not necessarily need to recuse themselves. The County submitted a redline version of the policy for consideration.

Danielle Keys, Human Resources Director of the County of Ventura, spoke on the County staff's stance. She stated that her goal was to have a collaborative process and provide good customer service to County employees. If any party had information to help reach the right decision in a case, she would like the opportunity to get it to the Board in a timely manner. She said the County is not against the policy but is asking for certain changes to pieces of the policy. She stated that it was difficult to tell a member that they could not talk to the County or public officials about their case when they had questions and were seeking resolution. She said she was concerned about the need expressed to move quickly on this policy. She stated that it was very important for members to receive the benefits they were due. She stated that the intent of the County was not to be adversarial, but that the intent was to come to the proper conclusion. She stated that less than 10% of VCERA's case recommendations had been challenged by the County. She asked that the County's redline version of the policy be brought to the Governance Committee and considered.

Chair Grass stated that many of those applicants whose cases lasted between 600 to 800 days were safety members. He and Trustee Roberts knew many of those applicants as colleagues, but it was inappropriate for them to listen or provide comment to those members based on their position on the Board.

Trustee Horgan stated that there were points in the redline proposal to consider. She stated that she agreed that extended dialogue should happen to discuss disability applications, and asked if there was a way to allow more time to discuss it with the County. Ms. Nemiroff stated for all disability hearings in front of the Board, all parties are given as much time as is necessary for the Board to be able to render a decision. VCERA does not give a time limit to the parties, and the Board always allowed full discussion of the cases, unless the comments are going back and forth and the same comments are being made repeatedly. Trustee Horgan stated that each County representative only had 5 minutes to speak on this policy item, but thought the Board should allow for more discussion.

Trustee Roberts stated that he appreciated the County comments and the ultimate goal was to work together, and reiterated that the fairness to the member is the most important piece.

Trustee Long asked about the main differences in VCERA's proposal and the County's redline version. Ms. Nemiroff stated that in the staff proposal, ex parte communications are prohibited from the time the application is filed through the time of final decision, and the County did not want the ex parte communications prohibition to apply during the first phase (during staff investigation.) They wanted full access until the time the application was sent to evidentiary hearing. The reason this was inappropriate is that from the time an application was filed, the Board has jurisdiction over the case and it is an adjudicatory proceeding. This is consistent with the Administrative Procedures Act with applies to all state agencies including PERS. All the other CERL retirement systems also apply this from the time an application is filed. Even if a case does not go to a hearing officer, the Board nevertheless hears the case based on staff recommendation with medical evidence presented to them, and therefore it is an evidentiary hearing, regardless of whether the application is contested.

Ms. Nemiroff stated that VCERA was now aware that County Risk Management was going to Board members in advance of hearings, which is why it was urgent to pass this policy, and which was first presented to the County in July. Ms. Herron added that if the Board decided to send this policy to the Governance Committee, that in the meantime they consider requiring at least disclosure of any ex parte communications during the staff investigation phase of a pending disability retirement application.

Trustee Horgan stated that it seemed the biggest issue was the timeframe between the application date and when the case was assigned to a hearing officer, and asked if the County (or another party) could come to the full Board to address issues during that phase. Ms. Nemiroff stated that yes, parties may request a Board hearing, for example, to request that the Board address delays or take action to direct a case to hearing if the applicant is ready to proceed. Trustee Fox stated that she saw no issue with moving forward with the policy, and addressing the full Board was always an option because it is not an ex parte communication.

Trustee Goulet stated that he learned today that if he was approached, he should disclose those communications; he felt that the policy was important for this reason. Ms. Nemiroff clarified that disclosure was only required if the merits of the case were discussed.

Trustee Long stated that for the planning meetings that she participates in, board members disclose any ex parte communications they have had on the particular issue. She has not had any (VCERA) members or the County approach her on pending disability retirement applications.

Ms. Nemiroff stated that in the operating procedures for Board of Supervisors Meeting and Agendas Policy, Chapter, II-11, relating to land use matters. Rule 42 states "Members of the Board shall avoid personal contacts, correspondence, and telephone calls concerning substantive issues relating to an agenda item outside of the public hearing and shall inform persons contacting them to make their

information or objections known at the public hearing.” What VCERA was proposing was consistent with the County's rule on land use matters.

Trustee Horgan stated that this item also bleeds into other issues like Alameda, and that the discussion was very educational. She would like to see guidance from the Governance Committee on whether Board members should be discussing any other issues with constituents (outside of the presence of all parties.)

Trustee Dacus stated that some of the points the County made may touch on other aspects of the disability process, like the 21-day response timeframe (for County objection to staff preliminary recommendations,) then those are concerns that the Governance Committee can also examine while looking at this policy.

Chair Grass stated that based on the conversation and until a policy was in place, he suggested that prior to reviewing each case in open session, they poll each Board member to determine if any ex parte communications have occurred. Chair Grass also suggested that the Governance Committee look at other CERL systems for best practices and the involvement of the various parties in the process.

MOTION: Send the Proposed Ex Parte Communication Policy to the Governance Committee for Review and Recommendation to the Board of Retirement, Along with Any Other Issues Raised by the County of Ventura in the New Disability Process.

Moved by Horgan, seconded by Rainey

Vote: Motion carried

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

No: Grass

Absent: Bergman, Joe

Abstain: -

After the vote on the agenda item, the board took a break at 2:26 p.m. and returned from break at 2:38 p.m.

B. Actuarial Audit of Annual Valuation & Actuarial Experience Study by Cheiron.

RECOMMENDED ACTION: Approve.

1. Actuarial Review of June 30, 2023 Actuarial Valuation and July 1, 2020 – June 30, 2023 Actuarial Experience Study.
2. Actuarial Audit Results by Graham Schmidt, and Anne Harper.
3. Segal's Response to Cheiron's Audit Findings of the Actuarial Valuation and Triennial Experience Study.

Graham Schmidt and Anne Harper of Cheiron presented the Actuarial Audit results.

Ms. Herron noted that there were two issues regarding the split between general and safety members, for which VCERA was able to provide data this year (via queries) to review the potential impact with the goal of addressing them in this year's valuation. VCERA would address those issues in the future in the pension administration system with Vitech. She also stated that VCERA planned to approach Segal in regard to the suggested future projections, and was wondering if the Board was interested in having that item reviewed by the Finance Committee.

Trustee Brodt stated that Trustee Joe asked him to make a comment on his behalf requesting that Segal respond more thoroughly. Trustee Goulet agreed. Ms. Herron stated that in fairness, Segal was given only one day to respond due to the timing of this report.

MOTION: Approve and Receive and File the Actuarial Audit of the June 30, 2023 Actuarial Valuation and July 1, 2020 - June 30, 2023 Actuarial Experience Study and Address Recommendations from the Report.

Moved by Long, seconded by Goulet

Vote: Motion carried

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

No: -

Absent: Bergman, Joe

Abstain: -

After the vote on the agenda item, the Board took a break at 3:15 p.m.

Chair Grass left the meeting during the break at 3:19 p.m., leaving the Vice-Chair to preside over the rest of the meeting.

The Board returned from break at 3:20 p.m.

Vice-Chair Roberts stated they would postpone the closed session and schedule a special meeting because of the limited number of Board members available for the remainder of the meeting. He advanced to Item IX.A. "Conference with Labor Negotiators Under Government Code Section 54957.6 (Ad Hoc Benefits & Compensation Committee) Agency Designated Representatives: Art Goulet, Aaron Grass, Anthony Rainey."

C. Ventura Superior Court Furlough Service Credit and Compensation.

RECOMMENDED ACTION: Approve.

1. Staff Letter from Retirement Administrator.
2. Side Letter Agreement Between the Superior Court of California and the County of Ventura (Court) and the Service Employees International Union (SEIU) Local 721 – Mandatory Time-Off Agreement for FY 2024-2025.
3. County of Ventura, Superior Court of California Mandatory Time-Off Program for Employees Covered by the Management Resolution.
4. County of Ventura, Superior Court of California Mandatory Time-Off Program for Commissioners.

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

Mr. Ayala stated that with Trustee Grass' absence, Trustee Fox was eligible to vote.

MOTION: Grant to Ventura Superior Courts Members Service Credit, Compensation Earnable and Pensionable Compensation, Conditioned Upon Receipt of Member and Employer Contributions for the Temporary Mandatory Furlough in November and December 2024.

Moved by Rainey, seconded by Long

Vote: Motion carried

Yes: Brodt, Dacus, Fox, Goulet, Horgan, Long, Rainey, Roberts

No: -

Absent: Bergman, Grass, Joe

Abstain: -

D. Reinstatement of Retired Member, Behnam Emami, to Active Membership Effective November 10, 2024.

RECOMMENDED ACTION: Approve.

1. Staff Letter from Retirement Administrator.
2. Request for Reinstatement Letter from Behnam Emami.
3. Conditional Offer of Employment.
4. Medical Clearance.

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

Trustee Roberts asked if this type of item was something that could be put on the Consent Agenda in the future. Ms. Herron responded yes.

MOTION: Approve Staff's Recommended Action to Reinstatement of Retired Member, Behnam Emami, to Active Membership Effective, November 10, 2024.

Moved by Horgan, seconded by Long

Vote: Motion carried

Yes: Brodt, Dacus, Fox, Goulet, Horgan, Long, Rainey, Roberts

No: -

Absent: Bergman, Grass, Joe

Abstain: -

E. Correction to Appointment & Election of Trustees Policy.

RECOMMENDED ACTION: Approve.

1. Staff Letter from Retirement Administrator.
2. Appointment & Election of Trustees Policy (Redline).
3. Appointment & Election of Trustees Policy (Clean).

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

Trustee Goulet commented that this item could have also been on the Consent Agenda.

MOTION: Approve Correction to the Appointment & Election of Trustees Policy.

Moved by Goulet, seconded by Rainey

Vote: Motion carried

Yes: Brodt, Dacus, Fox, Goulet, Horgan, Long, Rainey, Roberts

No: -

Absent: Bergman, Grass, Joe

Abstain: -

Trustee Long left the meeting at 3:28 p.m., after the vote on the agenda item.

F. SACRS Business Packet and Legislative Package for Fall 2024.

RECOMMENDED ACTION: Support the SACRS Legislative Package.

1. Staff Letter from Retirement Administrator.

2. SACRS Fall Conference Business Meeting Packet.

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

MOTION: Support the Entire Legislative Package to be Presented at the SACRS Business Meeting on Friday, November 15th in Monterey, CA.

Moved by Rainey, seconded by Fox

Vote: Motion carried

Yes: Brodt, Dacus, Fox, Goulet, Horgan, Rainey, Roberts

No: -

Absent: Bergman, Grass, Joe, Long

Abstain: -

Trustee Horgan left at 3:33 p.m., after the vote on the agenda item.

IX. CLOSED SESSION

A. Conference with Labor Negotiators Under Government Code Section 54957.6
(Ad Hoc Benefits & Compensation Committee) Agency Designated Representatives:
Art Goulet, Aaron Grass, Anthony Rainey.

MOTION: Table the Closed Session and Schedule a Special Meeting.

Moved by Horgan, seconded by Rainey

Vote: Motion carried

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

No: -

Absent: Bergman, Grass, Joe

Abstain: -

Trustee Horgan left the meeting after the vote on the agenda item at 3:33 p.m.

After the vote on the agenda item, the Board returned to Item VIII. C. "Ventura Superior Court Furlough Service Credit and Compensation."

X. INFORMATIONAL

- A. Upcoming Educational Events Calendar for VCERA Trustees & Staff (November 2024 to March 2025).
- B. Letter from Mike Manning, Managing Partner of NEPC about Hightower Advisors Investment in NEPC.
- C. Monroe to Enter into Strategic Partnership with Wendel Group.

Mr. Gallagher commented that on October 21, 2024, VCERA received notice from NEPC of a strategic equity investment by Hightower Advisors, where NEPC was selling an 80% ownership in the firm and retaining a 20% interest. They would retain operational independence and their governance and leadership structure.

He added that on the same day, VCERA received notice from Monroe, one of VCERA's private credit funds, stating that the Wendel Group was buying a 75% interest in the company. They too will retain operational independence and their governance and leadership structure.

Client approval will be required for both corporate actions, and a request for Board approval would be forthcoming for both NEPC and Monroe at the November Board meeting.

XI. PUBLIC COMMENT

None.

XII. STAFF COMMENT

Ms. Herron notified the Board that VCERA would be running elections for two seats: 1) for the Elected General Member (currently filled by Jordan Roberts), and 2), for the Alternate Elected Safety Member (currently vacant). VCERA had worked with the Elections division, and the nomination packets would be due on December 9. The elections were to be conducted in January 2025 because of the County's availability and timeline, meaning those seats would not be filled until February.

Ms. Herron stated that a Senior Accountant position was vacant due to the promotion of another staff member to the Accounting Manager position, and VCERA was seeking temporary staff assistance, which was not expected to exceed \$100,000.

Ms. Herron stated that the new Investment Officer, Paris Ba, was going to start on November 4. Mr. Gallagher added that she would also attend the upcoming SACRS Conference.

XIII. BOARD MEMBER COMMENT

Trustee Goulet stated that the SACRS Legislation Committee meeting the prior week had a presentation from LACERA about classifications on salary. It reviewed the recent case between LACERA and the County of Los Angeles, which was brought because the County was not letting LACERA set their own compensation and benefits. The case would be heading to the Supreme Court.

Vice-Chair Roberts stated that the Governance Committee's first meeting went well.

XIV. ADJOURNMENT

The Chair adjourned the meeting at 3:40 p.m.

Respectfully submitted,

AMY HERRON, Retirement Administrator

Approved,

AARON GRASS, Chair