

# **VENTURA COUNTY EMPLOYEES' RETIREMENT ASSOCIATION**

## **BOARD OF RETIREMENT**

### **DISABILITY & BUSINESS MEETING**

**MARCH 25, 2024**

#### **MINUTES**

**TRUSTEES**  
**PRESENT:**

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

**TRUSTEES**  
**ABSENT:**

**STAFF**  
**PRESENT:**

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

**PLACE:**

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

**TIME:**

9:00 a.m.

**ITEM:**

**I. CALL TO ORDER**

A. Roll Call.

Chair Grass called the Business Meeting of March 25, 2024, to order at 9:00 a.m.

Roll Call:

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

Trustees Absent: Kelly Long

Trustee Horgan arrived at 9:01 a.m., during roll call.

**II. APPROVAL OF AGENDA**

Chair Grass said the Board would hear agenda item IX.A., "CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION Significant Exposure to Litigation Pursuant to Paragraph (2) of Subdivision (d) of Section 54956.9: One (1) Case", followed by agenda item VII.A., "Leave Straddling CERL System Analysis", right after hearing agenda item III., "Consent Agenda". The Board would also hear public comments requests during their consideration of item VII.A.

MOTION: Approve as Amended.

Moved by Roberts, seconded by Goulet

Vote: Motion carried

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

No: -

Absent: Horgan, Long

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 Disability & Business Meeting Minutes of February 26, 2024.

B. Approve Regular and Deferred Retirements and Survivors Continuances for the Month of February 2024.

C. Receive and File Report of Checks Disbursed During October 2023 through February 2024.

1. Receive and File the Report of Checks Disbursed in October 2023.

2. Receive and File the Report of Checks Disbursed in November 2023.

3. Receive and File the Report of Checks Disbursed in December 2023.

4. Receive and File the Report of Checks Disbursed in January 2024.
5. Receive and File the Report of Checks Disbursed in February 2024.
- D. Receive and File the Pending Disability Application Status Report.
- E. Approve Authorization for Retirement Administrator to Attend the CEO & Administrator's Forum, May 6, 2024, in Santa Barbara, CA.
  1. Staff Letter from Retirement Administrator.
  2. SACRS CEO and Administrator Forum Agenda.
- F. Approve Authorization for Disability Benefit Manager to attend the CALAPRS 2024 Management/Leadership Academy.
  1. Staff Letter from Retirement Administrator.
  2. CALAPRS 2024 Management/Leadership Academy Agenda.
- G. Receive and File Upcoming Educational Events Calendar (March-November 2024).
- H. Receive and File Annual Review of Education and Travel Policy Update.
  1. Staff Letter from Retirement Administrator.
- I. Adopt 2024 Revised Finance Committee Meeting Calendar, Canceling the April 2024 Meeting.
  1. Staff Letter from Retirement Administrator and Chief Financial Officer.
  2. 2024 Revised Finance Committee Meetings Calendar and Fiscal Unit Deliverables List.
- J. Notice of Action by Chair to Expand Scope of Ad Hoc Personnel Review Committee for 2024.
  1. Letter from Board Chair.

**MOTION:** Approve Consent Agenda.

Moved by Joe, seconded by Rainey

Vote: Motion carried

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

No: -

Absent: Horgan, Long

Abstain: -

Trustee Long arrived at the meeting at 9:04, after the vote on the agenda item, but before the Board entered the Closed Session meeting.

The Board then advanced to agenda item, IX.A., "Closed Session".

**IV. APPLICATIONS FOR DISABILITY RETIREMENT**

A. None.

**V. INVESTMENT MANAGER PRESENTATIONS**

A. Receive Annual Investment Presentation from Abbott Capital Management, Young Lee, Matthew Smith, and Arianna Merrill.

**RECOMMENDED ACTION: Receive and file.**

Young Lee, Matthew Smith, and Arianna Merrill reported Abbott Capital Management's organizational changes and discussed the firm's investment outlook, portfolio strategy, composition, and private equity investment portfolio performance, and responded to trustee questions.

MOTION: Receive and File.

Moved by Long, seconded by Rainey

Vote: Motion carried

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

No: -

Absent: -

Abstain: -

B. Board Approval of the Proposed 2024 Private Equity Annual Plan, Presented by Abbott Capital Management.

**RECOMMENDED ACTION: Approve.**

1. Staff Letter from Chief Investment Officer.

2. Proposed 2023 VCERA Private Equity Annual Plan: Young Lee, Matthew Smith, and Arianna Merrill.

Young Lee, Matthew Smith, and Arianna Merrill presented the *Proposed 2024 Private Equity Annual Plan* to the Board.

MOTION: Approve the Proposed 2024 Private Equity Annual Plan.

Moved by Long, seconded by Joe

Vote: Motion carried

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

No: -

Absent: -

Abstain: -

C. Receive Annual Investment Presentation from Harbourvest: Brett Gordon, Karen Simeone, Teri Noble, Seth Palmer, Michael Dean, and Jeff Keay.

**RECOMMENDED ACTION: Receive and file.**

Brett Gordon, Karen Simeone, Teri Noble, Seth Palmer, Michael Dean, and Jeff Keay reported Harbourvest's organizational changes and discussed the firm's investment outlook, and separately reported on each portfolio strategy, composition, and investment portfolio performance, and responded to trustee questions.

**MOTION:** Receive and File.

Moved by Joe, seconded by Rainey

Vote: Motion carried

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

No: -

Absent: -

Abstain: -

After the vote on the agenda item, the Board took a break at 11:24 a.m.

The Board returned from a break at 11:46 a.m.

D. Receive Annual Investment Presentation from Pantheon: Iain Jones, Rudy Scarpa, Hart Orenstein, and Evan Corley.

**RECOMMENDED ACTION: Receive and file.**

Iain Jones, Rudy Scarpa, Hart Orenstein, and Evan Corley reported Pantheon's organizational changes and discussed the firm's investment outlook, separately reported on each portfolio strategy, composition, and investment portfolio performance, and responded to trustee questions.

**MOTION:** Receive and File.

Moved by Goulet, seconded by Joe

Vote: Motion carried

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

No: -

Absent: -

Abstain: -

## **VI. INVESTMENT INFORMATION**

VCERA – Dan Gallagher, Chief Investment Officer.

NEPC – Rose Dean and Daniel Hennessy.

A. \$25 Million Commitment to HarbourVest Partners' Co-Investment Fund VII.

**RECOMMENDED ACTION: Approve.**

1. Staff Letter from Chief Investment Officer.
2. Joint Fund Recommendation Report from NEPC.
3. HarbourVest Co-Investment Fund VII Presentation Deck.

Mr. Gallagher presented the recommendation for a *\$25 Million Commitment to HarbourVest Partners' Co-Investment Fund VII* to the Board.

MOTION: Approve an Allocation of \$25 Million to Harbourvest Partners' Co-Investment Fund VII (Combined Option), and Direct Staff and Counsel to Negotiate the Necessary Legal Documents; and, 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 Goulet, seconded by Joe

Vote: Motion carried

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

No: -

Absent: -

Abstain: -

B. Monthly Performance Report Month Ending February 29, 2024.

**RECOMMENDED ACTION: Receive and file.**

Ms. Dean presented the *Monthly Performance Report Month Ending February 29, 2024*, to the Board.

MOTION: Receive and File.

Moved by Long, seconded by Joe

Vote: Motion carried

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

No: -

Absent: -

Abstain: -

After the vote on the agenda item, the Board advanced to item, VII.B., "Alameda Implementation Status Report Dated March 25, 2024".

## **VII. OLD BUSINESS**

A. Leave Straddling CERL System Analysis.

**RECOMMENDED ACTION: Receive and File.**

Ms. Herron noted that at the last Board meeting staff was tasked with providing an analysis to the Board which compared VCERA's application of the law regarding "leave straddling" to other retirement systems that were governed under the California Employees Retirement Law (CERL) presented the *Leave Straddling CERL System Analysis* item to the Board. She then provided a summary of the analysis to the Board.

Chair Grass said the Board would hear Public Comments from 2 retired VCERA members regarding the agenda item.

Roberta Griego, First Vice-President of the Retired Employees Association of Ventura County (REAVC), provided public comment. Ms. Griego said that their group's attorney and Mr. Pakala, President of REAVC, were not able to be in attendance today, however, she would like to read a comment by their Attorney, Michael Walker. She then said that the bottom line was that the two County Retirement Systems comparable to VCERA applied the elimination of Leave Straddling to

their members who retired on or after July 30, 2020 only, which was the reason their group continued to request that the Board not make the application of the law on leave straddling before July 1, 2020. She also read written comments from Mr. Pakala and explained that REAVC would be providing a written response to VCERA regarding the analysis before the Board's April 29<sup>th</sup> Board meeting.

Tracey Pirie, former Bureau Manager for the County of Ventura Sheriff's Department, provided public comment. She said they did plan to provide a full response to VCERA staff's analysis before the April Board meeting. She said when the Counties elected to apply pension calculation changes only prospectively, it was despite calculation methods before August 2020, not because they had no changes to make. So, in those cases where perhaps they had been doing some things a certain way, once the Alameda Decision came out, they applied them only prospectively. In VCERA's case, both the Superior and the Appellate Courts said that VCERA must apply the Alameda Decision going forward and may apply it retroactively. For this reason, they continued to be baffled that the Board would do this when not required to do so.

Chair Grass said that the Alameda Decision had been a very difficult issue for everyone, and it had been going on for a couple of years now. The Board remained sympathetic to the retirees who would receive a decrease in the monthly pension benefit as a result of having Excess Leave Cash-Outs excluded from their retirement benefit calculations; however, the Board's fiduciary duty was to administer the system in accordance with the law. Their legislators had mandated that excess leave cash-outs not be included in Final Average Compensation calculation, and the Supreme Court had ruled that the straddling prohibitions were constitutional and that the retirement benefits must be calculated in accordance with the law in effect at the time of retirement. The Alameda Decision had confirmed that the Board's resolution eliminating straddling as of January 1, 2013 was a correct application of the law and that estoppel did not apply in the situation. The VCERA Decision confirmed that the Board did have the discretion to forego recoupment of overpaid benefits prior to the Alameda Decision; however, the Board had exercised its discretion to forego recoupment of any overpaid benefits, up to the date that the monthly benefits were reduced (which had not happened yet). The Board had therefore exercised its discretion at every step, where legally permissible, including 1) foregoing recoupment of overpayments from retirees, 2) using the maximum cashable amount of Flex Credit and not the actual amount received, and 3) selecting the most generous legally justifiable interest rate on refunds based on a thorough and thoughtful analysis. The Board did not see any viable grounds for reconsideration. The Board and staff would continue to provide members with accurate and current information on the issue, as well as continuing to provide whatever support VCERA could through the Alameda Implementation process.

MOTION: Receive and File.

Moved by Joe, seconded by Dacus

Vote: Motion carried

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

No: -

Absent: -

Abstain: -

After the vote on the agenda item, the Board returned to item V.A., "Receive Annual Investment Presentation from Abbott Capital Management, Young Lee, Matthew Smith, and Arianna Merrill".

B. Alameda Implementation Status Report Dated March 25, 2024.

**RECOMMENDED ACTION: Receive and File.**

Ms. Herron presented the *Alameda Implementation Status Report Dated March 25, 2024* to the Board.

Trustee Long left the meeting at 12:26 p.m., before the vote on the agenda item.

MOTION: Receive and File.

Moved by Rainey, seconded by Joe

Vote: Motion carried

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

No: -

Absent: Long

Abstain: -

C. Authorization for Staff to Submit a Letter of Support for Assembly Bill 2715 Ralph M. Brown Act: Closed Sessions.

**RECOMMENDED ACTION: Approve.**

1. Staff Letter from Retirement Administrator.
2. Assembly Bill No. 2715.

Ms. Herron presented the *Authorization for Staff to Submit a Letter of Support for Assembly Bill 2715 Ralph M. Brown Act: Closed Sessions* to the Board.

Trustee Long returned to the meeting at 12:30 p.m., before the vote on the agenda item.

MOTION: Approve and Authorize Staff to Submit a Letter of Support for Assembly Bill 2715, Ralph M. Brown Act: Closed Sessions.

Moved by Long, seconded by Joe

Vote: Motion carried

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

No: -

Absent: -

Abstain: -

## VIII. NEW BUSINESS

A. Periodic Review and Updates to the Board Trustee Technology Use & Mobile Device Policy.

**RECOMMENDED ACTION: Approve.**

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

Ms. Oliver presented the *Periodic Review and Updates to the Board Trustee Technology Use & Mobile Device Policy* to the Board.

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

Moved by Joe, seconded by Bergman

Vote: Motion carried

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

No: -

Absent: -

Abstain: -

B. SACRS Voting Delegate for 2024 Spring Conference.

**RECOMMENDED ACTION: Appointment of Voting Delegate and Alternate.**

1. Staff Letter from Retirement Administrator.

Ms. Herron presented the *SACRS Voting Delegate for the 2024 Spring Conference* to the Board.

Chair Grass appointed Trustee Roberts as VCERA's Voting Delegate and Trustee Fox as the Alternate Voting Delegate.

Trustee Goulet said that he would like to request to those Trustees that would be attending the Business meeting during the Spring 2024 Conference, to make a request that SACRS provide the Ethics Training to their members via Zoom as well as in-person, since he could not attend the conference in-person.

After the appointments of a Voting Delegate and Alternate Voting Delegate, the Board advanced to agenda item XII., "Staff Comment".

**IX. CLOSED SESSION**

A. CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION Significant Exposure to Litigation Pursuant to Paragraph (2) of Subdivision (d) of Section 54956.9: One (1) Case.

The Board entered into a Closed Session at 9:05 a.m.

The Board returned from a Closed Session at 10:15 a.m.

The Board then returned to agenda item, VII.A., "Leave Straddling CERL System Analysis".

**X. INFORMATIONAL**

A. SACRS Spring Conference 2024 – Conference Information.

B. SACRS Board of Director Elections 2024-2025 - Elections Notice.

**XI. PUBLIC COMMENT**

None.

**XII. STAFF COMMENT**

Ms. Herron provided an update regarding a couple of recent recruitments. First, Ms. Betsy Byrne was recently hired as VCERA's new Chief Operations Officer, effective March 18<sup>th</sup>. Staff would also be

conducting interviews for the Communications Officer recruitment, which were scheduled for the week of April 8<sup>th</sup>. The Investment Officer recruitment was recently opened as a "Continuous" recruitment until filled, and the first set of applications would be reviewed today. Staff should be receiving a list of qualified candidates, and afterwards, staff would be conducting two rounds of interviews. Regarding VCERA's legislative efforts to add the Chief Technology Officer to the list of District Employees for VCERA, they now had support letters from both the County of Ventura Board of Supervisors and the California Retired County Employees Association (CRCEA). Staff were now waiting to hear when the item would be agendaized with the Labor Public Employment and Retirement Committee, mostly likely in April or May 2024.

Ms. Oliver informed the Board that as part of the transition over to VCERA and County devices, staff had created SharePoint sites for the trustees to use. Sites were created for the Trustees to collaborate and store files for the standing and ad-hoc committees: Finance Committee, Governance Committee, Ad-Hoc Personnel Review Committee, and Ad-Hoc Benefits & Compensation Committee. She would be contacting the committee members regarding additional access to these sites and how they can share their files and ensure that their county credentials worked on the sites.

Mr. Gallagher provided a verbal report of the on-site due diligence team visit by Trustee Tommie Joe and CIO Dan Gallagher to Drive Capital in Columbus, Ohio on March 13th and 14th. He noted that on Day 1 they met with Drive Co-founder, CEO, Chief Investment Officer, 2 investment partners, the head of their talent program; and the heads of systems engineering and data science. Following those meetings, the VCERA team conducted on-site walk-throughs of two portfolio companies. On Day 2 they attended Drive Capital's annual meeting where they continued their review of portfolio investments and performance and participated in break-out sessions with founders of companies in the AI space; outer space; and FinTech. Overall, the VCERA team found Drive Capital to be forthcoming and thorough in their presentations and addressed all questions directly. The VCERA team found no due diligence concerns.

**XIII. BOARD MEMBER COMMENT**

Chair Grass asked if there were any Trustees interested in attending the SACRS Spring 2024 Conference to please let staff know at their earliest convenience.

**XIV. ADJOURNMENT**

The Chair adjourned the meeting at 12:51 p.m.

Respectfully submitted,

  
AMY HERRON, Retirement Administrator

Approved,

\_\_\_\_\_  
AARON GRASS, Chair