

# VENTURA COUNTY EMPLOYEES' RETIREMENT ASSOCIATION

## BOARD OF RETIREMENT

### BUSINESS MEETING

JUNE 21, 2021

### MINUTES

**DIRECTORS**

**PRESENT:**

Mike Sedell, Chair, Public Member  
Arthur E. Goulet, Vice-Chair, Retiree Member  
Steven Hintz, Treasurer-Tax Collector  
Jordan Roberts, General Employee Member  
Cecilia Hernandez-Garcia, General Employee Member  
Aaron Grass, Safety Employee Member  
Kelly Long, Public Member  
Tommie E. Joe, Public Member  
Sim Tang-Paradis, Public Member  
Will Hoag, Alternate Retiree Member  
Robert Ashby, Alternate Safety Employee Member

**DIRECTORS**

**ABSENT:**

**STAFF**

**PRESENT:**

Linda Webb, Retirement Administrator  
Henry Solis, Chief Financial Officer  
Dan Gallagher, Chief Investment Officer  
Leah Oliver, Chief Technology Officer  
Lori Nemiroff, General Counsel  
Josiah Vencel, Retirement Benefits Manager  
Brian Owen, Sr. Information Technology Specialist  
Jess Angeles, Communications Officer  
Chris Ayala, Program Assistant

**PLACE:**

In Accordance with the Governor's Executive Order N-29-20 (3), the Members of the Board will be participating via teleconference. Pursuant to Government Code §54954.3, members of the public, to the extent required by law, will have the opportunity to directly address the Board concerning the below mentioned business.

**TIME:**

9:00 a.m.

**ITEM:**

**I. CALL TO ORDER**

Chair Sedell called the Business meeting of June 21, 2021, to order at 9:01 a.m.

**II. APPROVAL OF AGENDA**

Chair Sedell withdrew agenda item, VIII.C., "Request for Authorization for Chief Technology Officer to Attend the International Foundation of Employee Benefits Plans – Fraud Prevention Institute for Employee Benefits Plans Virtual Conference, July 19 – 20, 2021".

MOTION: Approve as Revised.

Moved by Ashby seconded by Long

Vote: Motion carried

Yes: Ashby, Grass, Goulet, Hintz, Joe, Long, Roberts, Tang-Paradis, Sedell

No: -

Absent: Hernandez-Garcia

Abstain: -

**III. APPROVAL OF MINUTES**

A. Disability Meeting Minutes of June 7, 2021

**IV. CONSENT AGENDA**

A. Approve Regular and Deferred Retirements and Survivors Continuances for the Month of May 2021.

B. Receive and File Report of Checks Disbursed in May 2021.

C. Receive and File Budget Summary Admin. – Disability for FY 2020-21 Month Ending May 31, 2021.

D. Receive and File Budget Summary Combined for FY 2020-21 Month Ending May 31, 2021.

E. Receive and File Statement of Fiduciary Net Position, Statement of Changes in Fiduciary Net Position, Schedule of Investments, Cash, and Cash Equivalents, and Schedule of Investment Management Fees for the Period Ending April 30, 2021.

MOTION: Approval to Receive and File.

Moved by Roberts seconded by Hintz

Vote: Motion carried

Yes: Grass, Goulet, Hintz, Joe, Long, Roberts, Tang-Paradis, Sedell

No: -

Absent: Hernandez-Garcia

Abstain: -

V. INVESTMENT MANAGER PRESENTATIONS

- A. Receive Annual Investment Presentation from Parametric, Justin Henne, Joe Zeck, and Dan Ryan.

Justin Henne, Joe Zeck, and Dan Ryan reviewed Parametric's organizational changes, and discussed the firm's investment outlook, portfolio strategy, composition, and performance.

Trustee Hintz left the meeting at 9:20 a.m., during the presentation from Parametric.

VI. INVESTMENT INFORMATION

VCERA – Dan Gallagher, Chief Investment Officer.  
NEPC – Allan Martin

- A. Redemption of VCERA's Hexavest Fund Investment and Redeploy Proceeds to Incumbent Manager Walter Scott for Value – Growth Equity Rebalancing.  
**RECOMMENDED ACTION: Approve.**

1. Staff Letter by Chief Investment Officer.
2. Joint Recommendation Report from NEPC.

Mr. Gallagher said the item was a joint recommendation from both NEPC and himself to the Board to redeem its investment in Hexavest's International Equity Fund and redeploy those funds into incumbent Walter Scott's, International Investment Fund, with the intent of rebalancing the active management of value and growth equity.

Mr. Martin confirmed both he and Mr. Gallagher were in support of the recommended action.

Trustee Goulet remarked that he believed it was a good move for VCERA and if he understood correctly, it would provide an equal amount of funds in both growth and value.

Trustee Roberts left the meeting at 9:30 a.m., before the vote on the item.

MOTION: Approve and Authorize Notice to Hexavest to Redeem VCERA's Investment in Hexavest's EAFE Equity Fund and Deploy the Redeemed Proceeds to Incumbent Manager Walter Scott's International Equity Co-Mingled Fund, NCS Group Trust.

Moved by Grass seconded by Joe

Vote: Motion carried

Yes: Ashby, Grass, Goulet, Joe, Long, Tang-Paradis, Sedell

No: -

Absent: Hernandez-Garcia, Hintz, Roberts

Abstain: -

- B. \$25 Million Commitment to HarbourVest Direct Lending Fund.  
**RECOMMENDED ACTION: Approve.**

1. Staff Letter by Chief Investment Officer.

2. Joint Fund Recommendation Report from NEPC.
3. HarbourVest Investors Direct Lending Fund Presentation: Peter Lipson, Karen Simeone, Teri Noble, and Brett Gordon.

Mr. Gallagher noted that the Direct Lending Fund from HarbourVest would be VCERA's 8<sup>th</sup> fund investment with HarbourVest, if approved. Although HarbourVest had been investing in private equity and sponsored companies' debt since 2003, this was their first private credit fund, and both he and NEPC jointly recommended a \$25 million commitment to HarbourVest Direct Lending Fund.

Trustee Hernandez-Garcia arrived at 9:38 am, before the vote on the item.

**MOTION:** Approve a \$25 Million Commitment to the HarbourVest Direct Lending Fund, 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 in the Absence of both the Chief Investment Officer to Approve and Execute the Required Documentation.

Moved by Ashby seconded by Joe

Vote: Motion carried

Yes: Grass, Goulet, Hernandez-Garcia, Joe, Long, Tang-Paradis, Sedell

No: -

Absent: Hintz, Roberts

Abstain: -

- C. \$25 Million Commitment to Cross Ocean European Special Situations Fund IV.  
**RECOMMENDED ACTION: Approve.**

1. Staff Letter by Chief Investment Officer.
2. Joint Fund Recommendation Report from NEPC.
3. Cross Ocean European Special Situations Fund IV Presentation: Steve Zander, Steven Heanly, and Sandy Ewing.

Mr. Gallagher said that if approved, this would be a new relationship with Cross Ocean and also would be VCERA's 2<sup>nd</sup> European only private credit fund. Both he and NEPC jointly recommended a \$25 million commitment to Cross Ocean's European Special Situations Fund IV.

Trustee Roberts returned at 9:46 a.m., before the vote on this item.

**MOTION:** Approve an Allocation of \$25 Million to the Cross Ocean European Special Situations Fund IV, 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 in the Absence of both the Chief Investment Officer to Approve and Execute the Required Documentation.

Moved by Goulet seconded by Joe

Vote: Motion carried

Yes: Grass, Goulet, Hernandez-Garcia, Joe, Long, Roberts, Tang-Paradis, Sedell

No: -

Absent: Hintz

Abstain: -

D. Preliminary Performance Report Month Ending May 31, 2021.

**RECOMMENDED ACTION: Receive and file.**

Mr. Martin presented the Preliminary Investment Performance Report for the month ending May 31, 2021.

MOTION: Receive and File.

Moved by Goulet seconded by Long

Vote: Motion carried

Yes: Grass, Goulet, Hernandez-Garcia, Joe, Long, Roberts, Tang-Paradis, Sedell

No: -

Absent: Hintz

Abstain: -

## **VII. OLD BUSINESS**

A. None.

## **VIII. NEW BUSINESS**

A. Recommendation to Approve Contract with PrimeGov for Board and Agenda Management Software Services.

**RECOMMENDED ACTION: Approve.**

1. Staff Letter by Chief Technology Officer.

2. Proposed Service Agreement.

Ms. Webb made a brief statement about staff's recommendation for a new the agenda management system PrimeGov.

Chair Sedell asked if he understood correctly that the current contract with Diligent would end in 6 months.

Ms. Webb said yes, and that VCERA would need to renew their contract with Diligent at least once more because it would be several months before PrimeGov would be launched and VCERA would need an agenda management system in the interim.

Chair Sedell noted that if VCERA were to renew their contract with Diligent it would be for a 1 year period, which would cause an overlap of 6 months.

Ms. Webb said that Chair Sedell was correct because VCERA would be required to renew their contract with Diligent for at least 1 year.

Trustee Goulet said that he was involved with reviewing the contract, and both he and staff had made substantial improvements to it. However, he would have preferred a 2-step process in implementing the PrimeGov system and preferred to pay a fee to get staff and Board members on board and then pay the annual fee, because VCERA would not have utility of the software for several months.

Ms. Webb said that PrimeGov did have to purchase a license on VCERA's behalf, which would be solely dedicated to VCERA and that PrimeGov would be working on the implementation and incurring costs as soon as the agreement was executed.

MOTION: Approve and Authorize Retirement Administrator to Execute Contract with PrimeGov.

Moved by Goulet seconded by Grass

Vote: Motion carried

Yes: Grass, Goulet, Hernandez-Garcia, Joe, Long, Roberts, Tang-Paradis, Sedell

No: -

Absent: Hintz

Abstain: -

B. Request for Approval of Amendment to Contract with Brentwood I.T. to Extend Term.

**RECOMMENDED ACTION: Approve.**

1. Staff Letter by Retirement Administrator and Chief Technology Officer.
2. Contract Amendment (Redline).

Ms. Webb noted that the request was only extend the term date in the contract with Brentwood I.T., and therefore it did not require a request for additional funds.

Trustee Joe asked if this request was noted in VCERA's 2021-22 budget that the Board recently approved.

Ms. Webb replied, yes. The amendment contained the previously approved costs by the Board. The amendment would just change the dates so that all of the items on the Statement of Work would be able to be completed.

Trustee Hernandez-Garcia left the meeting at, 10:23 a.m., before the vote on the item.

MOTION: Approve Contract Amendment with Brentwood I.T. to Extend Term.

Moved by Tang-Paradis seconded by Joe

Vote: Motion carried

Yes: Grass, Goulet, Hernandez-Garcia, Joe, Long, Roberts, Tang-Paradis, Sedell

No: -

Absent: Hintz, Hernandez-Garcia

Abstain: -

C. Request for Authorization for Chief Technology Officer to Attend the International Foundation of Employee Benefits Plans – Fraud Prevention Institute for Employee Benefits Plans Virtual Conference, July 19 – 20, 2021.

**RECOMMENDED ACTION: Approve.**

1. Staff Letter by Retirement Administrator.
2. IFEBP - Fraud Prevention Institute for Employee Benefits Plans Virtual Conference Brochure.

The item was withdrawn from the agenda during item, II., "Approval of Agenda".

IX. **INFORMATIONAL**

X. **PUBLIC COMMENT**

Catherine Laveau, Deputy Executive Officer for the County of Ventura made the following public comment. Ms. Laveau wished to provide a brief clarification on an issue raised by Trustee Goulet at the Disability meeting of June 7<sup>th</sup> regarding the years of service for disability retirement applicant, Daran Vanden Bossche. He said that the years of service in Risk Management's report stated that the applicant had 36.39 year of service, which was incorrect, as the applicant only had 30.84 years of service. However, the reason for the discrepancy was that although the applicant did work 36.39 years for the County of Ventura, 5.55 years of service were awarded to his former spouse. Therefore, his total years of service were 30.84, even though his actual years of working service were 36.39 years.

XI. **STAFF COMMENT**

Ms. Webb reported that VCERA's office location would be opening on July 6<sup>th</sup>. The office would be open to the public and staff would be returning on a staggered schedule with about half of the staff in the office at a time, before transitioning everyone back to working fulltime from the office. As for the annual Board retreat, the Board did not have one last year due to the COVID-19 lockdowns, but staff was working to secure a location to hold this year's retreat in September. On June 14<sup>th</sup>, the court ruled on the demurrer filed by the County of Ventura to the flex credit Cause of Action in VCERA's case, Without Leave to Amend and the matter would be further discussed by the Ad-Hoc Litigation Committee later in the week. Staff anticipated a Closed Session at the July Business meeting for the Board to discuss the matter.

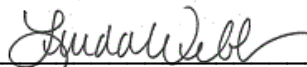
XII. **BOARD MEMBER COMMENT**

Trustee Hoag suggested that the Board adjourn in memory of former Trustee, Albert Harris, who previously served on the Board for 44 years and had recently passed away at the age of 97.

XIII. **ADJOURNMENT**

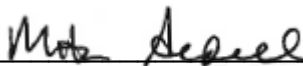
The Chair adjourned the meeting at 10:34 a.m., in memory of Albert G. Harris.

Respectfully submitted,



LINDA WEBB, Retirement Administrator

Approved,



MIKE SEDELL, Chair