

VENTURA COUNTY EMPLOYEES' RETIREMENT ASSOCIATION

BOARD OF RETIREMENT

DISABILITY & BUSINESS MEETING

JUNE 24, 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
Betsy Byrne, Chief Operations Officer
Leah Oliver, Chief Technology Officer
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 June 24, 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, Kelly Long, Anthony Rainey

Trustees Absent: Jordan Roberts

Chair Grass noted that Trustee Roberts had contacted him and said that he would be arriving at about 10:00 a.m.

II. APPROVAL OF AGENDA

Chair Grass explained that Mr. Gallagher would remotely attend the meeting. He also asked that the Board switch the order of the Old and New Business agenda items to accommodate the presenters' schedules. Item VIII. A., "Actuarial Experience Study and Review of Economic and Demographic Assumptions" would be presented around 11:00 a.m. to accommodate Segal. Then, Item VIII. F. "Recommendation by Ad Hoc Compensation and Benefits Committee to (1) Receive and File Final 2024 Market-Based Study; (2) Designate the following Representatives for Labor Negotiations with Unrepresented Employees: Arthur Goulet, Aaron Grass, and Anthony Rainey, and; (3) Adopt Committee's Recommendations re Revisions to VCERA Management Employees Resolution" would take place around 12:15 p.m, after which the Board would go into closed session. The Board could go back into the remainder of the Old and New Business at the conclusion of those two items.

MOTION: Approve as Amended.

Moved by Long, seconded by Joe

Vote: Motion carried

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

No: -

Absent: Roberts

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 May 20, 2024.

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

C. Receive and File Report of Checks Disbursed in May 2024.

- D. Receive and File Pending Disability Application Status Report.
- E. Receive and File Fiscal Year 2023-24 Quarterly Budget Summaries and Financial Statements (Unaudited) for 3rd Quarter (Ending March 31, 2024).
 - 1. Staff Letter from Chief Financial Officer.
 - 2. Budget Summaries.
 - 3. Financial Statements (Unaudited).
- F. Request for Authorization to Conduct Due Diligence Visits to NEPC and Loomis Sayles in Boston, Massachusetts.
 - 1. Staff Letter from Chief Investment Officer.
- G. Authorization for Trustees to Attend the CALAPRS Principles of Pension Governance for Trustees on August 26 -29, 2024 in Tiburon, CA.
 - 1. Staff Letter from Retirement Administrator.
 - 2. CALAPRS Principles of Pension Governance for Trustees Brochure.
- H. Authorization for Trustees to Attend the SACRS/UC Berkeley Public Pension Investment Management Program on July 14-17, 2024 in Berkeley, CA.
 - 1. Staff Letter from Retirement Administrator.
 - 2. SACRS-UC Berkeley Public Pension Investment Management Program Website Information.
 - 3. SACRS-UC Berkeley Public Pension Investment Management Program Preliminary Agenda.
- I. Application for Service-connected Disability Retirement—Bentrup, Elyse; Case No. 21-012. (New Model) (Law Enforcement).
 - 1. Staff Recommendation to Grant the Application for Service-connected Disability Retirement, dated June 6, 2024.
 - 2. County of Ventura-Risk Management’s Response to VCERA’s Preliminary Recommendation, dated November 2, 2023.
 - 3. Supporting Documentation for Staff Recommendation.
 - 4. Application for Service-connected Disability Retirement, filed by Applicant, dated May 24, 2021.
 - 5. Hearing Notice, dated June 17, 2024.

Ms. Herron noted that III. I. "Application for Service-connected Disability Retirement – Bentrup, Elyse; Case no. 21-012" was moved to consent because VCERA received word just prior to posting the agenda that the County was removing their objection. Staff had not yet updated the summary to note why it was moved to consent.

Trustee Goulet also noted that the meeting minutes needed correction. At the Disability & Business Meeting of May 20, 2024, another action item for a disability retirement application was moved to consent which was not noted in the minutes. Ms. Herron stated they would review and make any corrections needed.

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

Moved by Horgan, seconded by Goulet

Vote: Motion carried

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

No: -

Absent: Roberts

Abstain: -

IV. APPLICATIONS FOR DISABILITY RETIREMENT

- A. Application for Service-connected Disability Retirement—Muhilly, John; Case No. 20-019. (New Model) (Fire).
1. Proposed Findings of Fact, Conclusions of Law and Recommended Decision to Deny the Application for Service-connected Disability Retirement, filed by Irene Ayala, Hearing Officer, dated April 15, 2024.
 2. Applicant's Objections to the Hearing Officer's Report, filed by Anthony R. Strauss, Applicant's Attorney, dated April 25, 2024.
 3. County of Ventura-Risk Management's Response to the Hearing Officer's Report, filed by Stephen Roberson, Attorney for Respondent, dated May 2, 2024.
 4. VCERA's Response to the Applicant's Objections to the Hearing Officer's Report, filed by Vivian Shultz, VCERA's Attorney, dated May 6, 2024.
 5. Staff Recommendation to Deny the Application for Service-connected Disability Retirement, dated January 24, 2022.
 6. Application for Service-connected Disability Retirement, filed by Applicant, dated September 28, 2020.
 7. Hearing Notice, dated June 3, 2024.

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

Ms. Byrne introduced the case.

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

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

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

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

MOTION: Deny the Application for a Service-connected Disability Retirement.

Moved by Long, seconded by Rainey

Vote: Motion carried

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

No: -

Absent: Roberts

Abstain: Goulet

B. Application for Service-connected Disability Retirement—Silva, Maria; Case No. 22-010.

1. Staff Recommendation to Grant the Application for Service-connected Disability Retirement, dated June 6, 2024.
2. County of Ventura-Risk Management's Response to VCERA's Preliminary Recommendation, dated April 17, 2024.
3. Supporting Documentation for Staff Recommendation.
4. Application for Service-connected Disability Retirement, filed by Applicant, dated March 18, 2022.
5. Hearing Notice, dated June 17, 2024.

Betsy Byrne and Vivian Shultz, Attorney at Law, were present on behalf of VCERA. Catherine Laveau was present on behalf of the County of Ventura, Risk Management. The applicant, Maria Silva, was also present.

Ms. Byrne introduced the case.

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

Ms. Laveau provided a brief summary of the County's position. The County did not object to the applicant not being permanently incapacitated, but did object to the recommendation on service connection. The County stated that, among other things, in the applicant's leave paperwork over 12 years, she never indicated that she believed the leaves were work related. She also applied for and received state disability insurance benefits and did not indicate any industrial causation.

During questions and discussion by the Board, Ms. Schultz further explained VCERA's position on the case. She stated that early in treatment, Ms. Silva did not fill out the causation section of the attending physician report, and explained that Ms. Silva didn't realize at the time that it could be a service-connected condition. Ms. Schultz explained that the treating physician's goal is to heal the patient, and it is less of a priority for them to determine relation to service at the initial time of treatment. Ms. Schultz explained that the question of whether Ms. Silva's condition would have progressed to the point of permanent incapacity regardless of employment, whether it was caused by

her employment, or whether it was made worse by her employment was specifically asked of her doctors. The response was that without Ms. Silva's employment, her condition would not have reached the state of permanent incapacity. Her regular job duties certainly caused aggravation of her condition, which establishes service connection. The case law states that employment does not have to be the sole cause of the condition; there just has to be a real and measurable connection between the two.

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

MOTION: Approve Non-service-connected Disability Retirement, Effective, March 18, 2021 and Send the Disability Retirement Case to a Hearing Officer for an Evidentiary Hearing for Determination on Service-connection Only.

Moved by Long, seconded by Rainey

Vote: Motion carried

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

No: Goulet

Absent: Roberts

Abstain: -

The Board took a break at 9:58 a.m.

Trustee Roberts arrived at the meeting at 10:02 a.m.

The Board returned from break at 10:10 a.m.

V. INVESTMENT MANAGER PRESENTATIONS

A. Parametric Annual Investment Presentation by Dan Ryan and Joe Zeck.

RECOMMENDED ACTION: Receive and file.

Mr. Gallagher noted that VCERA's overlay program began in 2008 with the Clifton Group, which was subsequently acquired by Parametric in 2012.

Dan Ryan, Client Relationship Manager, and Joe Zeck, Portfolio Manager, reported Parametric's organizational changes, discussed the firm's investment outlook, portfolio strategy, composition, and investment portfolio performance, and responded to trustee questions.

MOTION: Receive and File.

Moved by Joe, seconded by Goulet

Vote: Motion carried

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

No: -

Absent: -

Abstain: -

VI. INVESTMENT INFORMATION

VCERA – Dan Gallagher, Chief Investment Officer.
NEPC – Rose Dean, and Daniel Hennessy.

A. \$25 Million Commitment to Cross Ocean European Special Situations Fund V.
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, Steve Zander and Steven Heanly.

Mr. Gallagher noted that the Board approved the \$25 Million Commitment to Cross Ocean European Special Situations (ESS) Fund IV in June 2021, and subsequently approved a \$25 Million add-on investment at its meeting in February 2023. He then recommended the Board approve a \$25 million commitment to Cross Ocean ESS Fund V, which would be a follow-on fund to ESS Fund IV. Then, he introduced Ms. Dean, who briefly commented on the strategy and the fund commitment joint recommendation.

MOTION: 1. Approve a \$25 Million Commitment to Cross Ocean European Special Situations Fund V, and 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 Rainey, seconded by Joe

Vote: Motion carried

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

No: -

Absent: -

Abstain: -

B. Board Approval of the Proposed 2024 Private Credit Investments Pacing Plan.
RECOMMENDED ACTION: Approve.

1. Staff Letter from Chief Investment Officer.
2. Proposed 2024 VCERA Private Credit Pacing Plan.

Mr. Gallagher noted that per his cover memo, annual commitment targets were only estimates. They were subject to variables such as availability and negotiation of terms. He introduced Ms. Dean, who presented the 2024 Private Credit Pacing Plan and responded to questions by the Trustees.

MOTION: Adopt the Proposed 2024 Private Credit Investments Pacing Plan.

Moved by Bergman, seconded by Goulet

Vote: Motion carried

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

No: -

Absent: -

Abstain: -

- C. First Quarter 2024 VCERA Investment Performance Report.
RECOMMENDED ACTION: Receive and file.

Ms. Dean presented the First Quarter 2024 Investment Report.

Trustee Roberts left the meeting at 11:10 a.m.

MOTION:

Moved by Horgan, seconded by Rainey

Vote: Motion carried

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

No: -

Absent: Roberts

Abstain: -

- D. Monthly Investment Performance Report for the Periods Ending April 30, 2024.
RECOMMENDED ACTION: Receive and file.

Mr. Hennessy presented the Monthly Performance Report for the Period Ending April 30, 2024.

MOTION: Receive and File.

Moved by Horgan, seconded by Joe

Vote: Motion carried

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

No: -

Absent: Roberts

Abstain: -

- E. Monthly Investment Performance Report for the Periods Ending May 31, 2024.
RECOMMENDED ACTION: Receive and file.

Mr. Hennessy presented the Monthly Performance Report for the Period Ending May 31, 2024. Ms. Dean reminded the Board of their prior meeting's Asset Allocation Plan approval, noting that the Private Equity and Private Credit asset class benchmarks were reflected on a one-quarter lag basis. She noted that there would still be some disconnect in the timing of the valuation when benchmarking a private asset investment to a public benchmark.

MOTION: Receive and File.

Moved by Horgan, seconded by Joe

Vote: Motion carried

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

No: -

Absent: Roberts -

Abstain: -

After the Board voted on the agenda item, the Board took a break at 11:20 a.m.

Trustee Roberts returned to the meeting during the break at 11:22 a.m.

The Board returned from break at 11:30 a.m., and advanced to agenda item, VIII.A., "Actuarial Experience Study and Review of Economic and Demographic Assumptions."

VII. OLD BUSINESS

- A. Alameda Implementation Status Update.
RECOMMENDED ACTION: Receive and File.

Ms. Byrnes shared an update from Staff on the implementation of the Alameda Decision.

(Public Comment)

Tracey Pirie, representing the Retired Employees Association of Ventura County (REAVC), provided public comment. She stated she and REAVC continue to disagree with VCERA's interpretation of the Alameda Court decision and other court decisions resulting from litigation initiated by VCERA. She said that the courts determined VCERA "must" implement the Alameda Decision going forward after the effective date of that decision, but that VCERA only "may" implement it retroactively, and that the words "must" and "may" were not accidental. She understood the benefit recalculation process was more difficult than anticipated. She said that REAVC is not involved in discussions to resolve this matter, except for in making public comments. She asked VCERA to stop the implementation of pension recalculations until all Alameda-related court cases are resolved, including the pending decision by the California Supreme Court. The goal of stopping implementation is to avoid costly and time-consuming revision and repeated recalculation.

MOTION: Receive and File.

Moved by Long, seconded by Rainey

Vote: Motion carried

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

No: -

Absent: Grass, Joe

Abstain: -

After the vote on the agenda item, the Board advanced to item, VIII.B., "Review and Adoption of Proposed Fiscal Year 2024-25 Budget."

VIII. NEW BUSINESS

- A. Actuarial Experience Study and Review of Economic and Demographic Assumptions.
RECOMMENDED ACTION: Approve.

1. Informational Session.
2. Analysis of Actuarial Experience During the Period of July 1, 2020 through June 30, 2023.

Paul Angelo introduced Molly Calcagno and Todd Tauzer. Mr. Angelo commented that since he is retiring on October 1, 2024, Ms. Calcagno would take over as Supervising Actuary and Mr. Tauzer would serve as a Senior Consulting Actuary.

The Segal team presented the 2024 Actuarial Experience Study.

Trustee Goulet commented that the target asset allocation referenced on page 37 of the presentation was changed last month. Mr. Angelo recommended the Board move forward with approving Segal's recommendation, and then Segal would rerun the return calculations with the current asset class and allocation target. He anticipated the return would be extremely similar and not change the assumed rate recommendation. Ms. Dean commented that the expected ten-year nominal return based on the new asset allocation was 6.7% and the 30-year nominal return was 8.1%.

Trustee Rainey move to adopt to item, bearing in mind the revisiting of the asset allocation. Segal agreed to report back regarding how the new asset allocation would update the investment earnings return calculations.

MOTION: Approve and Adopt the Actuarial Experience Study and Review of Economic and Demographic Assumptions and Recommendations.

Moved by Rainey, seconded by Joe

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 1:22 p.m.

Trustee Joe left the meeting during the lunch break at 1:24 p.m.

The Board returned from their lunch break at 1:47 p.m.

After returning from a lunch break, the Board advanced to agenda item, VIII.F., "Recommendation by Ad Hoc Compensation and Benefits Committee to (1) Receive and File Final 2024 Market-Based Study; (2) Designate the following Representatives for Labor Negotiations with Unrepresented Employees: Arthur Goulet, Aaron Grass, and Anthony Rainey, and; (3) Adopt Committee's Recommendations re Revisions to VCERA Management Employees Resolution."

B. Review and Adoption of Proposed Fiscal Year 2024-25 Budget.

RECOMMENDED ACTION: Approve.

1. Staff Letter from Retirement Administrator and Chief Financial Officer.
2. Proposed Budget for FY 2024-25.
3. Budget Presentation from by Chief Financial Officer.

Ms. Marshall presented the proposed budget for Fiscal Year 2024-2025.

Trustee Bergman asked why there was a difference between the contingency numbers on the heading (\$135,800) and in the table (\$123,500) on page 15. Ms. Marshall responded that the \$135,800 was a typo, and the \$123,500 in the table is the correct number.

Trustee Goulet inquired about the date the \$200,000 contract with Managed Business Solutions (MBS) was authorized. Ms. Herron responded that Staff would research this and share the date, but that she believed it happened in the middle of the fiscal year.

Trustee Bergman commented that there is a difference between the Total Budget figure of \$16,316,397 on page 32 and a different figure of nearly \$16,200,000 on page 9, and asked which one Staff is asking them to approve. Ms. Marshall said that the correct figure is \$16,200,000.

MOTION: Approve Staff's Recommendation to Adopt the Proposed Budget for Fiscal Year 2024-2025.

Moved by Rainey, seconded by Dacus

Vote: Motion carried

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

No: -

Absent: Grass, Joe

Abstain: -

C. Authorize Staff to Contract with McChoi Consulting, LLC for Project Management of the Alameda Decision Implementation Project.

RECOMMENDED ACTION: Authorize.

1. Staff Letter from Retirement Administrator.
2. Agreement for Services.

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

Trustee Goulet commented that there should be a statement that items had been internally reviewed by legal counsel. Ms. Herron said that VCERA has a multi-level internal review process, and that Staff would add this statement to future letters.

Trustee Goulet asked for clarity on if the Board was approving a single year at \$125,000, or three years at \$375,000. Ms. Herron explained that the request was to allow the Retirement Administrator to extend the contract each year for up to three years under the same rates and terms as the first year, as needed for the continuation of the Alameda project. Trustee Horgan commented that she wasn't comfortable with the contract not coming to the Board on an annual basis.

Trustee Roberts clarified if the date listed as June 20, 2025 was a typo, and that it is actually June 30, 2025, the end of the fiscal year. Ms. Herron stated that it should be June 30, 2025.

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

MOTION: Approve Staff's Recommendation to Authorize the Retirement Administrator to Execute an Agreement with McChoi Consulting, LLC for Project Management of the Alameda Decision Implementation Project at a Cost Not to Exceed \$125,000 Through June 30, 2025.

Moved by Rainey, seconded by Horgan

Vote: Motion carried

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

No: -

Absent: Grass, Joe

Abstain: -

D. Authorize Staff to Execute an Agreement with AP Consultants for Pension Administration System Testing Support Services.

RECOMMENDED ACTION: Authorize.

1. Staff Letter from Retirement Administrator and Chief Technology Officer.
2. Master Services Agreement.
3. Exhibit 1 – Scope of Work (SOW).

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

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

MOTION: Approve Staff's Recommendation to Authorize the Retirement Administrator to Execute an Agreement with AP Consultants for PAS Testing Support Services for V3 in Support of the Alameda Decision, at a Cost Not to Exceed \$168,000 and Delegate Staff the Authority to Request Additions and/or Modifications to the Scope of Work in Exhibit 1 – Scope of Work.

Moved by Rainey, seconded by Horgan

Vote: Motion carried

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

No: -

Absent: Grass, Joe

Abstain: -

E. Authorize Staff to Renew 3-Year Contract with Gartner, Inc. for Information Technology Advisory Services.

RECOMMENDED ACTION: Authorize.

1. Staff Letter from Retirement Administrator and Chief Technology Officer.
2. Service Agreement.

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

Trustee Goulet disagreed with the terminology that the \$20,000 conference allowance was a cost-savings item. He believes it not to be since it is part of the contract.

Trustee Goulet said that the contract amount should be included in the letter. Ms. Herron responded that that was brought to her attention by another Board Member, and that Staff would include it in future letters.

Trustee Goulet said that he would vote no unless there was a quarterly report on what VCERA is receiving from this contract. Ms. Herron responded that this contract does not produce a physical product, but rather it provides support and resources. She added that in the past, VCERA did receive and deliver one report to the Board, but that the Board has not requested reports since. Trustee Roberts requested a copy of the previous report, and asked Ms. Oliver to give an overview of services and work with Gartner, Inc. so far. Ms. Oliver provided a brief summary explanation, and stated that VCERA does receive quarterly reports from Gartner's Customer Service Manager. She said that she could give those reports to the Board, provided they do not contain anything related to cyber security that cannot be presented in public session.

Trustee Horgan said she believes the Board has an oversight responsibility and needs to be proactive, and suggested the idea of continuing this item to the next board meeting so that Board could see the quarterly reports before making a decision, provided the timing is not problematic to the contract. She would like reports on both the goals of work with Gartner for the future, and an overview of VCERA's work with Gartner so far. Ms. Oliver said she already had a report from Gartner, and could share it at the next meeting.

Trustee Brodt said that he doesn't see how delaying a vote on this contract would help the matter. If the Board were to vote no on the contract in July, VCERA would have a gap in support without a vendor. Trustee Roberts proposed the idea of scheduling a special meeting of approval for this item, should a delay in the vote cause an issue with the timing of the contract. Ms. Oliver confirmed that the contract would begin on August 1.

Trustee Long wanted to confirm how the report would be received. Trustee Horgan responded that it would be an agenda item. Trustee Roberts commented that it would be helpful to receive it in advance of the meeting.

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

MOTION: Table the Agenda Item Until the Next Board Meeting on July 29, 2024, with Staff to Provide a Report on the Previous Work Provided from Gartner Inc.

Moved by Horgan, seconded by Goulet

Vote: Motion carried

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

No: Brodt

Absent: Grass, Joe

Abstain: -

After the vote on this agenda item, the Board advanced to informational item, X.A., "Abbott Capital Q1 2024 Private Equity Market Overview."

F. Recommendation by Ad Hoc Compensation and Benefits Committee to (1) Receive and File Final 2024 Market-Based Study; (2) Designate the following Representatives for Labor Negotiations with Unrepresented Employees: Arthur Goulet, Aaron Grass, and Anthony Rainey, and; (3) Adopt Committee's Recommendations re Revisions to VCERA Management Employees Resolution.

RECOMMENDED ACTION: Adopt.

1. Letter from the Chair of the Ad-Hoc Benefits and Compensation Committee.

2. Presentation of Compensation Survey Report from, Ralph Andersen & Associates, Doug Johnson.

Chair Grass recommended that the committee move Item VIII. F. (3) "Adopt Committee's Recommendations re Revisions to VCERA Management Employees Resolution" into the negotiation because Staff had not had an opportunity to speak on certain recommendations in this item ahead of the meeting, and particularly the first recommendation.

Doug Johnson presented the Compensation Survey Report.

Trustee Goulet commented that he viewed the first recommendation of item VIII. F. as a piece for review, not for negotiation. He added that he forgot to include in the review the County's Opt-out Provisions, and that's something they would need to look at. Ms. Herron commented that there were parts of the letter where Staff did not make recommendations because they felt the need for more discussion. She would like the Board to receive Staff's input before the Board decides their course of action. She added that the prior meeting was not a negotiation or discussion, but a meeting for clarification. Trustee Long said she would like to hear Staff's comments before reviewing the item.

MOTION: Receive and File the 2024 Market-Based Study.

Moved by Goulet, seconded by Rainey

Vote: Motion carried

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

No: -

Absent: Joe

Abstain: -

MOTION: Designate the Ad Hoc Compensation and Benefits Committee, Trustee Goulet, Trustee Grass, Trustee Rainey as the Board's Representatives for Labor Discussions with Unrepresented Employees Regarding Implementation of the Market-Based Compensation Study, and Return to the Board with Recommendations.

Moved by Goulet, seconded by Rainey

Vote: Motion carried

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

No: -

Absent: Joe

Abstain: -

Trustee Rainey asked for clarification on the distinction between negotiation and discussion. Trustee Long said they would meet to conclude recommendations regarding the implementation of the market-based compensation study and return to the Board for approval. Trustee Horgan asked for further clarification on what items would be discussed and brought back to the board, and if it was the normal process to receive input from the employees. Mr. Goulet responded that the opportunity for input was historically extended to the employees, and that it would be addressed in the Closed Session. Ms. Nemiroff explained that the Closed Session allows the Board the ability to discuss the item.

MOTION: Approve Ad Hoc Compensation and Benefits Committee's Recommendations No.'s 2 and 3.

Moved by Goulet, seconded by Rainey

Vote: Motion carried

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

No: -

Absent: Joe

Abstain: -

Chair Grass stated that the Board would go into Closed Session, and noted that Vice Chair Roberts would take over as the chair when the Board returned to open session.

IX. CLOSED SESSION

A. Conference with the Labor Negotiators Under Govt. Code Section 54957.6.

The Board entered Closed Session at, 2:29 p.m.

Vice Chair Roberts noted that the Board had nothing to report coming out of the closed session meeting at 3:17 p.m.

The Board then returned to agenda item, VII.A., "Alameda Implementation Status Update."

X. INFORMATIONAL

A. Abbott Capital Q1 2024 Private Equity Market Overview.

Mr. Gallagher gave a brief statement.

XI. PUBLIC COMMENT

None.

XII. STAFF COMMENT

Mr. Gallagher stated he completed due-diligence meetings with UBS and Black Rock in their respective San Francisco offices on June 4. He met with two UBS Trumbull Property Fund (TPF) portfolio managers, their head of transactions, and their head of asset management. They covered a UBS organizational overview, UBS's market outlook for the real estate business, an overview of TPF's investments, and ended with a guided walking tour of the 455 Market Street office building, which is itself an asset in TPF. Following the UBS due diligence visit, he met with Black Rock personnel at their San Francisco office headquarters at 400 Howard Street. He met with Blackrock's head of their Client Insights Unit, and with portfolio managers and product strategists for equity and fixed income platforms, covering various aspects of their operations that were relevant to VCERA. The Blackrock meetings concluded with discussions of risk and quantitative analytics employed. He found meeting participants from both firms to be forthcoming and straightforward, and found no due-diligence concerns during either visit.

Mr. Gallagher reminded the Board that it approved visits to NEPC and Loomis Sayles on August 5 and 6 in Boston as a part of the Consent Agenda for him and up to two trustees. He asked that if anyone was interested in going, to let him know as soon as possible to allow arrangements to be made.

Mr. Gallagher gave an update on the open Investment Officer position. The candidate pool had been narrowed down from more than 110 applicants to 15 for first-round interviews to be conducted by an external interview panel. Following the first round of interviews, the panel is expected to identify their top candidate selections, which will then move to a second round of interviews conducted by VCERA staff.

Ms. Herron reported news regarding adding the Chief Technology Officer position to VCERA district positions. In the prior week, SB 1189 went to the Assembly Committee on Public Employment and Retirement. It was passed there on consent and would next move to the Assembly Floor.

Ms. Nemiroff reported that during the Board meeting, the Court of Appeal released an opinion in the case of LACERA v. County of Los Angeles. The Court reversed the Superior Court decision and ruled that LACERA has the authority to determine classifications and salaries for LACERA employees. LACERA had added classifications and adopted certain salaries that the County then refused to implement; LACERA then sued the County, arguing that the County has a ministerial duty to implement the salaries adopted by the Board of Retirement. The issue lies in whether Proposition 162, which amended the California Constitution, gives the Board of Retirement plenary authority over classifications and salaries. The County argued that the Constitution gives counties authority over salary and benefit issues, and because the employees of LACERA are County employees whose positions and salaries must be included in the County salary ordinance, the County has ultimate control over the terms of employment. The Superior Court ruled in favor of the County and the Court of Appeal has reversed the decision. She reported that there may be a petition for Supreme Court review, especially because there is now apparent conflict between two Appellate Court decisions – the LACERA decision and the Wesley decision that was published around 20 years ago.

Ms. Herron responded to an earlier question about when VCERA contracted with MBS. She said that in July 2023, the Board approved the contract.

XIII. BOARD MEMBER COMMENT

None.

XIV. ADJOURNMENT

The Chair adjourned the meeting at 4:46 p.m.

Respectfully submitted,



AMY HERRON, Retirement Administrator

Approved,



AARON GRASS, Chair