

VENTURA COUNTY EMPLOYEES' RETIREMENT ASSOCIATION

BOARD OF RETIREMENT

FINANCE COMMITTEE MEETING

FEBRUARY 12, 2024

MINUTES

**TRUSTEES
PRESENT:**

Greg Bergman, Committee Chair, Elected General Member
Arthur E. Goulet, Elected Retired Member
Anthony Rainey, Appointed Public Member

**TRUSTEES
ABSENT:**

**STAFF
PRESENT:**

Amy Herron, Retirement Administrator
Rick Santos, Interim Retirement Administrator (Consultant)
Lori Nemiroff, General Counsel
La Valda Marshall, Chief Financial Officer
Dan Gallagher, Chief Investment Officer
Leah Oliver, Chief Technology Officer
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:

1:30 p.m.

ITEM:

I. CALL TO ORDER

A. Roll Call.

Chair Bergman called the Finance Committee meeting of February 12, 2024, to order at 1:30 p.m.

Roll Call:

Trustees Present: Greg Bergman, Art Goulet

Trustees Absent: Tony Rainey

II. APPROVAL OF AGENDA

MOTION: Approve.

Moved by Goulet, seconded by Bergman

Vote: Motion carried

Yes: Goulet, Bergman

No: -

Absent: Rainey

Abstain: -

III. APPROVAL OF MINUTES

A. Finance Committee Meeting Minutes of December 11, 2023.

MOTION: Approve.

Moved by Goulet, seconded by Bergman

Vote: Motion carried

Yes: Goulet, Bergman

No: -

Absent: Rainey

Abstain: -

IV. OLD BUSINESS

A. None.

V. NEW BUSINESS

A. Receive and File Fiscal Year 2023-24 Quarterly Financial Statements (Unaudited) and Budget Summaries.

RECOMMENDED ACTION: Receive and File.

1. Staff Letter from Chief Financial Officer.

2. Financial Statements.
3. Budget Summaries.

Ms. Marshall presented the Fiscal Year 2023-24 Quarterly Financial Statements (Unaudited) and Budget Summaries to the committee.

Trustee Rainey arrived at the meeting at 1:47 p.m., before the vote on the agenda item.

Trustee Goulet said he believed that the Budget Summaries should be presented before the Financial Statements since the bulk of the work was budget-related. He also felt that it was unnecessary to focus on why overages in one budget line item were covered by a shortfall in another, at this point, in the first quarter. He felt that the most important thing to focus on in the staff letter was the outliers. Therefore, he felt that those were the things that should be emphasized.

Chair Bergman said that he would find it helpful if staff could provide the rate of returns on each of the investments on page 3 of the Financial Statements - Investment, Cash, and Cash Equivalents Schedule and what percentage of the portfolio is each of the Investments.

Ms. Marshall explained that some of the investment managers listed on page 3 may handle multiple investments.

Chair Bergman then asked if it would be possible to roll the rates of return for those funds into those amounts on the report as well.

Mr. Gallagher said that staff was usually provided with reports on a monthly, and quarterly basis with the rates of return for VCERA's investments from the Investment Consultants, and he would be happy to provide a copy of the reports to him and the committee.

Chair Bergman then said instead, he would prefer to see the management fees for each investment as well as the market values so that he could review and compare each of them.

Ms. Herron noted that Ms. Marshall and Mr. Gallagher could look into providing this to the committee, however, if it required a large expenditure of time the request may need to go to the full Board for consideration. If they find that it would not take too long to get the information, then staff would just provide the information.

Chair Bergman also asked staff if there was a way, they could provide the percentage expended in the budget this year versus last year, along with a comparison of where they stood as it related to line items, trending year over year, during the first quarter. The report could also be on a supplemental schedule that was attached.

Ms. Marshall said that staff could provide the information, however, it would be very labor intensive, but staff would look to see how much time and work it would take to provide the information.

Trustee Goulet added that if staff limited that information to just the outliers, then it should not require that much more work, since the outliers were the important items to review anyway. Staff could use a 25% threshold for the first quarter's report and 50% for the second quarter's report, and so on.

Trustee Rainey noted that in his experience, the cities and states used the general practice of encumbrances so that they could compare the budget amount, minus encumbrances, and direct pays, which were items without a purchase order or encumbrance. In this way, the committee could then see what amount in the budget was already spoken for and what the remaining amount for the rest of the year was.

Trustee Rainey noted the chart of accounts structure, that he favors, at the municipalities and the state.

Ms. Marshall then asked if Trustee Rainey was proposing a change to the chart of accounts.

Trustee Rainey said no, not at this time.

Chair Bergman then said that he believed that Trustee Rainey was requesting a summary that covered the Salary and Benefits and Services and Supplies sections, by primary category in addition to the current information in these sections.

Trustee Rainey replied yes.

MOTION: Approve the Staff Letter, as Amended for Fiscal Year 2023-24 Quarterly Financial Statements (Unaudited) and Budget Summaries; and Send the Item to the Board of Retirement with a Recommendation that they Receive and File.

Moved by Goulet, seconded by Rainey

Vote: Motion carried

Yes: Goulet, Rainey, Bergman

No: -

Absent: -

Abstain: -

VI. PUBLIC COMMENT

None.

VII. STAFF COMMENT

None.

VIII. COMMITTEE MEMBER COMMENT

Trustee Rainey thanked staff for their work on Financial Statements and Budget Summaries since he understood the amount of time it took to prepare these types of reports.

Chair Bergman also thanked staff for the work they did in preparing the reports. He also noted that he would like the Finance Committee to have the opportunity to review the Scope of Work for the new accounting software, so they could provide some insight into what they would be looking for in a new financial software system.

IX. ADJOURNMENT

The Chair adjourned the meeting at 2:19 p.m.

Approved,



GREG BERGMAN, Finance Committee Chair

