

**VENTURA COUNTY  
SUPPLEMENTAL RETIREMENT PLAN COMMITTEE**

**Point Mugu Conference Room, 4<sup>th</sup> floor  
Hall of Administration, County Government Center  
800 S. Victoria Ave, Ventura CA 93009**

**Meeting Minutes for February 15, 2024  
2:00 p.m.**

**Members present**

Kaye Mand  
Emily Gardner  
Jeff Burgh  
Shawn Atin

**Members absent**

Sue Horgan

**Also present**

Patti Dowdy  
Patty Zoll  
Andrew Gratt  
Amanda Diaz  
Eric Lee  
Eric Schlossberg  
Paul Donahue  
David Thompson  
Tia Scott  
Jackie Cayden

**Ms. Mand called the meeting to order at 2:00 p.m.**

**1. Public Comments.**

None.

**2. Committee Member Comments.**

Ms. Zoll, Deferred Compensation (DC) Program Manager, providing a summation of last Supplemental Retirement Plan (SRP) Committee meeting during which the SRP Committee (the "Committee") made a motion to seek outside Counsel to research and advise on the escheatment process for those Safe Harbor participants that staff are unable to locate. A requisition for outside counsel, Ice Miller, has been approved and is currently being reviewed by Procurement. More information will be forthcoming by Ms. Zoll at the next regularly scheduled Committee meeting.

**3. Minutes of Regular Meeting September 19, 2023**

Motion to approve: 1. **Mr. Burgh**                      2. **Ms. Gardner**                      **Motion Carries**

**4. Q4 2023 Principal Quarterly Client Report**

Mr. Eric Lee (via Zoom), Senior Portfolio Manager with Principal, provided an overview of the Q4 2023 Principal Quarterly Client Report from Principal Global Advisors which is being presented for the Committee's review. Areas of note in the review included current Q1 2024 key themes within the market. Items of interest pertained to the central bank hinting at lowering

rates in the near future but will most likely happen in slower increments than what markets are hoping for. Additionally, Mr. Lee mentioned overall economic growth appearing to cool, price pressures for consumer goods have eased significantly largely due to supply chain resolutions, and an economic slowdown in the first half of the year, coupled with slightly later-than-expected rate cuts, suggesting some volatility in the market. A positive key point of interest is that markets are primed to pivot toward a rate cut when looking at the historical YTD ending for the S&P 500 and Bloomberg U.S. Aggregate Index. Furthermore, falling interest rates during the quarter boosted fixed income and equity markets to end the year in positive territory with the two previously mentioned indices finishing at 26.29% and 5.53%, respectively.

Turning the attention of the Committee to the asset allocation of the fund, Mr. Lee began with the total market value review noting the fiscal year-to-date total increasing slightly from \$26,301,223 to \$26,650,436, largely due to withdrawals heavily outweighing the contributions. The increase is due to the gain/loss on funds standing at a positive \$1,390,565 for the fiscal year-to-date. In a more specific breakdown, Mr. Lee highlighted the equity, fixed income, and cash & cash equivalents portions of the funds. In comparison to the benchmark set forth by the Committee for diversification, equity holdings were slightly overweight by 0.37% at 60.37% with both fixed income and cash/cash equivalents slightly under benchmark by -0.04% and -0.33% at 38.96% and 0.67%, respectively. Total portfolio performance by benchmark standards was in the negative by 0.37% at 14.93% but was in the positive when compared to the peer average of 13.51% for the year.

**A. Motion to Receive and file the Q4 2023 Principal Quarterly Client Report:**

Motion to approve: 1. **Ms. Gardner**                      2. **Ms. Mand**                      **Motion Carries**

**5. IRS Ruling Request Board Letter Review**

Ms. Patti Dowdy, Employee Benefits Manager, gave a summation of the agenda item that is in front of the Committee for action. At the September Committee meeting, Ms. Emily Gardner, County Counsel, issued insight and concern regarding the level of authority the Committee possesses as to make the final decision on seeking the IRS ruling letter under consideration. Ms. Gardner opined that although the Committee has the authority to seek the IRS ruling letter it does not fall under the Committee's guidelines for funding the acquisition of the IRS determination letter. The reasoning behind this concern, Ms. Gardner states, is that the ultimate cost of seeking such determination is not within the confines of the Committee as the funds appropriated for obtaining said letter from the IRS are from County funds and will result in adjustment to the retirement rate which in turn impacts the County budget. Upon this advisement, the Committee directed staff to obtain additional information from VCERA that includes the total amount of the pension reserve transfer for all eligible Safe Harbor members and the impact on the retirement rate to the County with the assumption that the majority of eligible Safe Harbor members seek the purchase of the prior service credit based on two criteria:

- 1) A retirement age of 52 for Safety members, and
- 2) A retirement age of 59 for general members.

It was noted that although VCERA has offered to cover the cost of the actuarial study to determine the requested information they will, in fact, recoup their money through other means such as administrative costs indirectly paid by the County i.e., the employer rate.

The motion to direct staff to prepare a letter to the Board of Supervisors was made at the previous Committee meeting however, it was determined there are outstanding questions regarding the Committee's recommendation and appropriate party to carry the letter to the Board. This is the discussion and agenda item for the Committee's review and decision.

In reference to the Committee's recommendation to the Board as to whether or not to pursue action on the IRS Letter was first in today's discussion. Historically, when a letter was presented to the Board seeking review and/or approval, a recommendation was included in the letter as to the requesting party's intent. Ms. Gardner suggested that this not be the case in this instance and put forth a recommendation that the letter to the Board may be drafted in a manner which would include a two-step process of requesting the funds first and then subsequently have the Committee determine whether or not to seek the IRS letter. The alternative suggestion by Ms. Gardner is that the letter be framed in a way to present the option to the Board as to whether they authorize the funds and then provide courses of action to take. Essentially, the Committee can submit a letter which asks for the Board to "consider and provide direction" on how they would like to proceed. Mr. Atin voiced opposition to this as he expressed concern that the Committee should go to the Board with a recommendation as the Committee has the knowledge of pension benefits and the fiscal impact of purchasing prior service in the VCERA system.

Mr. Atin expressed the desire to better understand how the referenced actuarial study would be conducted and what the potential outcome would be. He stated that he wants to know if the study has the potential of revealing information that we don't already know. His concern is spending \$20,000 on a study that doesn't provide new information. He suggested asking the SRP actuary, John Garrett of Cavanaugh MacDonald, to attend a special meeting next month to provide insight and discuss the value of conducting an actuarial study on the target population. Committee members expressed agreement with the suggestion. A motion was made to postpone decision on a recommendation to the Board of Supervisors until a special Committee meeting can be held with the SRP for a better understanding of what a study might produce and if a recommendation to the Board of Supervisors is warranted.

**A. Motion to Hold Special Committee Meeting with SRP Actuary and Postpone Decision on Recommendation to Board of Supervisors:**

Motion to approve: 1. **Mr. Atin** 2. **Mr. Burgh** **Motion Carries**

**Ms. Mand adjourned the meeting at 2:51 p.m.**

Respectfully submitted,



Andrew Gratt  
Deferred Compensation Personnel Assistant