

VENTURA COUNTY EMPLOYEES' RETIREMENT ASSOCIATION

BOARD OF RETIREMENT

BUSINESS MEETING

NOVEMBER 23, 2020

MINUTES

TRUSTEES

PRESENT:

Arthur E. Goulet, Chair, Retiree Member
Mike Sedell, Vice-Chair, Public Member
Steven Hintz, Treasurer-Tax Collector
Steve Bennett, Public Member
Robert Ashby, Safety Employee Member
Jordan Roberts, General Employee Member
Cecilia Hernandez-Garcia, General Employee Member
Tracy Towner, Alternate Safety Employee Member
Will Hoag, Alternate Retiree Member

TRUSTEES

ABSENT:

STAFF

PRESENT:

Linda Webb, Retirement Administrator
Henry Solis, Chief Financial Officer
Julie Stallings, Chief Operations Officer
Dan Gallagher, Chief Investment Officer
Lori Nemiroff, General Counsel
Leah Oliver, Chief Technology Officer
Josiah Vencel, Retirement Benefits Manager
Rebekah Villalobos, Retirement Benefits Manager
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 Goulet called the Business meeting of November 23, 2020, to order at 9:01 a.m.

II. APPROVAL OF AGENDA

MOTION: Approve.

Moved by Ashby seconded by Roberts

Vote: Motion carried

Yes: Ashby, Goulet, Roberts, Sedell, Towner

No: -

Absent: Bennett, Hernandez-Garcia, Hintz

Abstain: -

III. APPROVAL OF MINUTES

A. Disability Minutes of October 12, 2020.

RECOMMENDED ACTION: Review for Approval on December 14, 2020 Board Meeting.

Ms. Webb explained the minutes for the meeting of October 12th were lengthy, as it was a long meeting with a great deal of public comment and discussion. Therefore, they were presented a full meeting ahead of recommended approval to allow enough time for full review.

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

MOTION: Approve Recommendation to Review the Minutes for Approval on December 14, 2020 Board Meeting.

Moved by Sedell seconded by Goulet

Vote: Motion carried

Yes: Ashby, Goulet, Roberts, Sedell

No: -

Absent: Bennett, Hernandez-Garcia, Hintz

Abstain: Towner

Trustee Towner abstained because he did not attend the October 12th meeting.

Trustee Bennett arrived at 9:07 a.m., after the vote on the item.

B. Business Minutes of October 26, 2020.

RECOMMENDED ACTION: Approve.

MOTION: Approve.

Moved by Sedell seconded by Goulet

Vote: Motion carried

Yes: Ashby, Bennett, Goulet, Roberts, Sedell

No: -

Absent: Hernandez-Garcia, Hintz

Abstain: Towner

Trustee Towner abstained because he did not attend the meeting of October 26th.

C. Disability Minutes of November 9, 2020.

RECOMMENDED ACTION: Approve.

MOTION: Approve.

Moved by Roberts seconded by Towner

Vote: Motion carried

Yes: Ashby, Bennett, Goulet, Roberts, Sedell, Towner

No: -

Absent: Hernandez-Garcia, Hintz

Abstain: -

IV. CONSENT AGENDA

- A. Approve Regular and Deferred Retirements and Survivors Continuances for the Month of October 2020.
- B. Receive and File Report of Checks Disbursed in October 2020.
- C. Receive and File Budget Summary Admin. – Disability for FY 2020-21 Month Ending October 31, 2020.
- D. Receive and File Budget Summary Combined for FY 2020-21 Month Ending October 31, 2020.
- E. Receive and File Statement of Fiduciary Net Position, Statement of Changes in Fiduciary Net Position, Statement of Investments, Cash, and Cash Equivalents, and Schedule of Investment Management Fees for the Period Ending October 31, 2020.
- F. Restated June 30, 2020 Financial Statements Due to Proposed Audit Adjustment.
 - 1. Staff Letter by, C.F.O., Henry Solis.

Ms. Webb reminded the Board that there had been an adjustment to the Financial Statements for June 30, 2020 due to the lag of private equity reporting, so CFO Henry Solis was providing the restated statements for that time period.

Chair Goulet noted a date typo in the staff letter. He also asked about a statement in the letter said it would be administratively difficult to keep the books open for such an extended period.

Mr. Solis replied that in order to proceed into the new fiscal year, the previous years books had to be closed and that staff did not know if there would be an audit adjustment every year. Further, as the private equity portfolio matured, it was possible that increases in their value would be offset with decreases as some of the larger funds started to process distributions, which could cause valuations to decrease and staff could revisit the issue with the Board at a later time if they noticed a continuing pattern.

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

MOTION: Receive and File.

Moved by Ashby seconded by Towner

Vote: Motion carried

Yes: Ashby, Bennett, Goulet, Roberts, Sedell, Towner

No: -

Absent: Hernandez-Garcia, Hintz

Abstain: -

V. INVESTMENT MANAGER PRESENTATIONS

- A. Receive Annual Investment Presentation from BlackRock, Jeremy Watt, Grant Dechert, Christian De Leon and Kathryn Donovan.

Jeremy Watt, Grant Dechert, Christian De Leon and Kathryn Donovan reviewed BlackRock's organizational changes, and discussed the firm's investment outlook, portfolio strategy, composition and performance.

Trustee Hernandez-Garcia arrived at 9:18 a.m., during the presentation from BlackRock.

VI. INVESTMENT INFORMATION

NEPC – Allan Martin.

VCERA – Dan Gallagher, Chief Investment Officer.

- A. Preliminary Performance Report Month Ending October 31, 2020.
RECOMMENDED ACTION: Receive and file.
- B. 3rd Quarter Investment Performance Report for Period Ending September 30, 2020.
RECOMMENDED ACTION: Receive and file.

Trustee Hintz arrived at 9:50 a.m., before the vote on the item.

MOTION: Receive and File Preliminary Performance Report Month Ending October 31, 2020 and 3rd Quarter Investment Performance Report for Period Ending September 30, 2020.

Moved by Bennett seconded by Sedell

Vote: Motion carried

Yes: Ashby, Bennett, Goulet, Hernandez-Garcia, Hintz, Roberts, Sedell

No: -

Absent: -

Abstain: -

VII. OLD BUSINESS

- A. Request for Reconsideration of Previous Board Direction to Staff on Interim Operational Procedures Related to Deferred Sections of Alameda Resolution.
RECOMMENDED ACTION: Approve.

1. Letter from Trustee Roberts.

Chair Goulet acknowledged Assistant County Counsel, Emily Gardner's request to make public comment on the item, and he asked Ms. Gardner if she preferred to make her comments before or after the discussion on items VII.A., VII.B. and VII.C. Ms. Gardner said that she would like to make her comments after the discussion.

Trustee Roberts said he brought the request in response to his discussions with plan members who expressed their strong preference that the Flexible Benefit Allowance (FBA) be excluded from their final retirement compensation. He clarified that his recommendation was to address interim operational processes for members that retired on or after July 30, 2020 until legislation was made at the state level or declaratory relief was resolved in the courts. He believed his request deserved the Board's consideration.

Trustee Sedell asked Trustee Roberts about the labor unions' position on the issue, and from whom he had received the feedback. Trustee Roberts replied that he believed unions were present and could speak on their own behalf, if they desired; however, he had heard from a variety of individuals, and had received additional input after his letter was posted publicly with the agenda materials.

Trustee Sedell expressed concern that many may not be aware of the proposal, relating he had been in contact with an agency who had not been aware of the request until the day before the meeting. He believed more input from stakeholders was needed before Board consideration.

Trustee Bennett noted that Danny Carrillo from SEIU Local 721 had requested to make public on the item. He continued that while Trustee Roberts may have spoken to a few members with higher incomes who did not want the bother of potentially repaying overpayments, the request had not been vetted and could make a significant difference to lower income members. Thus, he strongly rejected the characterization that it was simply a clarification, as well as the proposed motion.

Trustee Hintz remarked that he would oppose a motion to reconsider, and any changes to the Board's previous recommendations.

Danny Carrillo, Regional Director for SEIU Local 721, provided the following public comment. He said SEIU did not support the proposed operational change at this time and preferred to keep the status quo.

Kevin Aguayo, President of the Board of Directors for Ventura County Professional Firefighters' Association (VCPFA), provided the following public comment. He said that Board reconsideration would hamstring the efforts made by the Ad-hoc Litigation Committee and none of their union members had not been given sufficient time to review the request. He believed their members should be allowed to retire with the FBA included in compensation earnable and if there was later a reason to change the retirement allowance, they would prefer to deal with it at that time.

Emily Gardner, Assistant County Counsel for the County of Ventura, provided the following public comment. Ms. Gardner said the County of Ventura opposed any change in regard to the Alameda exclusions. Trustee Roberts had submitted two letters, one related to the Flex Credit and the other with the leave donations, both of which were considered Alameda exclusions. Currently, both of those were included in compensation earnable, according to the Resolution adopted by the Board and she believed it improper to direct staff to calculate retirement benefits in a manner contrary to the Resolution. Therefore, she urged the Board not to reconsider what was decided on at Board's October 12th meeting.

Ms. Webb clarified that what was being offered for reconsideration was simply the continued payment of the Flex Credit portion for new retirees, post Alameda decision. Staff had heard from retirees who requested the lesser retirement allowance with the knowledge they could receive an increase later, rather than being later being subject repayment plans and recoupments. The population of retired members with flex credit included in their retirement was compounding. Further, while she acknowledged the Board's authority to proceed as it deemed appropriate, including a potential overpayment while legal issues were resolved was contrary to retirement systems' typical approach to such situations. Normally, the standard was to pay only the amount that was absolutely due to the member; if other items were possibly payable, those were paid once any legal questions were resolved. Once the declaratory relief was complete, the members would be made whole.

Trustee Bennett remarked that no one could predict how long declaratory relief would take, and meanwhile low income members would receive hundreds of dollars less per month. These were the members to whom the Board needed to pay attention. If some prefer avoiding a repayment plan, perhaps staff could then identify the difference of the FBA portion to allow those retirees to set money aside in some kind of savings account in the meantime and not touch it, even possibly earn interest. Then, they could repay it if there were a decision unfavorable to their pensions.

Chair Goulet remarked that an easier and quicker solution would be for the County to eliminate the opt-out fee related to the County offered insurance plans, essentially the issue would then go away.

Trustee Bennett said that he wanted to call the question that there was a motion and a second on the floor.

Trustee Towner said he was trying to understand Trustee Bennett's position, which he understood to be that the lower income members needed that FBA retirement allowance portion; however, he also had said that if the members chose, they set the money aside and not touch it. Trustee Towner said they could likely agree that the legislative process and litigation could take more than a year and meanwhile retirees would have compounding overpayments they could be required to repay.

Trustee Bennett replied that lower income retirees may not necessarily set the FBA portion aside, but if there were an unfavorable decision they could have a repayment plan set up later. He believed it was the higher income members who were probably saying that they didn't want to be inconvenienced with a repayment plan and he certainly had not heard that from the lower income members or their union representatives.

Trustee Towner asked Ms. Webb if an active employee could choose to hold off on retirement until the FBA issue was resolved.

Ms. Webb replied yes, that was correct.

Trustee Towner then said that if he were a retired member, he would not have a choice to opt out of having the FBA included in compensation earnable. Therefore, VCERA was basically telling the members they have no choice and were required to have it included in their retirement allowance.

Ms. Webb replied that Trustee Towner was correct, and staff would have to set up repayment plans.

Trustee Bennett repeated that those members could simply set the money aside, and VCERA could communicate the amount of the FBA portion and then members could choose what they wanted to do.

Ms. Webb explained that staff had been telling retirees who requested the FBA portion be excluded that based on the Board's Resolution, inclusion was required. Staff provided the members with the amount of the difference. This information allowed the member to decide whether to retire as planned or to wait until the legal matter was resolved. Thus far, staff reported that a significant number of members would prefer to have a lower retirement amount that excluded the FBA portion.

Trustee Sedell asked if that was an option that could be provided to members. Could VCERA give them the option to take a lower retirement allowance that excluded the FBA portion in their compensation earnable and could the resolution be amended to provide members that option

Ms. Webb replied that such an approach would create two different classes of retired members, further complicated when members wanted to change their option.

Trustee Bennett then asked what was the interest rate that would be charged to retired members who were overpaid due to the FBA portion.

Ms. Nemiroff replied that the interest rate had not been determined yet.

Ms. Webb added that for refunds of member contributions on flex credit would include interest.

Trustee Bennett reiterated that setting aside the money was an easy matter, but if some needed that money to retire, it would be there.

Trustee Towner pointed out that if VCERA were to pay, for example, \$100 dollars additional through inclusion, retirees would be taxed on that \$100, effectively making the payment less than \$100. Then, if they are required to repay, they would never be whole after taxes.

Trustee Bennett remarked that those members would also have to pay taxes on a lump sum payment if they received a favorable decision in the future, which could also bump them into a higher tax bracket, so either way they would have to pay taxes.

Trustee Hernandez-Garcia asked whether the Board was making a decision on the presumption that they would not receive a favorable decision, or that they would.

Ms. Nemiroff responded that because it pertained to tax issues, she would like to run the question by VCERA's tax counsel, but typically when someone was given the choice to receive income or not, the IRS would view that as a constructed receipt issue. She did not know if allowing an irrevocable election for the following calendar year would prevent the IRS from viewing as a member choice to receive the money. If the Board wanted staff to explore whether VCERA could offer the members such a choice, she would consult with tax counsel regarding the tax consequences.

Trustee Hernandez-Garcia then asked if they could amend the motion to include that choice, pending the outcome of the meeting with the tax counsel.

Ms. Nemiroff replied that she would want to speak to the tax counsel first and then present tax consequences to the Board for them to decide on.

Trustee Ashby if the Board were to leave the matter the way it was, if a decision later was made that the FBA portion be excluded, whether all the members' contributions for the FBA portion to that point would be paid in a lump sum.

Ms. Webb replied yes.

Trustee Ashby then asked an unfavorable decision was made, could the member apply that lump toward the overpayment of the FBA portion of their retirement benefit.

Ms. Webb replied yes, staff would calculate the amount of the active member contributions made for the flex credit, and also calculate the amount of the overpayments made to them as a retired member and there could be an offset. However, the longer that a retired member received the overpayment, the less likely the refund would cover the amount of overpayment.

Trustee Ashby said that he understood that it would vary from retiree to retiree, as to how long they paid the contribution.

Ms. Webb said yes, it was very individualized, because while some members may have made contributions on FBA for 20 years, others such as a reciprocal member, may have made contributions for only a few years before retiring.

Trustee Towner referenced Trustee Bennett's earlier statement that members who requested the FBA portion be excluded were probably higher income members, and asked staff if that appeared to be the case.

Ms. Webb replied that she had asked that question of the staff receiving the requests from retirees. They had indicated it was actually the lower income members who were asking for FBA to be excluded from their retirement benefit, because they preferred not to rely on a benefit amount that may be reduced later, but rather budget on the lower retirement benefit, and then welcome a subsequent payment and increase if FBA were later deemed as included.

Chair Goulet asked for comment from VCERA's Fiduciary Counsel, Ms. Dunning.

Ms. Dunning clarified one point, in terms of return of contributions referenced by Ms. Webb. It was correct that the Board had decided that in the situation of the flex credit, to the extent that the non-cashable portion was deemed to be not pensionable, in the legislation that the County had proposed was not successful, in terms of changing the law on that point; the Board had decided that there would be a refund of contributions on that pay item. That was normally not how a Board would vote when a member's final compensation did not include an item that they received in pay during their employment. The contributions would not be refunded on that, even though they wouldn't receive the benefit of those contributions on a 1:1 match. As for the PEPRA exclusions, the Board had decided to refund the members contributions only to the period of January 1, 2013 forward.

Chair Goulet suggested the Board vote on the motion and the ask staff to consult with the tax counsel to see if they could provide an optional payout to retirees and bring back an item to the Board.

Trustee Bennett asked Ms. Webb if it was correct the at the flex credit issue would only go back to July 30, 2020.

Ms. Webb replied yes, but only for new retirees. Because July 30, 2020, was the date that VCERA was put on notice by the California Supreme Court, regarding the Alameda decision, VCERA would not adjust benefits for those who retired previous to that date.

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

MOTION: Approve Request for Reconsideration of Previous Board Direction to Staff on Interim Operational Procedures Related to Deferred Sections of Alameda Resolution.

Moved by Roberts, seconded by Bennett

Vote: Motion failed

Yes: Roberts

No: Ashby, Bennett, Goulet, Hernandez-Garcia, Hintz, Sedell

Absent: -

Abstain: -

Chair Goulet suggested that staff explore the ramifications with tax counsel of allowing a retiree the option of whether or not to include the FBA, and then report back to the Board to either recommend whether VCERA should allow the option or not.

Ms. Webb said that she would be happy to talk to VCERA's tax counsel and provide a memorandum to the Board for a later meeting, but she did not know how meaningful it would be given the Board's vote to not reconsider the issue.

B. Reconsideration of Previous Board Direction to Staff on Interim Operational Procedures Related to Deferred Sections of Alameda Resolution.

RECOMMENDED ACTION: Approve.

1. Proposal from Trustee Roberts to Provide Operational Direction to Staff.

No action was taken on this item, as the Request for Reconsideration was not approved.

C. Letter Regarding Interim Implementation of Alameda Decision in Conjunction with Board Action on October 12, 2020.

Ms. Webb this item was to inform the Board of staff's efforts to manage the difficult issues and transactions that involved compensation earnable. So, staff had to make decisions in order to provide retirement information and calculations to the members. The provided memorandum was to describe how staff had been handling some of the most common and prominent requests while the legal issues were being resolved. Staff requested that if the Board disagreed with the described approach, to provide alternate direction.

Trustee Bennett said he complimented staff because he believed that they done a pretty good job of dealing with a difficult situation and for coming up with appropriate solutions that were consistent with the Board's directions.

Chair Goulet asked if the agenda item required a motion to receive and file it, even though it seemed to be purely informational.

Ms. Webb replied that staff would just note in the minutes that there was no alternate direction given to staff.

Trustee Sedell asked that the minutes reflect that staff was commended on their handling of these difficult circumstances.

Trustee Hintz left the meeting at 10:53 a.m., before the Board took a break.

The Board went to Break on 10:54 a.m.

The Board returned from Break at 11:06 a.m.

VIII. NEW BUSINESS

A. Recommendation to Approve PEPRA Annual Compensation Limit.
RECOMMENDED ACTION: Approve.

1. Staff Letter.
2. California Actuarial Advisory Panel PEPRA Pension Compensation Limits for the Calendar Year 2021.

After a brief discussion, the following motion was made.

MOTION: Approve and Adopt the 2021 PEPRA Compensation Limits of \$128,059 and \$153,671 as calculated by the California Actuarial Advisory Panel (CAAP).

Moved by Sedell seconded by Bennett

Vote: Motion carried

Yes: Ashby, Bennett, Goulet, Hernandez-Garcia, Roberts, Sedell

No: -

Absent: Hintz

Abstain: -

B. Proposed 2021 Board Calendars for Investment Presentations and Investment Due Diligence.
RECOMMENDED ACTION: Approve.

1. Staff Letter by C.I.O., Dan Gallagher.
2. Proposed 2021 Board Calendar - Investment Presentations.
3. Proposed 2021 Board Calendar - On-Site Due Diligence.

Mr. Gallagher noted a change to the order of the investment presentations in the proposed calendar. Tortoise had been removed and Pimco had been added to the annual investment presentations calendar for 2021.

Chair Goulet asked why Abbott Capital Management was scheduled to make 2 annual presentations in 2021, to which Mr. Gallagher replied that because Abbott Capital was a consultant, they were scheduled to present both their annual investment presentation and the second presentation was to present the annual plan and annual disclosures.

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

MOTION: Approve the Proposed 2021 Calendars for Investment Presentations and Investment On-Site Due Diligence and, Authorize Necessary Expenditures in Accordance with the Board's Adopted Travel Policy and Budget.

Moved by Bennett seconded by Roberts

Vote: Motion carried

Yes: Ashby, Bennett, Goulet, Hernandez-Garcia, Roberts, Sedell

No: -

Absent: Hintz

Abstain: -

C. Authorization for C.I.O., Dan Gallagher To Attend the ILPA Virtual Institute: Private Credit for the Limited Partner.

RECOMMENDED ACTION: Approve.

1. Staff Letter by C.I.O., Dan Gallagher.
2. ILPA Virtual Institute: Private Credit for the Limited Partner Invitation.
3. ILPA Virtual Institute: Private Credit Agenda.

MOTION: Approve.

Moved by Sedell seconded by Ashby

Vote: Motion carried

Yes: Ashby, Bennett, Goulet, Hernandez-Garcia, Roberts, Sedell

No: -

Absent: Hintz

Abstain: -

IX. INFORMATIONAL

A. Information Regarding County of Ventura's Advocacy for Legislative Solution in Regard to Inclusion of Flexible Benefit Allowance in Compensation Earnable.

1. Request from County Staff to the Ventura County Board of Supervisors: "Authorization for the County Executive Officer to Advocate to the California State Legislature for Legislation Clarifying that the County's Flexible Benefit Allowance May Continue to Be Included as Pensionable Compensation for the Purposes of Retirement Benefit Calculations for Legacy Members".
2. Letter from Supervisor Bennett to Board of Supervisors in Support of Clarifying Legislation.
3. Letter from Chair Goulet.
4. VCERA Fiduciary Counsel's Response to County and Labor Union Objections to Proposed Alameda Implementation.

Trustee Sedell said that he was concerned with Chair Goulet's letter regarding the County's recent action to seek legislative action on the Flex Benefit issue, indicating he believed Chair Goulet should have brought the item to the Board to discuss instead of providing it in a letter in the Informational section of the agenda. He believed that the County wanted to work collaboratively and that the Board should be thanking the County for taking that action.

Trustee Goulet said that he disagreed with Trustee Sedell and believed that the matter needed to be put forth in writing and that the County had an obligation based on their comments at the October

12th meeting. He noted Trustee Bennett had said at the October 12th meeting that there should be a collaboration between them, and he did not see that the letter sent to the Board of Supervisors to be evidence of collaboration, as it contained misrepresentations, misstatements, and proposed legislation involving VCERA without prior consultation.

Trustee Sedell said he believed it was more important to foster collaboration, especially since they believed that the action taken by the County to pursue legislation was a great idea

Chair Goulet replied that he was not confident that it was a great idea. In reference to his letter, beyond his concern about a lack of collaboration, it also had shown that the Board could have assisted with points their proposal did not appear to even consider. He noted the County had made a statement that the flex credit item was not addressed in the Supreme Court's decision, which was patently incorrect.

Trustee Bennett said that when the Chair of a Board sends out a letter, it's typically after it had already been approved by the entire Board. While Chair Goulet could send such a letter as an individual or as a Trustee, he sent it as the Chair of the Board, which implied it was the position of the VCERA Board, which it was not. In reference to Chair Goulet's statement that the County should have come to the VCERA Board beforehand, he recalled the Board to the open meeting of October 12th, in which the Board was told by fiduciary counsel that the Board needed to take action and adopt staff's recommendation to exclude the flex credit to establish the conflict needed to file for declaratory relief. But then, without consultation with the County, there was a recommendation to the Board, apparently in the closed session he did not attend, that the Board take action to file the lawsuit without County collaboration, which he saw as a surprising inconsistency.

Chair Goulet said the motion on October 12th included direction to seek declaratory relief, and staff and counsel simply followed that direction.

Trustee Bennett replied, that staff and VCERA's counsel were to do that in collaboration with the County, Unions and other stakeholders and not independent of them.

Chair Goulet noted a subsequent meeting between the ad hoc litigation committee, labor unions and the County in which VCERA had allowed the parties to confirm VCERA had stated the declaratory relief correctly, before action was taken.

Trustee Bennett noted that it was after VCERA had filed a lawsuit, not before.

Chair Goulet replied that VCERA needed to show exactly what it was going to do.

Trustee Bennett said that showing them what VCERA planned to do was different than filing a lawsuit.

Ms. Webb remarked that she had made a brief statement at the Board of Supervisors meeting the previous week, regarding the issue of their legislative action related to the flex credit issue. She had said that VCERA was working hard to implement the mandate from the Supreme Court related to the Alameda decision and had suggested if the County were to seek legislation to have in kind benefits included in members' compensation earnable calculations, that it specifically limit the amount of flex credit to be included in compensation earnable as either the employee only or the employee plus spouse amounts, which would help keep it more universal and help avoid manipulation and spiking, while also avoiding any excess contributions from the County and members.

Trustee Sedell said he had no issues with Ms. Webb working collaboratively with the County and he believed that her approach on that legislative issue was appropriate and his previous comments were not in any way directed toward staff.

Chair Goulet, regarding Trustee Bennett's remark that signing his letter as Chair implied that the Board approved it, noted that the letter was addressed to the Board of Retirement and not an outside entity, so it could not be implied as the Board's position.

Trustee Hernandez-Garcia said she supported Chair Goulet in writing the letter because, as he had pointed out, it was addressed to the Board of Retirement, it reminded the Board and all of the parties of the need to collaborate.

Trustee Towner noted the Board should focus on the end game, which was to get a final decision on the flex credit issue and more importantly, that whatever legislation was presented was correct. He believed all of the parties should agree to that, acknowledge it and move forward.

Chair Goulet said that he agreed with Trustee Towner.

X. PUBLIC COMMENT

None.

XI. STAFF COMMENT

Ms. Webb said that staff would be coming to the Board soon with a request additional staffing resources to continue providing timely service to members, noting the volume of manual calculations and alternate scenarios being provided to members as a result of the Alameda issues.

Trustee Sedell remarked that he believed the Board would give staff full support for the additional resources.

Trustee Hernandez-Garcia thanked Ms. Webb for looking out for staff and ensuring that they were not overburdened given the situation.

Chair Goulet left the meeting at 11:26 a.m., at which time Trustee Sedell presided over the remainder of the meeting.

Mr. Gallagher informed the Board that he and Mr. Martin planned to bring two private credit recommendations to the Board at the next meeting.

XII. BOARD MEMBER COMMENT

Trustee Towner said that he wanted clarity regarding the declaratory relief action, specifically about the need for a conflict to exist in order to request declaratory relief. He wanted to know what the conflict was exactly, given the Board was supposedly working in collaboration with the County and other stakeholders.

Ms. Webb said that Ms. Dunning could provide him with a clear explanation of the conflict regarding declaratory relief, so staff would contact her to request that she provide an explanation of the issue to Trustee Towner.

Trustee Bennett asked for Ms. Dunning to also address what he saw as conflicting information given to trustees in open session at the October 12th meeting. Specifically, that the Board would need to adopt a motion to create the conflict, but when the Board proposed that staff work collaboratively to create the conflict, this was not done. He would appreciate additional explanation on that issue.

XIII. ADJOURNMENT

The Chair adjourned the meeting at 11:29 a.m.

Respectfully submitted,



LINDA WEBB, Retirement Administrator

Approved,



ARTHUR GOULET, Chair