

VENTURA COUNTY EMPLOYEES' RETIREMENT ASSOCIATION

BOARD OF RETIREMENT

DISABILITY MEETING

FEBRUARY 7, 2022

MINUTES

**TRUSTEES
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

**TRUSTEES
ABSENT:**

**STAFF
PRESENT:**

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

PLACE:

In Accordance with Government Code §54953(e)(1)(A), and in response to the declared State and Local emergencies due to the Novel Coronavirus and Local Health Officer recommendation regarding social distancing, the Board of Retirement and its legislative bodies are holding meetings electronically and can be accessed below. Pursuant to Government Code §§ 54953(e)(2) and 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

A. Roll Call.

Chair Sedell called the Disability meeting of February 7, 2022, to order at 9:00 a.m.

Roll Call:

Trustees Present: Aaron Grass, Art Goulet, Cecilia Hernandez-Garcia, Steven Hintz, Tommie Joe, Kelly Long, Sim Tang-Paradis, Robert Ashby, Mike Sedell.

Trustees Absent: Jordan Roberts, Will Hoag

Chair Sedell said pulled the Minutes of Business Meeting of January 24, 2022, from the Consent Agenda due to pending corrections, and moved item VI.A., "Reconsideration of Circumstances to Enable Board to Hold Meetings via Teleconference Under the Provisions of Government Code Section 54953, Subdivision (e), of the Ralph M. Brown Act, Due to State of Emergency and Consider Authorization for Continued Remote Teleconference Meetings," before item II, "Approval of Agenda," to allow the Board to hold today's meeting via teleconference.

The Board then advanced to item VI.A, "Reconsideration of Circumstances to Enable Board to Hold Meetings via Teleconference Under the Provisions of Government Code Section 54953, Subdivision (e), of the Ralph M. Brown Act, Due to State of Emergency and Consider Authorization for Continued Remote Teleconference Meetings."

II. APPROVAL OF AGENDA

MOTION: Approve as Amended.

Moved by Long seconded by Tang-Paradis

Vote: Motion carried

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

No: -

Absent: -

Abstain: -

III. CONSENT AGENDA

A. Minutes of Business Meeting of January 24, 2022.

Ms. Webb provided the following corrections to the minutes of January 24, provided by Trustee Goulet: Master Page (MP) 12, first paragraph, change the word "usual" to "unusual"; in same paragraph, the phrase, "all retirees in Tier I the Safety member's that retired before April 1, 2022," should be corrected to say, "all Tier I and Safety members who retired before April 1, 2022." On MP 14, second paragraph, the word "enter" should be "entered." Lastly, staff would need to correct the time that the Board had adjourned the meeting out of Closed Session.

Trustee Joe provided an additional correction: on MP 10, in the last sentence of the last paragraph, the word “closes” should say “closed.”

Trustee Joe noted that the minutes stated that staff would have an internal meeting to discuss cyber security and progress made with Gartner. He asked when the Board should expect to receive that report.

Ms. Webb responded that VCERA’s Chief Technology Officer (CTO) would be making an open session presentation on cyber security to the Board in March on the issues and topics that were not confidential.

Ms. Nemiroff added that while the Brown Act did allow for closed session meetings to be held for certain security issues, those issues would have to be related to threats to infrastructure and provision of public services, such as gas and electric and other essential public services. Therefore, the provisions did not cover provision of retirement benefits and cyber security related thereto. However, the Bagley-Keene Act did have such an exemption, and she had spoken to Trustee Goulet about approaching the SACRS Legislative Committee to see if they were interested in considering proposal of an amendment to the Brown Act to more closely match the Bagley-Keene Act in that regard, which would allow the Board to hold closed session meetings to discuss cyber security threats in the future. The Board was currently limited in that, if staff discovered that member data was unlawfully accessed, then the Board could hold a closed session meeting to discuss that situation under the litigation exceptions if it were determined that there was a significant exposure to litigation that resulted from the breach of data, or if the Board believed there was cause to initiate litigation because of someone’s negligence or error that caused that breach. The bottom line was, unless there was a specific breach or suspicion of a breach, which met the litigation exception requirements, staff could not plan a closed session meeting to provide the Board with a report on VCERA’s cyber security weaknesses and plans to resolve those weaknesses. Those general discussions would need to occur in open session, or they could be reported to the Board in a confidential memorandum that would not be discussed in an open session.

Trustee Joe asked if it had been decided whether the presentation to the Board would be done in a public meeting or in the form of a confidential memorandum, and if so, when would it be presented.

Ms. Webb said staff was planning to make a presentation in a public meeting on general principles of cyber security in open session, but staff could also provide the Board with a confidential memo on cyber security in the event of a security concern or breach.

Ms. Oliver said her planned presentation to the Board was to be a high-level cyber security presentation to discuss some of the current cyber security threats and trends that were happening in the world. However, discussing VCERA’s cyber security position in an open session was contrary to best practices and could potentially leave VCERA vulnerable. Neither she, Gartner, nor colleagues in other systems recommended it.

Trustee Joe also asked if she would discuss the progress she had made with Gartner during her upcoming presentation, to which Ms. Oliver yes, she planned to discuss Gartner’s assistance and guidance in helping her develop a cyber security plan for VCERA.

Trustee Goulet remarked that if a confidential memo would only be provided to the Board in the event of a data breach, his concern was in learning what VCERA’s particular vulnerabilities were, which the Board would not want to discuss in open session.

Chair Sedell said that the Board may need to bring the cyber security issue back at the next meeting, given that it was not on the agenda.

Ms. Webb said that staff could bring this item back at the next meeting as an old business item so that the item was agendized.

MOTION: Approve the Minutes as Amended.

Moved by Long seconded by Roberts

Vote: Motion carried

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

No: -

Absent: -

Abstain: -

IV. RECEIVE AND FILE PENDING DISABILITY APPLICATION STATUS REPORT

MOTION: Receive and File Pending Disability Application Status Report.

Moved by Roberts seconded by Grass

Vote: Motion carried

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

No: -

Absent: -

Abstain: -

V. APPLICATIONS FOR DISABILITY RETIREMENT

A. Application for Service-connected Disability Retirement – Myers, Christopher; Case No. 18-015.

1. Proposed Findings of Fact and Recommended Decision to Deny the Application for Service-connected Disability, filed by Hearing Officer Deborah Wissley, dated November 29, 2021.
2. Applicant's Objections to the Hearing Officer's Proposed Findings of Fact and Recommended Decision, filed by Jane Oatman, Attorney for Applicant, dated December 8, 2021.
3. Response to Applicant's Objections to the Hearing Officer's Proposed Findings of Fact and Recommended Decision, filed by Stephen D. Roberson, Attorney for Respondent, dated January 7, 2022.
4. Application for Service-connected Disability Retirement, filed by Applicant, dated May 9, 2018.
5. Hearing Notice, dated January 24, 2022.

Stephen Roberson, Attorney at Law, and Catherine Laveau were present on behalf of County of Ventura-Risk Management. Josiah Vencel was present on behalf of VCERA. Jane Oatman, Attorney at Law, was present on behalf of applicant, Christopher Myers, who was also present.

Ms. Oatman made a brief summary statement.

Mr. Roberson also made a brief summary statement.

Trustee Long left the meeting at 9:26 a.m., before the vote on the item.

MOTION: Adopt the Hearing Officer's Proposed Findings of Fact and Conclusions of Law, and Recommended Decision to Deny the Application for Service-connected Disability.

Moved by Roberts seconded by Goulet

Vote: Motion carried

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

No: Hernandez-Garcia

Absent: Long

Abstain: -

B. Application for Service-connected Disability Retirement – Labrador-Corpuz, Jane; Case No. 19-002.

1. Proposed Findings of Fact and Recommended Decision to Deny the Application for Service-connected Disability, filed by Hearing Officer Irene Ayala, dated January 17, 2022.
2. Application for Service-connected Disability Retirement, filed by Applicant, dated January 8, 2019.
3. Hearing Notice, dated January 25, 2022.

B. Derek Straatsma, Attorney at Law, and Catherine Laveau were present on behalf of County of Ventura-Risk Management. Josiah Vencel was present on behalf of VCERA. Steven R. Rosales, Attorney at Law, was present on behalf of applicant, Jane Labrador-Corpuz, who was not present.

Mr. Rosales made a brief summary statement.

Mr. Straatsma also made a brief summary statement.

Trustee Hintz left the meeting at 10:05 a.m., before the vote on the item.

MOTION: Adopt the Hearing Officer's Proposed Findings of Fact and Conclusions of Law, and Recommended Decision to Deny the Application for Service-connected Disability.

Moved by Goulet seconded by Roberts

Vote: Motion carried

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

No: -

Absent: Hintz, Long

Abstain: -

C. Application for Service-connected Disability Retirement – Hull, Robert; Case No. 16-019.

1. Employer's Statement of Position, submitted by County of Ventura-Risk Management, in support of the Application for Service-connected Disability Retirement, dated December 20, 2021.
2. Supporting Documentation for Employer's Statement of Position.
3. Application for Service-connected Disability Retirement, filed by Applicant, dated May 25, 2016.
4. Hearing Notice, dated January 28, 2022.

B. Derek Straatsma, Attorney at Law, and Catherine Laveau were present on behalf of County of Ventura-Risk Management. Josiah Vencel was present on behalf of VCERA. Thomas J. Wicke, Attorney at Law, was present on behalf of applicant, Robert Hull, who was not present.

Mr. Wicke made a brief summary statement.

Mr. Straatsma also made a brief summary statement.

MOTION: Grant the Application for Service-connected Disability Retirement.

Trustee Goulet asked when the service-connected disability retirement would be effective.

Ms. Nemiroff noted that the applicant had made a request for an earlier effective date of retirement. She believed that VCERA had previously requested that when an applicant claimed entitlement to an earlier effective date, Risk Management should address that matter in their analysis, as it was fact based. However, it was not addressed in the materials they provided. The evidence provided in Risk Management's report indicated that the applicant was not deemed permanent until months after he retired and was last compensated. So, based on the medical evidence before the Board, Ms. Nemiroff believed that the Board could determine that his effective date should be the date after the last date compensated. She also renewed staff's request to Risk Management that when an applicant claimed entitlement to an earlier effective date, Risk Management should address the matter in their analysis, because they would be in the best position to inform the Board on whether the applicant knew on the last day compensated whether his or her condition was permanent at that time. Therefore, her recommendation to the Board was that the effective date should be the date following the last day compensated, which she believed was the day after the applicant's official service retirement date.

Trustee Roberts then amended his motion to include the effective date, per the recommendation by General Counsel.

Trustee Grass agreed to the amendment of the motion.

MOTION: Grant the Application for Service-connected Disability Retirement, with Effective Date as Stated by Counsel.

Moved by Roberts seconded by Grass

Vote: Motion carried

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

No: -

Absent: Hintz, Long

Abstain: -

After the vote on this item, the Board advanced to item VII.A., "Request to Hire Interim Chief Financial Officer (CFO) for Up to 90 Days During Formal Recruitment and Appointment of New CFO."

VI. OLD BUSINESS

A. Reconsideration of Circumstances to Enable Board to Hold Meetings via Teleconference Under the Provisions of Government Code Section 54953, Subdivision (e), of the Ralph M. Brown Act, Due to State of Emergency and Consider Authorization for Continued Remote Teleconference Meetings.

RECOMMENDED ACTION: Approve.

1. Staff Letter by General Counsel.
2. Letter from Dr. Robert Levin, Ventura County Health Officer.

Ms. Nemiroff noted that the recommendation was to approve and adopt findings that it is appropriate for the Board to continue to hold its meetings via the abbreviated teleconference provisions under the Brown Act. The Board's 30-day renewal had lapsed a few days ago, so the Board needed to make these findings to authorize teleconference meetings for another 30 days and to proceed with today's meeting.

Trustee Roberts joined the meeting at 9:01 a.m., before the vote on the item.

Trustee Hoag joined the meeting at 9:03 a.m., before the vote on the item.

MOTION: Approve and Adopt Findings that the Ventura County Health Officer/Medical Director Recommends Physical/Social Distancing and Continued Remote Meetings of Legislative Bodies and Authorize Remote Teleconference Meetings of the Legislative Bodies of the Ventura County Employees' Retirement Association for the Period of February 7, 2022, Through March 4, 2022, Pursuant to Government Code Section 54953, Subdivision (E)(3).

Moved by Grass seconded by Tang-Paradis

Vote: Motion carried

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

No: Hintz

Absent: -

Abstain: -

After the vote on the item, the Board returned to item II, "Approval of Agenda".

VII. NEW BUSINESS

A. Request to Hire Interim Chief Financial Officer (CFO) for Up to 90 Days During Formal Recruitment and Appointment of New CFO.

RECOMMENDED ACTION: Approve.

1. Staff Letter by Retirement Administrator.
2. Job Classification.
3. Letter from Ms. Susan G. Davis.
4. Resume of Susan G. Davis.
5. Supplement Request for Direction on Identification and Engagement of Professional Recruitment Firm for Vacant Senior Management Positions.

Ms. Webb said that VCERA's CFO, Henry Solis, was retiring and acknowledged his long service to VCERA and the County of Ventura. Given the nature of the responsibilities and critical nature of the position, it was important to appoint an Interim CFO with high-level experience in public pension plan accounting. After Mr. Solis had announced his plan to retire, she reached out to a former colleague, Susan Davis, to see if she was available for such an appointment, being well acquainted with her experience and qualifications. Ms. Davis had indicated her willingness to accept the temporary position, for up to 90 days, to allow VCERA time to recruit a new CFO and permanently fill the vacancy. Therefore, Ms. Davis's resume was in the accompanying materials, and she was in attendance to answer any questions from the Board.

Ms. Webb also noted that the supplemental request from staff was to request direction from the Board on how to proceed with the recruitment. There were three options on how they could proceed: 1. VCERA staff could handle the recruitment themselves; 2. VCERA could engage a qualified firm to perform a professional recruitment; or 3. VCERA could issue a Request for Proposal (RFP) for recruitment firms. Also, the Board could delegate the recruitment to Ms. Webb and set a specific maximum dollar amount, in which case she would either have staff do the recruitment or engage a professional recruitment firm. However, the cost to engage some professional firms that specialize in recruitments for retirement plans usually required their clients to pay a percentage of the position's anticipated first-year salary, as well as other fees, and therefore it could be very costly. Given that VCERA already had a job description for the position, staff could put together a recruitment brochure and have the job opening posted by the County of Ventura, on the State Association of California Retirement Systems (SACRS) and the California Association of Public Retirement Systems (CALAPRS) websites, and direct mailings.

Trustee Hintz returned to the meeting at 10:29 a.m., before the vote on the item.

Chair Sedell said that he would be concerned with adding this item to staff's current workload, but he also understood that using professional recruitment firms, though beneficial, can be expensive. Therefore, it was a decision that he believed the Retirement Administrator should make.

Ms. Webb said that she believed that staff could do a quick recruitment themselves, as they had just updated the CFO's job description, which was one of the services that a professional firm would provide. Staff also had the ability to generate a recruitment brochure, much like they have done in the past, and staff could also interview and rank the candidates with the help of any trustees that the Board wanted to delegate for that task. She felt that the most critical step would be in getting the recruitment posted in such a way that it reached the most qualified candidates. However, she would like to have the flexibility to use the best approach.

Trustee Hoag left the meeting at 10:20 a.m., during discussion of the item.

Chair Sedell then said that her request gave a bifurcated way to proceed. So, he felt that the Board could give Ms. Webb the authority to have staff do the recruitment first, within a certain dollar amount, but with the option for her to use a professional firm, if needed.

MOTION: Approve Recommendation to Authorize Hiring Susan Davis as Interim Chief Financial Officer for a Period Not Exceeding 90 Days at a Rate of Compensation Equivalent to \$215,040.86, with an Additional 22%-24% Markup to Linea; and to Authorize the Retirement Administrator to Perform the CFO Recruitment, with the Option to Spend up to \$50,000 to Engage a Professional Recruitment Service.

Moved by Grass seconded by Tang-Paradis

Vote: Motion carried

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

No: -

Absent: Long

Abstain: -

VIII. INFORMATIONAL

None.

IX. PUBLIC COMMENT

None.

X. STAFF COMMENT

Ms. Webb said that staff was still doing an outstanding job working remotely, and they would be operating this way through the month of February.

XI. BOARD MEMBER COMMENT

Chair Sedell expressed his appreciation to CFO Henry Solis for all that he had done for VCERA and the Board. He said that Mr. Solis had dealt with some very complex issues in an efficient and accurate way, which all of the outside auditor reports reflected.

Mr. Solis thanked the Board, VCERA and the County of Ventura for their support during the course of his career.

Trustee Hintz congratulated Mr. Solis on his retirement.

Trustee Ashby said that he had known Mr. Solis for a long time and appreciated all of his hard work. He also said that it was a pleasure to work with Mr. Solis.

Ms. Webb said that, as the Board knew, Mr. Solis had been filling in as the Interim Retirement Administrator during her recent absence while still performing his normal duties as the CFO. He had initially planned to retire some time ago, but he decided to stay on and maintain leadership of VCERA's financial operations a little longer, and staff wished him the best.

XII. ADJOURNMENT

The Chairman adjourned the meeting at 10:34 a.m.

Respectfully submitted,



LINDA WEBB, Retirement Administrator

Approved,



MIKE SEDELL, Chair