

VENTURA COUNTY EMPLOYEES' RETIREMENT ASSOCIATION

BOARD OF RETIREMENT

DISABILITY MEETING

SEPTEMBER 13, 2021

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
Aaron Grass, Safety Employee Member
Kelly Long, Public Member
Tommie E. Joe, Public Member
Sim Tang-Paradis, Public Member
Robert Ashby, Alternate Safety Employee Member
Will Hoag, Alternate Retiree Member

**TRUSTEES
ABSENT:**

Cecilia Hernandez-Garcia, General Employee Member

**STAFF
PRESENT:**

Linda Webb, Retirement Administrator
Lori Nemiroff, General Counsel
Henry Solis, Chief Financial Officer
Leah Oliver, Chief Technology Officer
Josiah Vencel, Retirement Benefits Manager
Nancy Jensen, Retirement Benefits Specialist
Brian Owen, Sr. Information Technology Specialist
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 Sedell called the Disability meeting of September 13, 2021, to order at 9:02 a.m.

Roll Call:

Trustees Present: Mike Sedell, Art Goulet, Steven Hintz, Jordan Roberts, Aaron Grass, Kelly Long, Tommie Joe, Sim Tang-Paradis, Will Hoag, Robert Ashby.

Trustees Absent: Cecilia Hernandez-Garcia.

II. APPROVAL OF AGENDA

Chair Sedell said he anticipated public comment on agenda item, VI.A., *Staff Update on Assembly Bill 826, Impact, and Next Steps*. He asked if the other Board members would like to move that agenda item up to be heard following the Disability Status Report.

MOTION: Move Up Agenda Item, VI.A., Staff Update on Assembly Bill 826, Impact, and Next Steps.

Moved by Long seconded by Grass

Vote: Motion carried

Yes: Grass, Hintz, Joe, Long, Roberts, Tang-Paradis, Ashby, Sedell

No: Goulet

Absent: Hernandez-Garcia

Abstain: -

MOTION: Approve the Agenda as Amended.

Moved by Hintz seconded by Long

Vote: Motion carried

Yes: Grass, Hintz, Joe, Long, Roberts, Tang-Paradis, Ashby, Sedell

No: Goulet

Absent: Hernandez-Garcia

Abstain: -

III. APPROVAL OF MINUTES

A. Business Meeting of July 26, 2021.

Trustee Goulet provided the following corrections to the minutes: on Master Page 11 (MP), the words, "flexible credit benefit" should be changed to "flexible benefit allowance". In the 2nd paragraph, change the 3rd line to read, "employee plus 2 or more dependents flexible benefit allowance was made available to everyone, even though it was not selected by everyone, in which case VCERA would have an unfunded benefit. This was because VCERA would be including a benefit valued at \$600-plus without having collected contributions for it; or if VCERA collected contributions for the larger amount, then the system would be collecting considerably more from employees with fewer than 2 dependents, and from the employer, than necessary."

MOTION: Approve as Revised.

Moved by Goulet seconded by Hintz

Vote: Motion carried

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

No: -

Absent: Hernandez-Garcia

Abstain: -

Following the vote on the item, the Board advanced to agenda item, VI.A., "Staff Update on Assembly Bill 826, Impact, and Next Steps".

IV. RECEIVE AND FILE PENDING DISABILITY APPLICATION STATUS REPORT

MOTION: Receive and File.

Moved by Hintz seconded by Grass

Vote: Motion carried

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

No: -

Absent: Hernandez-Garcia

Abstain: -

V. APPLICATIONS FOR DISABILITY RETIREMENT

A. Application for Service-connected Disability Retirement—Clancy, Kevin M.; Case No. 18-010.

1. Employer's Statement of Position, submitted by County of Ventura-Risk Management, in support of the Application for Service-connected Disability Retirement, dated August 24, 2021.
2. Supporting Documentation for Employer's Statement of Position.
3. Application for Service-connected Disability Retirement, filed by Joon Y. Kim, former Attorney for Applicant, dated April 2, 2018.
4. Hearing Notice, dated September 2, 2021.

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

Mr. Straatsma made a brief summary statement.

Mr. Wicke also made a brief summary statement.

MOTION: Approve the Service-connected Disability Retirement Application.

Moved by Hintz seconded by Grass

Vote: Motion carried

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

No: -

Absent: Hernandez-Garcia

Abstain: -

- B. Application for Nonservice-connected and Service-connected Disability Retirement—Thin, Allan P.; Case No. 20-018.
1. Staff Recommendation to Grant the Application for Nonservice-connected Disability Retirement, dated September 6, 2021.
 2. Addendum A: Response to Employer's Objection to Staff's Recommendation, with Employer's Objection, submitted by County of Ventura-Risk Management, dated May 18, 2021.
 3. Addendum B: Response to Employer's Objection to Staff's Revised Recommendation, with Employer's Objection, submitted by County of Ventura-Risk Management, dated September 3, 2021.
 4. Supporting Documentation for Staff Recommendation.
 5. Application for Nonservice-connected and Service-connected Disability Retirement, filed by Applicant, dated September 2, 2020.
 6. Hearing Notice, dated September 7, 2021.

Josiah Vencel was present on behalf of VCERA. Catherine Laveau was present on behalf of County of Ventura-Risk Management. The applicant, Allan P. Thin was not present.

Mr. Vencel read a statement from the applicant's spouse and then made summary remarks on the legal standards of permanent incapacity and on staff's recommendation.

Trustee Goulet said he understood that the County of Ventura objected to VCERA staff's recommendation that the applicant be granted a Nonservice-connected Disability Retirement.

Ms. Laveau said that while she appreciated VCERA's staff reconsideration of their initial recommendation for approval of the Service-connected Disability Retirement, the County disagreed that the applicant should be granted a Nonservice-connected Disability Retirement and believed both the Service-connected Disability Application and Nonservice-connected Disability Application should go to an evidentiary hearing.

Trustee Goulet then said that because the County had objected to the Nonservice-connected Disability Retirement case and because if the Board granted it, they could be subject to a Writ of Mandate. Since the Service-connected Disability Retirement case was going to go to a hearing regardless, he saw no reason to separate the two cases.

Chair Sedell remarked that he was not concerned that the Board could be taken to court because of an action they took, because that could happen with any action they took.

MOTION: Not to Grant the Nonservice-connected Disability Retirement Application and Direct the Entire Case to an Evidentiary Hearing.

Moved by Goulet seconded by Tang-Paradis

Vote: Motion carried

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

No: -

Absent: Hernandez-Garcia

Abstain: -

Following the vote on the item, the Board advanced to agenda item, VII.A., "Periodic Review of Board Policy: Education & Travel Policy".

VI. OLD BUSINESS

A. Staff Update on Assembly Bill 826, Impact, and Next Steps.

1. Staff Letter.
2. AB 826, as Amended, August 31, 2021.
3. Letters of Objection or Concern from CERL Plans.

Ms. Webb provided an update on the status of Assembly Bill 826 (AB). She noted that AB 826 was now in an inactive status, which meant that it would not move forward in the 2021 legislative session. While staff was simply providing an informational update, she anticipated staff would bring a recommendation to the Board on September 27.

Shawn Atin, Human Resources Director, and Assistant County Executive Officer for County of Ventura, provided the following public comment on behalf of Mike Powers, Chief Executive Officer for the County of Ventura. He referenced a letter he distributed on Friday, September 10th regarding AB 826 to all of the trustees of the Board of Retirement and VCERA's administrative staff. He asked that the letter be put into the official record, including the attached letters from other stakeholders. He said the bill was placed on the inactive list at the request of the Governor's office for more time to discuss the bill with SEIU and the County of Ventura, with the goal of being considered in January 2022. Therefore, the County felt that any action on flexible benefit allowance at the time or in the near future by the Board of Retirement would be premature, at least until the next calendar year.

Chair Sedell requested that the letter and attachments from Mr. Powers be entered into the record.

Ms. Webb said that the letter and attachments would be placed on VCERA's website along with the minutes for the meeting.

MOTION: Take No Action At This Time, and Direct Staff to Provide the Board with Any and All Updates on the Issue; Bring the Item Back at the December 2021 Business Meeting for Reevaluation on Potential Action in January 2022.

Moved by Long seconded by Roberts

Vote: Motion carried

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

No: -

Absent: Hernandez-Garcia

Abstain: -

After the vote on the item, the Board returned to agenda item, IV., "Receive and File Pending Disability Application Status Report".

VII. NEW BUSINESS

A. Periodic Review of Board Policy: Education & Travel Policy.

RECOMMENDED ACTION: Approve.

1. Staff Letter.
2. Education and Travel Policy Proposed (Redline).
3. Education and Travel Policy Proposed (Clean).

Trustee Goulet said he had sent Ms. Webb a list of proposed changes and questions regarding the policy the evening before, and because it would take some time to review them, the Board should consider continuing the item, given that there was no urgency to take action on the item.

MOTION: Continue the Item to October to Allow Board Members to Submit Questions and Comments to the Retirement Administrator in the Interim.

Moved by Goulet seconded by Roberts

Vote: Motion carried

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

No: -

Absent: Hernandez-Garcia

Abstain: -

B. Request for Trustee Hernandez-Garcia to Attend the CALAPRS Virtual Principles of Pension Governance for Trustees 2021.

RECOMMENDED ACTION: Approve.

1. Staff Letter.
2. CALAPRS Virtual Principles of Pension Governance for Trustees 2021 Agenda Flyer.

MOTION: Approve.

Moved by Joe seconded by Grass

Vote: Motion carried

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

No: -

Absent: Hernandez-Garcia

Abstain: -

- C. Request for Authorization for Board General Counsel's Attendance at NAPPA Winter Seminar, October 5th – 7th, 2021, Tempe, AZ.

RECOMMENDED ACTION: Approve.

1. Staff Letter.
2. NAPPA 2021 Winter Seminar Agenda.

MOTION: Approve.

Moved by Grass seconded by Joe

Vote: Motion carried

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

No: -

Absent: Hernandez-Garcia

Abstain: -

VIII. INFORMATIONAL

- A. SACRS Legislative Update – August 2021.
- B. SACRS Legislative Update – September 2021.
- C. SACRS Fall Conference 2021 Information.
- D. CALAPRS Principles of Pension Governance for Trustees 2021 – Announcement.
- E. ILPA Institute: Private Equity for the Trustee – Announcement.

IX. PUBLIC COMMENT

None.

X. STAFF COMMENT

Ms. Webb said that most of VCERA's staff was working remotely again as a result of the most recent health order, though staff members could work from the office if they chose to, as staff's workstations met the local health order requirements for working unmasked. She reminded the Board that several policies were overdue for review and she would then be sending the current versions to the Board members to obtain any feedback prior to formal presentation and review.

XI. BOARD MEMBER COMMENT

Trustee Hintz said that at the next Board meeting he would be proposing the Board receive a detailed account of VCERA's investments in companies based in the People's Republic of China. Further, if such a motion were passed, he would then move to bar future investments in companies based in China, as well as to direct the divestiture of existing investments in China, as reasonably appropriate. He said he was hopeful that one of the Board members who previously voted in favor of the

investment in Bain Capital's Special Situations Asia Fund II would move for reconsideration of that investment, as he was unable to because he had voted against it.

Trustee Goulet said that he had previously asked the other Board members to send him their comments and suggestions regarding the budget process for consideration at the next Finance Committee Meeting and had not received any comments thus far. He then said he had received notice that morning of a new Assembly Bill, which proposed to amend CERL Section 31461 which pertained to compensation earnable and appeared to make the action that the Board took to limit the flexible benefit allowance in the event that it is determined that it was appropriate to be included in compensation earnable moot. The bill was AB 498, which would be taken up next year by the Senate.

Trustee Long requested that staff provide a report on VCERA's investments by country and not just China, so that she could get an overall view of VCERA's investments.

Ms. Webb said that staff would make Trustee Long's request a part of Trustee Hintz's action item for the next agenda.

MOTION: Adjourn the Disability Meeting of September 13, 2021.

Moved by Long seconded by Joe

Vote: Motion carried

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

No: -

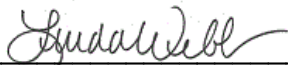
Absent: Hernandez-Garcia

Abstain: -

XII. ADJOURNMENT

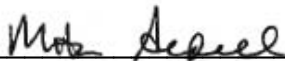
The Chair adjourned the meeting at 10:38 a.m.

Respectfully submitted,



LINDA WEBB, Retirement Administrator

Approved,



MIKE SEDELL, Chair