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**MINUTES OF THE BOARD OF RETIREMENT**

**REGULAR MEETING**

April 12, 2006

Wisteria Room at the Casa Nueva  
260 N. San Antonio Rd.  
Santa Barbara, California 93110

1. **ROLL CALL** 9:04 a.m.  
Members Present: Bobolia, Doré, Gallas, Gray, James, Kendig, McCammon, Silsbury, Terris  
Alternates: Bible, Bruns  
Counsel: Czuleger, Blakeboro  
Clerk: Strong

Let the record show that the order of the agenda was changed to order recorded herein. Recessed for lunch 12:09 – 12:30 p.m.

**PUBLIC COMMENT PERIOD**

2. None

**MINUTES**

**MOTION:** Approve Minutes of Regular Board meeting of March 8, 2006 with correction to item 4 changing the word “visioning” to “mission”.

**INVESTMENTS**

4. **MOTION:** Commit \$30 million, which is less than 2% of SBCERS portfolio assets, to Lexington Capital Partners VI’s Secondary Market Private Equity Fund-of-Funds for the following reasons:

1. It is the first step towards fulfilling the Board’s policy of allocating 5% to private equity; and,
2. LCP VI targets a 20% projected IRR to investors; and,
3. Since inception in 1996, Lexington has consistently outperformed the market’s median IRR year after year by 3.7% to 31.5%; and,
4. Since inception, Lexington has ranked in the top quartile of the market, except they ranked in the second quartile for LCP II; and,



**DISABILITIES**

**TIME CERTAIN OF 11 A.M.**

21. In the matter of the application for disability retirement of Dianne Abbott: CONTINUED from February. After considering Proposed Findings of fact, Conclusions of Law and recommended Decision and the Supplemental Report of the referee, remarks by the applicant’s counsel, Russell Ghitterman and discussion:

MOTION: Refer back to the referee for further proceedings, for reconsideration of financial ability to pay for treatment, and whether a service or nonservice connection applies.

Kendig/no second Failed

MOTION: Grant a nonservice-connected disability retirement subject to re-evaluation in two years and refer the issue of service connection back to referee.

Silsbury/Terris (withdrew second) subsequently seconded by Gallas Approved by following vote: Yes: Bobolia, Gallas, James, McCammon, Silsbury, Terris

No: Doré, Kendig

Abstain: Gray

28. In the matter of the application for disability retirement of Catherine Van Vuuren:

After listening to remarks of applicant’s counsel, Russell Ghitterman:

MOTION: Consider all the pertinent information and deny the application for service-connected disability retirement, subject to the timely request for a hearing.

Silsbury/McCammon Approved by voice vote

22. In the matter of the application for disability retirement of Linda Austin: Represented by counsel, Mark Singer.

MOTION: Consider the Proposed Findings of Fact, Conclusions of Law and Recommended Decision and approve and adopt said report to grant the application for service-connected disability retirement.

Terris/McCammon Approved by voice vote

24. In the matter of the application for disability retirement of Cynthia Lapham: Applicant’s counsel, Mark Singer addressed the Board.

MOTION: Consider all the pertinent information on the application for service-connected disability retirement and deny the request for service-connected disability retirement subject to the request for an evidentiary hearing

Kendig/Terris Approved Yes: Bobolia, Doré, James, Kendig, McCammon, Silsbury, Terris

Abstain: Gallas, Gray

25. In the matter of the application for disability retirement of Allan Meskimen: Applicant’s counsel Mark Singer addressed the Board.

MOTION: Consider all the pertinent information and refer the application for service-connected disability retirement for a hearing.

Terris/Bible Approved Yes: Bobolia, Doré, Gallas, Gray, James, Kendig, Bible, Silsbury, Terris

29. In the matter of the application for disability retirement of James Ruckle: After considering remarks of applicant's counsel, Mark Singer  
MOTION: Consider all the pertinent information and deny the application for service-connected disability retirement, subject to the timely request for a hearing.  
Terris/McCammon Approved Yes: Bobolia, Doré, Gallas, Gray, Kendig, McCammon, Silsbury, Terris  
Abstain: James

23. In the matter of the application for disability retirement of Irma Castro: CONTINUED from March at the request of the applicant.  
MOTION: Make the effective date November 22, 2002, the last day worked.  
Terris/Gallas Approved Yes: Bobolia, Doré, Gallas, James, Kendig, McCammon, Silsbury, Terris  
Abstain: Gray

26. In the matter of the application for disability retirement of Cathy Rucker:  
MOTION: Consider all the pertinent information and deny the application for service-connected disability retirement, subject to the timely request for a hearing.  
Bobolia/McCammon Approved Yes: Bobolia, Doré, Gallas, James, Kendig, McCammon, Silsbury, Terris  
Absent: Gray

Let the record show that Trustee Gray excused herself because she knows applicant.

27. In the matter of the application for disability retirement of Mary Ann Scheurich:  
MOTION: Adopt the Findings of Fact, Conclusions of Law and Decision granting a nonservice-connected disability retirement.  
Kendig/Terris Approved by voice vote

30. MOTION: Receive and file disability applicant status report.  
Kendig/Terris Approved by voice vote

## BOARD

9. Consider and approve the proposed Mission Statement for SBCERS Direction from Chair to revise as commented and return next month with changes.

10. MOTION: Establish a policy that uses the salary on the last day of work as the basis for determining the final compensation for members who have leaves of absence during the period for which we are computing their Final Average Salary and that the policy be applied prospectively.  
Silsbury/Doré Approved Yes: Bobolia, Doré, Gray, James, Kendig, McCammon, Silsbury, Terris  
Abstain: Gallas

11. MOTION: Authorize the Administrator to renew the Care Counsel service agreement for \$2.75 per month per subscriber for fiscal year 2006-07  
Terris/Bobolia Approved by voice vote

12. MOTION: Request that Santa Barbara County be included in amendment to Government Code Section 31486.3 to allow the Board of Supervisors to determine which types of service credit a member is allowed to purchase.  
Terris/Gallas Approved by voice vote

13. MOTION: Adopt Signature Authority Resolution for Lila Deeds, the Assistant Retirement Administrator, to execute documents for the System.  
Gray/Bobolia Approved by voice vote

14. MOTION: Direct the administrator to have the actuary cost the distributions that the Retired Association has requested as part of the June 30, 2006 actuarial valuation.  
Bobolia/Terris Approved by voice vote

15. MOTION: Authorize sending a letter to the Securities and Exchange Commission on Reporting of Executive Compensation with modifications discussed.  
Terris/Silbury Approved by voice vote

16. Consider Expansion of SBCERS Actuary's Scope of Work – CalPERS Comparison  
MOTION: CONTINUE to next month and delete # 4 & 5 in report presented today  
Terris/Gray Approved by voice vote

17. MOTION: Authorize Delegate to cast ballot for SACRS nominations for slate presented by the Nominating committee  
Kendig/Gray Approved by voice vote

18. MOTION: Receive and file SACRS Legislative Committee Update – March 2006 meeting and direct the Retirement Administrator to post this report on the SBCERS website.  
Terris/Gray Approved by voice vote

19. Discuss and resolve Trustee Communications Policy  
MOTION: Eliminate item 3 a & b of the communications policy  
Terris/Bobolia Failed Yes: Bobolia, Kendig, Terris  
No: Doré, Gray, James, McCammon, Silsbury  
Abstain: Gallas

After considerable discussion, Chair directed that further action be deferred to next meeting and bring in facilitator, Angela Antenore

20. Board comment on non-agenda items
- Operations Committee set date of April 20 from 9 – 11 a.m. to go over Bylaws
  - Disability Committee discussed setting meeting dates
  - Trustee Doré spoke about attending the Stanford/CALAPRS course Principles of Pension Management and concerns about using County Counsel as Board counsel

**ADMINISTRATOR**

31. Administrator’s Report

- c. Presented terms of Santa Maria office lease negotiations ongoing. *Received direction to continue negotiations and bring back lease at next meeting*
- a. Portfolio Status Report including comments that RREEF America II is funded
- b. Reported on Vector Control District requesting actuarial information for a study they are requesting from CALPERS to possibly provide service

32. Present items to Administrator for future agenda consideration

- Chair requests voting instruction on SACRS issues
- Trustee Doré requests discussion of outside counsel
- Actuarial Comparison proposed by Board of Supervisors
- Mission Statement
- Lease of Santa Maria office
- Update status report to add new managers

33. MOTION: Receive and file Retirement Report

	<u>Name</u>	<u>Retirements</u> <u>Dept.</u>	<u>Service Credit</u>	<u>Sick</u> <u>Leave Credit</u>	<u>ARC</u>
D	Edward Bromley	Solid Waste	9.38077	0.24059	
D	Elbert Faust	Probation	12.06105	0.12654	
	Maurice Alston, Jr.	District Attorney	17.30734	0.30688	
	Sandra Davis	Probation	27.13431	0.03417	
	Enrique De la Cruz	Social Services	13.22239	0.00046	
	Becky Lange	Child Support Svcs.	20.82216	0.37935	
	Tom Parsai	Treasurer	11.09066	0.00179	
D	Nancy Minick	Planning	17.36486	0.18740	
	Mary Scheurich	ADMHS	5.09548	0.00016	
	Frances Zermeno	Public Health	7.45032	0.00038	
D	John Diego	Job Training Network	21.32390	0.41801	
	Margaret Keep	Courts	16.48238	0.31151	
	David Romano	APCD	17.49184	0.47645	1.00

D=Deferred  
R=Reciprocal

McCammon/Bobolia Approved by voice vote

Adjourned at 2:36 p.m.

ATTEST:

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Clerk of the Board of Retirement

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Chair

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Secretary