



Oscar Peters
Retirement Administrator

**MINUTES OF THE BOARD OF RETIREMENT
REGULAR MEETING**

July 12, 2006

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

1. ROLL CALL 9:03 a.m.
Members Present: Bobolia, Doré, James, Kendig, McCammon, Silsbury, Terris
Members Absent: Gallas, Gray
Alternate Present: Bruns
Alternate Absent: Bible
Counsel: Czuleger, Blakeboro
Clerk: Strong

Let the record show announcement to correct agenda that time certain for disabilities is to 11:30 p.m. and minutes are for June 7 meeting. Items were heard in the order recorded herein. Brief recesses with a lunch break from 11:56 a.m. – 12:32 p.m. were held. Ms. Gray arrived at 9:13 a.m. and left at 5:30 p.m. Mr. Dore was absent from 3:06 p.m. – 3:20 p.m. and left at 5 p.m. Ms. Silsbury left 4:59 p.m.

PUBLIC COMMENT PERIOD

2. None

MINUTES

3. MOTION: Approve Minutes of Regular Board meeting of June 7, 2006 with correction to item 3 which did not record maker of motion/second and vote: Terris/Kendig Approved by voice vote of all present.

Terris/Bobolia Approved by unanimous vote of all members present
Absent: Gallas, Gray

INVESTMENTS

4. Interview and select from the following candidates for Real Return manager. The Aetos Capital presentation was made by Anne Casscells, chief investment officer and Andrea Bollyky, head of client relations . The Arden Asset management presentation was made by Henry Davis, Managing Director. The Pimco presentation was made by John Miller, account manager with Pimco and Jason Hsu, manager of research and investment management at

Research Affiliates. Action was trailed to later in the meeting to accommodate hearing of disability items at their time certain.

DISABILITIES

6. In the matter of the application for disability retirement of Arlene Cohen:

MOTION: Continue to August meeting at the request of applicant's counsel.

Terris/Bobolia Approved by unanimous vote of all members present

Absent: Gallas

7. In the matter of the application for disability retirement of Jeannie Zoppo:

MOTION: Deny the application for service-connected disability retirement, subject to a timely request for a hearing.

Terris/Silsbury Approved by unanimous vote of all members present

Absent: Gallas

5. In the matter of the application for disability retirement of Dianne Abbott: CONTINUED from June. After considering the Second Supplemental Report of the referee and timely filed objections and comments of applicant's counsel:

MOTION: Refer back to the referee for analysis and discussion of medical reports as related to causation

Kendig/Gray Approved by unanimous vote of all members present

Absent: Gallas

CONSENT AGENDA

C-1 Receive and file report from PCA on Core Plus Fixed Income Manager Search

C-2 Receive and file SACRS year 2007 legislative timelines

C-3 Extend jurisdiction of referee in hearing to August 25 to issue report due to time delays caused by employer's exploration of reasonable accommodation options regarding application for disability retirement of Jane Ciacio

C-4 Extend jurisdiction of referee at request of the applicant to October 20, 2006 in hearing regarding application for disability retirement of Bridget Hurtado

C-5 Extend jurisdiction of referee at the request of all parties to October 31, 2006 in hearing regarding application for disability retirement of Timothy Lacefield.

C-6 Extend jurisdiction of referee at the request of all parties to November 15, 2006 in hearing regarding application for disability retirement of James Ruckle

C-7 Adopt the Findings of Fact, Conclusions of Law and Decision granting a non-service connected disability retirement to Adria DiMaria.

C-8 Adopt the Findings of Fact, Conclusions of Law and Decision granting a service-connected disability retirement to Dominique Gilbert

C-9 Adopt Findings of Fact, Conclusions of Law and Decision denying a service-connected disability retirement to Darin Siegel

C-10 Grant applicant's request to Dismiss without prejudice the application for disability retirement of Glenn Odell

C-11 Receive and file the Disability Applicant Status Report with revisions to Andrews – Superior Court case was dismissed; Bolas – set for hearing in September

C-12 Authorize Trustee Kendig, along with up to two other interested trustees, to attend the Opal Financial Group’s Alternative Investing Summit, December 3-5, 2006 at Laguna Niguel and reimburse any reasonable expenses.

C-13 Receive and file report of Trustee Kendig from the Institute for Fiduciary Market Makers Seminar on June 25-28, 2006 at Laguna Beach

C-14 Authorize Trustee Kendig to attend and speak at the Information Management Network 4th Alternative Investment Summit on October 16-17, 2006 at San Francisco and reimburse any reasonable expenses

C-15 Adopt 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>
	Dianne Abbott	ADMHS	6.77340	0.00037	
D R	Mark Coronado	Sheriff	1.45167	0.00000	
D R	Michael Foster	Sheriff	4.03836	0.00000	
D	Karen Furnish	Health Care	9.97732	0.00000	
D	Paul Runyon	Courts	24.94002	0.06942	
	David Eden	Fire	25.48015	0.00191	

D=Deferred

R=Reciprocal

Before adopting the consent agenda Board member with concerns made the following requests:

C3- Trustee Terris requested that the motion be expanded for clarification to include the language underlined in the adopted motion.

C10- Trustee Terris requested that the motion be expanded for clarification to include the language underlined in the adopted motion.

C11- Chair James asked that the disability status report be amended to clarify that Andrews superior court case be dismissed and that the Bolas case had a status of setting hearing for September.

MOTION: Adopt the consent agenda as amended. The amendments are underlined in the motions.

Gray/Terris Approved by unanimous voice vote of all members present.

Absent: Gallas

INVESTMENTS

4. Interview and select Real Return manager (trailed from earlier in the meeting)

MOTION: Allocate \$30 million to Arden as a Real Return manager based on low correlation to major market factors and 13-year performance history.

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

Absent: Gallas

BOARD

8. Review, revise if appropriate and adopt the revised Bylaws recommended by the Operations Committee and forward to the Board of Supervisors for adoption.

Trustee Terris as chair of the operations committee discussed issues that had arisen in the final draft review by Board members. As a result additional changes to draft revised bylaws were recommended. The changes were:

- Page 2, item D delete “appoint another person”;
- Page 4 Article IV item 400 add to first sentence “with the exception of permanent part-time employees working 40 hours per pay period” as adopted by the Board of Supervisors;
- page 12 item 706 strike “which shall be subject to the provisions of section 701” and state “Once the Board approves ad hoc committee the Chair of the Board shall appoint committee members and appoint the chair of that committee.”

The Committee had also left the question of the need to add the Office of Treasurer to Board officers. The consensus of the Board was that the position was not needed for current structure. The Board then discussed the impact on operations by the elimination of some of the operating procedures that were in the current bylaws. The Administrator indicated that they would become interim administrative procedures for the Department.

MOTION: Approve the Bylaws as amended and forward to the Board of Supervisors for adoption. Sections removed from Bylaws will be interim administrative policies until revised.

Kendig/Bobolia Approved by voice vote
Absent: Doré, Gallas, Silsbury

9. Make a finding that compensation received for standby duties will constitute compensation earnable and be included in final compensation effective April 24, 2006 (or other date specified by Board)

MOTION: Postpone to review in light of Government Code §31515.5 and clarify whether actuary’s report addresses the Unfunded Accrued Actuarial Liability created by having the change affect all past service; also provide the number of employees affected, by department.

James/Terris Approved by voice vote
Absent: Doré, Gallas, Silsbury

ADMINISTRATOR

10. Administrator’s Report Receive and file:

- a. Portfolio Status Report
- b. Change in Procedure for Retired Health Insurance self-pay
- c. Department Operations

Chair directed Administrator to continue with counsel Harvey Leiderman, who left the firm of Steefel, Levitt, & Weiss and went to Reed Smith, in the matter of the 401(h) negotiations

11. Present items to Administrator for future agenda consideration

- 1) Trustee Bobolia suggested proposing legislation to raise stipend for trustees compensated to attend meetings
- 2) Trustee McCammon wants to invite Sue Paul to make a presentation on broad banding of County employees and bonuses; get copy of the actuarial report

Adjourned at 5:35 p.m.

ATTEST:

Clerk of the Board of Retirement

Chair

Secretary