

**SANTA BARBARA COUNTY
EMPLOYEES' RETIREMENT SYSTEM**

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Oscar Peters
Retirement Administrator



BOARD OF RETIREMENT

Chair – Bernice James
Vice Chair – Joni Gray
Secretary - Donald Kendig
George Bobolia
Joseph Gallas
Julie McCammon
Vanessa Patterson
Shawn Terris
Ronald Bruns
Frederick Tan

**MINUTES OF THE BOARD OF RETIREMENT
SPECIAL MEETING
September 19, 2008
Wisteria Room at Casa Nueva
260 N. San Antonio Rd.
Santa Barbara, California**

ROLL CALL 9:03 a.m.

Members Present: Bobolia, Gallas, James, Kendig, McCammon
Members Absent: Gray, Patterson, Terris
Alternates Absent: Bruns, Tan
Counsel: Blakeboro
Clerk: Bignell

Trustee Patterson arrived at 9:05 a.m., and left at 12:00.

PUBLIC COMMENT

There was no general public comment.

INVESTMENTS

1. Receive presentations from the following finalist candidates, and select a new Developed Markets investment manager:

Sarah Bernstein, Principal, Pension Consulting Alliance (PCA), introduced the finalist candidates.

- a. Lord Abbett

Kristen V. Harper, Director of Public Fund Services; Harold E. Sharon, Partner and Director; and Daria L. Foster, Managing Partner; presented for Lord Abbett and answered questions from the Board.

b. PanAgora

Robert Job, Head of Business Development; and Ronald Hua, Chief Investment Officer/Head of Research, Equity; presented for PanAgora and answered questions from the Board.

Neil Rue, Managing Director, PCA, addressed issues raised by the Board.

MOTION: Allocate the International Developed markets active allocation into thirds to New Star, our existing active manager and product, Lord Abbett, International Core, and PanAgora, Dynamic International Equity - Enhanced, in recognition that the three managers all practice disciplined decision-making, control their growth, and apply risk management at every level of decision making.

Kendig/Patterson

Approved.

Yes: Bobolia, Gallas, James, Kendig,
McCammon, Patterson

Absent: Gray, Terris

2. Consider Resolution to (a) adopt a Retiree Medical Health Trust Account for the County of Santa Barbara and Participating Employers, pursuant to Government Code Sections 31694, et seq., to establish, administer and invest a Sec. 401(h) Account on the books of the retirement system; (b) adopt Regulations Governing Payment of Retiree Health Benefits from a 401(h) Account; and (c) enter into an Agreement with the County of Santa Barbara regarding pending litigation, maintaining the status quo and providing for notice of proposed changes in the status quo; and authorizing the Chair to execute the Agreement

Fiduciary and Legal Counsel, Harvey Leiderman, participated by conference phone.

Counsel Blakeboro summarized the following disclosures regarding Board Members with non-disqualifying financial interests in retiree healthcare:

George Bobolia- Retired Member

A retiree of the System; spouse also a retiree of the System

Joseph Gallas- Appointed Member

Son an active member of the System

Joni Gray- Appointed member

An active member of the System; a member of the County Board of Supervisors, the primary plan sponsor

Bernice James- Ex-Officio Member (Treasurer)

An active member of the System; spouse a retiree of the System

Donald Kendig- Elected General Member

Management employee with APCD; an active member of the APCD plan

Julie McCammon- Elected Safety Member

An active member of the System; a member of the Sheriffs Managers Association; spouse also an active member; other close family members receiving benefits through the System

6/30/07 to include only the Contingency Reserve (\$21,620,214), and \$9,400,000 for payment of the \$15 health subsidy during the period 7/1/07 – 9/1/08 and payment of the \$4 cash benefit during the period 7/1/07 – 12/1/08, as may be necessary; and (b) establishing an Undesignated Earnings Reserve as a valuation asset and transferring the balance of the former Health Coverage Reserve (\$84,130,416) to the new account effective 6/30/07.

Kendig/Gallas

Approved.

Yes: Bobolia, Gallas, James, Kendig,
McCammon, Patterson

Absent: Gray, Terris

- 5. Consider authorizing the Administrator to negotiate the participation of other Participating Employers in the 401(h) Account on terms comparable to those with the County of Santa Barbara.

MOTION: Authorize the Administrator to negotiate the participation of other Participating Employers in the 401(h) Account on terms comparable to those with the County of Santa Barbara.

Gallas/Bobolia

Approved.

Yes: Bobolia, Gallas, James, Kendig,
McCammon, Patterson

Absent: Gray, Terris

CLOSED SESSION
(11:43 a.m. – 12:05 p.m.)

Trustee Patterson left the closed session early

Public Employment -- Recruitment of Retirement Administrator (Government Code Section 54957(b)(1))

OPEN MEETING

Counsel Blakeboro announced that Trustee Patterson had needed to leave early, but had been present for most of the Closed Session, and that no reportable action had been taken during Closed Session.

The meeting adjourned at 12:06 p.m.

ATTEST:

Clerk

Chair

Secretary