

**SANTA BARBARA COUNTY
EMPLOYEES' RETIREMENT SYSTEM**

3916 State Street Suite 210
Santa Barbara, CA 93105

Phone (805) 568-2940
Fax (805) 560-1086

**Oscar Peters
Retirement Administrator**



BOARD OF RETIREMENT

Chair – Bernice James
Vice Chair – Joni Gray
Secretary - Donald Kendig
George Bobolia
Joseph Gallas
Julie McCammon
Harriet Miller
Shawn Terris
Ronald Bruns

**MINUTES OF THE BOARD OF RETIREMENT
SPECIAL MEETING
October 11, 2007**

**Coastal Training Room, Employees' University
267 Camino del Remedio
Santa Barbara**

ROLL CALL 9:02 a.m.

Members Present:	Gallas, Gray, James, Kendig, McCammon, Miller
Member Absent:	Bobolia, Terris
Alternate Present:	Bruns
Counsel:	Blakeboro
Clerk:	Bignell
Others Present:	Bob Geis, Theo Fallati, Betsy Schaffer (Auditor-Controller); Susan Paul, Robert MacLeod (CEO/Human Resources); Zandra Cholomondoley (CEO); Al Gately (RESBC); Walter Hamilton (SEIU Local 620)

Trustee Terris arrived 10:05 p.m.

PUBLIC COMMENT

Trustee Gray asked that there be a list of attendees for the record. Chair James asked that everyone in the audience sign the Guest Register.

BOARD

1. Receive and consider 2007 Investigation of Experience study, and approve actuarial assumptions.

Karen Steffen and Daniel Wade represented Milliman and presented Recommended and Alternative Assumptions..

Counsel Blakeboro identified and outlined supplemental items given to the Board:

- Item 1. Exhibit 5-1a was replaced in Appendix B of the Draft Report.
- Item 2. PowerPoint presentation : “Experience Study for the Period July 1, 2003 to June 30, 2007”
- Item 3. “Peer Review Result” (5 pages) inserted between pages 6 and 7 in the Draft Report
- Item 4. Changes noted in the Draft Report:
 - a. General Disabled Female Actual: from 3 to 9 (pgs. 58, 60)
 - b. Safety Disabled Both Actual: from 9 to 3 (pgs. 58, 60)
 - c. Alternative Total: from 209 to 229 (pg. 60)
 - d. Actual/Proposed Total: from 108% to 98% (pg. 60)

Administrator, Assistant Administrator, Counsel Blakeboro, Ms. Steffen, and Mr. Wade addressed issues raised by the Board.

MOTION 1: Adopt Milliman’s recommended methodology and related assumptions for Termination Rates and Refund Percentage (Item 3, pgs. 1 & 3, C-D).

Kendig/Gallas	Approved.	Yes:	Bruns, Gallas, Gray, James, Kendig, McCammon, Miller, Terris
		Absent:	Bobolia

MOTION 2: Adopt Milliman’s alternative assumptions for Service Retirement Mortality (Item 3, pg. 3, D2).

Initial Vote

Kendig/Terris	Approved.	Yes:	Bruns, Gallas, Gray, Kendig, McCammon, Miller, Terris
		No:	James
		Absent:	Bobolia

Upon Reconsideration in Light of Additional Discussion

Failed.	Yes:	Gallas, Terris
---------	------	----------------

No: Bruns, Gray, James, Kendig,
McCammon, Miller
Absent: Bobolia

MOTION 3: Adopt Milliman's initial recommended assumptions for Service Retirement Mortality (Item 3, pg. 1, D2).

James/Bruns Approved. Yes: Bruns, Gray, James, Kendig,
McCammon, Miller
No: Gallas, Terris
Absent: Bobolia

MOTION 4: Adopt Milliman's recommended assumptions for Rates of Retirement (Item 3, pgs. 1 & 3, D3).

Kendig/Gallas Approved. Yes: Bruns, Gallas, Gray, James,
Kendig, McCammon, Miller,
Terris
Absent: Bobolia

Auditor Controller Bob Geis addressed issues raised by the Board.

MOTION 5: Approve Milliman's alternative recommendations regarding Merit Salary (Item 3, pg. 3, D4).

Terris/Kendig Approved. Yes: Bruns, Gallas, Gray, James,
Kendig, McCammon, Terris
Absent: Bobolia, Miller

MOTION 6: Adopt Milliman's alternative assumptions regarding Economic Changes including maintaining 8.16% investment return assumption (Item 3, pg. 3, E).

Gray/Terris Approved. Yes: Bruns, Gallas, Gray, James,
Kendig, McCammon, Miller,
Terris
Absent: Bobolia

2. Receive a presentation from Milliman, and adopt the actuary's recommendation for distribution of the Ad Hoc cost of living funding approved in May 2007.

Four pages of combined addenda were added to the Milliman recommendation, consisting three pages taken together and a fourth page, numbered pages 1-4.

Mr. Wade made the presentation on behalf of Milliman.

Mr. Wade, Ms. Steffen, Administrator, Assistant Administrator, and Counsel Blakeboro addressed issues raised by the Board.

MOTION: Adopt Milliman's recommendations regarding Ad Hoc COLA, not to exceed the original allocation.

Gallas/Bruns

Approved.

Yes:

No:

Abstain:

Absent:

Bruns, Gallas, Kendig, Terris

Gray, James, Miller

McCammon

Bobolia

3. Consider structure for Board Investment Workshop, January 23-24, 2008.

Administrator addressed issues raised by the Board.

Discussion of preferences.

NO ACTION TAKEN

The meeting adjourned at 12:56 p.m.

ATTEST:

Clerk

Chair

Secretary