

**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 - Donald Kendig
Vice Chair – Bernice James
Secretary - Kate Silsbury
George Bobolia
Joseph Gallas
Joni Gray
Julie McCammon
Ted Tedesco
Shawn Terris
Robert Bible
Pauline Coleman

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

June 8, 2005

WISTERIA ROOM – CASA NUEVA BLDG.
260 N. SAN ANTONIO RD.
SANTA BARBARA, CALIFORNIA 93110

1. ROLL CALL 9:05 a.m.

Members Present: Bobolia, Gallas, Gray, James, Kendig, McCammon, Silsbury, Tedesco, Terris
Alternates Absent: Bible, Coleman
Counsel: Czuleger, Blakeboro
Clerk: Strong

Let the record show that Mr. Tedesco left at 12:40 p.m. Ms. Silsbury left at 12:50 p.m. Ms. Terris left at 12:50 p.m and returned at 12:53 p.m. Ms Gray left at 1:19 p.m. Order of the agenda was changed to consider disability items at 11:12 a.m. followed by items 6, 7, 18, 8, 9, 10, 15, 16, 17.

PUBLIC COMMENT PERIOD

2. Trustee Bobolia distributed a memo on undistributed earnings related to the Resolution and Attorney General opinion distributed last month by him.
Oscar Peters introduced Cristal Rodriguez, Retirement Disability Specialist.
Trustee James states that article in News Press about consolidating Fire departments in City & County was financial, not operational. Trustee Gray comments on study.
Trustees Gray, Kendig and McCammon comment on SACRS.
Trustees Terris and Kendig and Counsel Czuleger commented on CALAPRS Roundtables
Trustee Tedesco concerns with the level of funding.
Trustee Terris will attend SACRS Legislative Committee meeting June 17.

Closed Public Comment period at 9:32 a.m.

MINUTES

3. MOTION: Approve Minutes of Regular Board meeting of May 4, 2005
Terris/Bobolia Approved by voice vote of all present

INVESTMENTS

4. After receiving a presentation on the international equity portfolio by PCA, the Board's consultant. The following motion was made regarding International Equity Portfolio:

MOTION: Adopt a benchmark of EAFE plus Canada as the international benchmark; direct PCA to begin a search for an international equity manager that complements Fidelity's style; adopt an equal weighting allocation for the three developed international markets managers.
Silsbury/Gray Approved Bobolia, Gallas, Gray, James, Kendig, McCammon,
Silsbury, Tedesco, Terris

5. The Board considered a report from PCA recommending that the fixed income portfolio be restructured to less interest rate sensitive profile using current managers. The Board reviewed STW's performance in managing a intermediate term portfolio and heard comments from Todd Jewett of STW.

MOTION: Retain STW as fixed income manager, shift benchmark to Lehman Aggregate Index from custom Long Bond index.
Gray/McCammon Approved Bobolia, Gallas, Gray, James, Kendig, McCammon,
Silsbury, Tedesco, Terris

DISABILITIES

TIME CERTAIN OF 11 A.M.

11. In the matter of the application for disability retirement of Michael Bainer: After considering remarks of applicant's counsel, Mark Singer, the Board took the following action.

MOTION: Grant the application for nonservice-connected disability retirement and deny the application for service connected disability retirement subject to a timely request for a hearing; adopt the staff recommendation on effective date. *Amended to remove the effective date clause.*
Terris/Tedesco Approved Yes: Bobolia, Gray, James, Kendig, Silsbury, Tedesco,
Terris
No: Gallas
Abstain: McCammon (neighbor of applicant)

2nd MOTION: Accept the staff recommendation on effective date as the date of application, April 19, 2004.

Terris/Tedesco Approved Yes: Bobolia, Gray, Kendig, Silsbury, Tedesco, Terris
No: Gallas, James
Abstain: McCammon

Closed hearing

12. In the matter of the application for disability retirement of Irma Castro:

MOTION: Grant the application for nonservice connected disability retirement.
Terris/James Approved by voice vote of all present

13. In the matter of the application for disability retirement of Tricia Ochoa:
No action was taken on this item. Report was received from referee and timely objections were filed. Consideration of this item is deferred to July meeting at the request of applicant's counsel due to a calendar conflict.

14. MOTION: Accept the Disability Applicant Status Report.
Tedesco/Bobolia Approved by voice vote of all present

INVESTMENTS

6. MOTION: Receive and accept PCA 1st Quarter investment performance report for the period ended March 31, 2005
Tedesco/Terris Approved by voice vote of all present

BOARD

7. MOTION: Adopt the Budget for FY 2005-06 and implementing Resolutions with amendment to take out computer systems specialist position and direct the Administrator to fill vacant positions in the retirement system office.
James/Tedesco Approved by voice vote of all present

COUNTY COUNSEL

18. Presentation by Shane Stark, County Counsel, of review of conflict of interest considerations in light of events at San Diego City Employees' Retirement System.

BOARD

8. Receive and forward to Operations Committee legacy Board policies for review and recommendation

MOTION: Refer a review of agenda management policy to Operations Committee.
Gray/Gallas Approved by voice vote of all present

9. Consider Proposal for Board Self-Evaluation Consultant. *Deferred to a later meeting*

10. Receive County Grand Jury Report and consider proposed response *Deferred to July meeting*

ADMINISTRATOR

15. Administrator’s Report

- a. Portfolio Status Report
- b. Update on investment manager firms and contractors
- c. Board workshop
- d. Departmental Activities report
- e. Blue Cross insurance plan rates

MOTION: Receive and file

James/Bobolia Approved by voice vote of all present

16. Present items to Administrator for future agenda consideration

Reconsider 401(h) action

Board self-evaluation

Grand Jury report response

Explain Medicare D

Revise org chart with names added.

A report of what is being done to fill positions

Customer service satisfaction survey

RFP or RFI for consultant

Have Operations Committee do an office locations study

Draft agenda of September workshop

Retreat topics – examine allocation; currency expert; due diligence

17. Receive and file Retirement Report

Retirements

	<u>Name</u>	<u>Dept.</u>	<u>Service Credit</u>	<u>Sick Leave Credit</u>
D	Richard Dziuba	Social Services	9.40358	0.09114
	David Galloway	Probation	21.45410	0.00016
	Donald Glasgow	Sheriff	34.38997	0.00181
	Marcia Langford	Probation	24.96679	0.13379
	Brenda Rosentrater	Public Health	13.81794	0.05531
D	Cheri Savage	Planning & Dev	13.42902	0.19650
	Judy Slater	Probation	16.25628	0.00209

D=Deferred

MOTION: Accept report

Gallas/Bobolia Approved by voice vote of all present

Adjourned at 1:35 p.m.

ATTEST:

Clerk of the Board of Retirement

Chair

Secretary