



Oscar Peters  
Retirement Administrator

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**RE-REVISED MINUTES OF THE BOARD OF RETIREMENT**

**REGULAR MEETING**

October 12, 2005

Wisteria Room – Casa Nueva Building

260 N. San Antonio Rd.

Santa Barbara, California 93110

I. ROLL CALL 9:02 a.m.  
Members Present: Bobolia, Gallas, James, Kendig, McCammon, Silsbury, Terris  
Members Absent: Gray, Tedesco  
Alternate: Bible  
Alternate Absent: Coleman  
Counsel: Czuleger, Blakeboro  
Clerk: Strong

Let the record show that Ms. Gray arrived at 9:03 a.m. Ms. Gray was absent from 11:15 a.m. – 1:45 p.m. and left at 3:34 p.m. Ms. Silsbury left at 2:04 p.m. Mr. Bible was absent from 11 a.m. – 12:50 p.m. and left at 3:23 p.m. Order of the agenda was changed as reflected herein, with 3 short recesses.

**PUBLIC COMMENT PERIOD**

2. None

**MINUTES**

3. MOTION: Approve Minutes of Workshop and Regular Board meeting of September 14 & 15, 2005 with amendments to item 10 and 18d.

Amendment to item 10: No action was taken

Amendment to item 18d: Motion by James/Seconded by Gallas Approved by a voice vote of all present. Absent: Gray

Item 20 was approved by a voice vote of all present Absent: Gray

DEFER action and receive revised minutes at December meeting.

**INVESTMENTS**

4. Interview and select a candidate to manage an active international equity portfolio that could be benchmarked against the MSCI EAFE + Canada Index

9:15 a.m. Acadian

9:45 a.m. New Star

10:15 a.m. State Street Global

*After interviewing all candidates Board decided to hold decision until 1:30 p.m. when full Board would be present; and to consider item 5 at that time also.*

## **DISABILITIES**

6. Marcia McPherson: Considered in Closed Hearing requested by applicant's counsel Russell Ghitterman. Consider the Proposed Findings of Fact, Conclusions of Law and Recommended Decision of the referee, along with any timely filed objections and approve and adopt the referee's recommendation to deny the application for service-connected disability retirement. After comments of counsel the following action was taken:

MOTION: Remand to referee to clarify whether psychiatric disability ever interfered with job duties; whether she is incapacitated now but not permanent. Amended to have counsel Alan Blakeboro give instructions to referee.

Gallas/Bobolia      Approved by voice vote of all present  
Absent:              Gray, Tedesco

7. Rheta Wellman: Considered in closed hearing. Consider all the pertinent information and based on new supporting medical information, grant a nonservice-connected disability retirement and reaffirm prior adopted finding to deny service-connected disability retirement. After discussion of counsel for applicant, Russell Ghitterman and counsel for Board, Alan Blakeboro the following action was taken.

MOTION: Based on new medical information, grant a nonservice-connected disability retirement and reaffirm prior adopted finding to deny a service-connected disability hearing. Counsel will review detailed findings of fact and agree to conclusions.

James/Gallas      Approved by voice vote of all present  
Absent:              Gray, Tedesco

8. James Means: CONTINUED from August 10 at the request of applicant's counsel: Considered in closed hearing because counsel has withdrawn and no one was present representing the applicant.

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

Silsbury/Gallas      Approved by voice vote of all present  
Absent:              Gray, Tedesco

9. Jose Cruz:              Applicant was present but did not address the Board. Matter considered in open hearing.

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

Silsbury/Terris      Approved by voice vote of all present  
Absent:              Gray, Tedesco

10. Terri Greening-Pellicori:      Considered in Closed Hearing as no one was present to represent the applicant.

MOTION: Consider the Proposed Findings of Fact, Conclusions of Law and Recommended Decision of the referee, along with any timely filed objections and approve and adopt the



Absent: Gray, Tedesco

18. MOTION: Receive and adopt the Actuarial Valuation for June 30, 2005 with the recommended contribution rates to be effective July 1, 2006 and forward the report to the Board of Supervisors for adoption and implementation.

James/Terris Approved by voice vote of all present  
Absent: Gray, Tedesco

4. Interview and select a candidate to manage an active international equity portfolio that could be benchmarked against the MSCI EAFE + Canada Index

MOTION: Hire New Star to manage an active international equity portfolio benchmarked against the MSCI EAFE + Canada Index. Hiring is based upon ten year performance and fundamental style of bottom up stock selection process, performance attribution and performance consistency.

Silsbury/Terris Approved by voice vote of all present  
Absent: Tedesco

5. Receive update on retreat asset allocation decisions and provide further Board direction as appropriate.

MOTION: Direct PCA to revise investment policy to create Real Return asset class to include Core Real Estate; bring in RREEF because no other firm offering this product is currently available for near term investment. Due diligence document to be provided; and brought to the November 2<sup>nd</sup> Board meeting and authorize alternatives.

Terris/Gray Approved by voice vote of all present  
Absent: Silsbury, Tedesco

MOTION: Direct PCA to proceed with tasks outlined in attachment 1 with regard to secondaries/private equities: develop policy for December; due diligence for January; structure – 1<sup>st</sup> quarter; then make commitment or not.

James/Terris Approved by voice vote of all present  
Absent: Silsbury, Tedesco

19. MOTION: Approve offering the retirees a low cost Secure Horizons Medical Plan option in addition to the current Secure Horizons plan.

Bobolia/Gallas Approved by voice vote of all present  
Absent: Silsbury, Tedesco

20. Exclude COBRA coverage as a qualified SBCERS sponsored health insurance plan.

MOTION: Continue until administrator can meet with Conexis and Hr to resolve difficulties  
Gallas/no second Withdrawn

MOTION: Include COBRA coverage as a qualified SBCERS sponsored health insurance plan

James/Terris Approved Yes: Bobolia, Gallas, James, Kendig, McCammon, Terris  
Abstain: Gray  
Absent: Silsbury, Tedesco

21. Consider a County Executive Office request for staff training. Zandra Cholmondeley of the CEO's office addressed the Board.

MOTION: Authorize Retirement Administrator to recognize County Executive Office staff as eligible to participate in related conferences and training opportunities paid by CEO budget.

Terris/McCammon Approved Approved by voice vote of all present  
Absent: Silsbury, Tedesco

22. Receive and file report from trustee Terris of SACRS Legislative Committee Update of the September 2005 meeting.

23. Receive Board comments on non-agenda items.

Trustee Gallas comments that he had fun today even with another Austrian in town

Trustee Terris wants to thank PCA and requests more time be allowed for investments.

**ADMINISTRATOR**

24. Administrator's Report

- a. Portfolio Status Report
- b. Department Operations Report
- c. Survey responses

*No action on this item*

25. Present items to Administrator for future agenda consideration

Financials to show excess earnings and distribution of reserves

Core real estate (covered in item 5)

Add column for ARC time purchase to retirement report

26. 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>
D	Donna Chandler	Public Works	5.40069	0.00000
	Maria Houghton	Public Health	19.24008	0.02425
	Douglas Howard	Social Services	18.19254	0.30980
	John Kolbert	Sheriff	33.38999	1.00000
D R	Mark Mead	Resource Mgmt.	2.00082	0.00000
	Salvador Navarro	Sheriff	23.93229	0.39703
	Katherine Winchester	Sheriff	16.67902	0.26371

D=Deferred

R=Reciprocal

MOTION: Receive and file

Terris/James Approved by voice vote of all present

Absent: Gray, Silsbury, Tedesco

Adjourned at 3:54 p.m.

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Chair

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Secretary

Next regular meeting date is November 2, 2005  
At the Board of Supervisors Conference Room  
105 E. Anapamu St, 4<sup>th</sup> Floor  
Santa Barbara