

**SANTA BARBARA COUNTY
EMPLOYEES' RETIREMENT SYSTEM**

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Vincent P. Brown
Chief Executive Officer



BOARD OF RETIREMENT

Chair – Shawn Terris
Vice Chair – Joni Gray
Secretary - Vanessa Patterson
Zandra Cholmondeley
Bernice James
Donald Kendig
Julie McCammon
Ward Rafferty
Al Rosella
Gail Marshall
Frederick Tan

MINUTES OF THE BOARD OF RETIREMENT

June 24, 2009

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

ROLL CALL 9:00 a.m.

Members Present: Cholmondeley, James, Kendig, McCammon, Rotella,
Terris
Members Absent: Gray, Patterson, Rafferty
Alternates Present: Marshall, Tan
Counsel: Blakeboro
Clerk: Bignell

Trustee Gray arrived at 9:05 a.m. Trustee Patterson arrived at 10:15 a.m., and was absent from 11:47 a.m. to 2:24 p.m. Trustee Gray left at 2:06 p.m. Trustee McCammon left at 3:54 p.m.

PUBLIC COMMENT

There was no general public comment.

TRUSTEE COMMENT

Chief Executive Officer-Vincent P. Brown, gave the Oath of Office to Al Rotella.

Chair Terris announced that the Investment Risk Advisory Committee (IRAC) had met June 17, 2009, in the Manzanita Room at Casa Nueva, and would normally meet the first Thursday of every month at 2:30 p.m., in the SBCERS Conference Room, Santa Barbara, with the following known exceptions: July 9,

2009, at 2:30 p.m., in the SBCERS Conference Room, Santa Barbara, and September 3, 2009, meeting cancelled. Chair Terris recommended that trustee training modules should be presented to staff by IRAC committee members by the end of the day; and directed staff to distribute an updated contact list of Trustees and System Investment Managers.

Trustee Kendig announced that he might miss the July Board meeting, and clarified the safety procedures for the building are to sign in at the front desk, even though as Counsel explained earlier the Board cannot require a sign in at the meeting. The procedure and the restriction do not conflict. Visitors are required to sign in at the front desk and evacuate during an emergency, at which time the front desk sign-in sheet will be used to verify everyone has evacuated the building safely.

Chair Terris presented a memo asking County to adopt actuarial rates and Trustee Kendig commented how any delays from a planned July start would complicate the payroll of 10 other sponsors in the System.

MINUTES

1. Approve Minutes:
 - a. Special Board meeting of April 21, 2009

MOTION: Approve the minutes of the Special Board meeting of April 21, 2009.

Kendig/James	Approved by unanimous voice vote of all present.
Yes:	Cholmondeley, Gray, James, Kendig, McCammon, Rotella, Terris
Absent:	Patterson, Rafferty

- b. Regular Board meeting of May 27, 2009

Trustee Kendig provided the following corrections to the May 27, 2009, minutes: Item 15, Page 9, insert “adding Opal’s Investment Trends Summit;” Roll Call, Members Present, Page 1, add “Hagen;” following Roll Call, move last sentence to beginning of paragraph; Item 7, Page 8, insert “and” in first paragraph; Item 13, Page 8, insert “and” in first paragraph.

Trustee James requested that staff correct Members Absent, Page 1, removing “James;” Retirement Report, Page 3, replace “o” with “of the” and Page 4, Line 34, replace “Auditor-Controller” with “Housing and Community Development”.

Chair Terris directed staff to correct Item 1c, page 3, Motion, replacing “Special” with “Regular” and “April 17” with “April 22.”

Chair Terris directed staff to begin listing Trustees’ “Yes” voice votes.

MOTION: Table the minutes of the Regular Board meeting of May 27, 2009, pending Hagen vote decision.

Kendig/James Approved by voice vote.
Yes: Cholmondeley, Gray, James, Kendig, Rotella, Terris
Abstain: McCammon
Absent: Patterson, Rafferty

CONSENT

C-1. Receive and file Trustee Terris' report on National conference on Public Employee Retirement Systems' (NCPERS) Annual Conference.

Pulled by Trustee Marshall for clarification.

Counsel Blakeboro addressed issues raised by the Board.

C-2. Set January 20 and 21, 2010, as the dates for 2009-10 Board Investment Retreat in Santa Barbara.

C-3. Adopt Retirement Report.

	<u>Name</u>	<u>Dept.</u>	<u>Service Credit</u>	<u>Sick Leave Credit</u>	<u>ARC</u>
D	Rennie Allen	Public Health	6.80753	0.07214	
D R	Gregg Ayer	Sheriff	6.37076	0.16897	
	Rick Barron	Public Defender	20.59204	0.22851	
D	Mark Feoli	Sheriff	14.10976	0.00070	
	Emma Hernandez	Public Health	16.40250	0.01097	
D R	W. Arvid Johnson	District Attorney	2.25270	0.00000	
	David Lavoie	Sheriff	13.42428	0.00114	
	Marjorie McCleskey	DRO	0.00000	0.00000	
D	Rachel Robles	Public Defender	10.73446	0.00180	
D Pend	Jeannie Zoppo	Public Health	10.11632	0.00016	

D=Deferred
R=Reciprocal
Pend=Disability Pending

MOTION: Approve Consent Agenda.

Kendig/James Approved by unanimous voice vote of all present.
Yes: Cholmondeley, Gray, James, Kendig, McCammon, Rotella, Terris
Absent: Patterson, Rafferty

Yes: Cholmondeley, Gray, James,
Kendig, McCammon,
Patterson, Rotella, Terris
Absent: Rafferty

4. For Board Approval - Request for Information (RFI) for GILS Search and GILS First Long List of Managers (result of quantitative screens) to send RF.

Sarah Bernstein presented item for PCA, and along with Vince Brown, addressed issues raised by the Board.

The Board agreed to a “quiet period” during which Trustees would not have direct contact with firms on the list with regard to SBCERS’ business, and to have the new practice formalized into a standard policy.

MOTION: Direct PCA to revise the search criteria removing the separate account screen; to remove Wells Capital from the list; and to issue the revised list of managers a Request for Information (RFI) for GILS management.

Kendig/James Approved by unanimous voice vote of all present.
Yes: Cholmondeley, Gray, James,
Kendig, McCammon,
Rotella, Terris
Abstain: Patterson
Absent: Rafferty

DISABILITY RETIREMENT CLOSED HEARING

7. Carl Pollard, Applicant for Non Service-Connected Disability Retirement:
Adopt Board findings of Fact and Conclusions of Law granting Carl Pollard a non service-connected disability retirement.

Trustee McCammon requested that the agenda be corrected to show Carl Pollard as an applicant for “non” service-connected disability retirement.

MOTION: Adopt Board findings of Fact and Conclusions of Law granting Carl Pollard a non service-connected disability retirement.

Kendig/McCammon Approved by unanimous voice vote of all present.
Yes: Cholmondeley, Gray, James,
Kendig, McCammon,
Patterson, Rotella, Terris
Absent: Rafferty

8. Candace Poquette (Michael, decedent), Applicant for Service-Connected Disability Survivor Continuance:

Poquette, Candace (Michael, decedent); Refer the matter to a referee for an evidentiary hearing on the issue of whether the decedent's Santa Barbara County employment substantially caused his death.

Counsel Blakeboro addressed issues raised by the Board

MOTION: Continue the matter for one month at applicant's request.

James/McCammon	Approved by unanimous voice vote of all present.
Yes:	Cholmondeley, Gray, James, Kendig, McCammon, Patterson, Rotella, Terris
Absent:	Rafferty

9. Patricia Scharli, Applicant for Service-Connected Disability Retirement: That the Board consider the Hearing Officer's Findings of Fact and Recommendation, along with any timely filed objections, and other materials and refer the matter back to the referee with instructions to address the issues raised and provide a written supplemental report for the Board's consideration.

Counsel Blakeboro addressed issues raised by the Board.

Applicant's Counsel-Russell Ghitterman, and SBCERS' Counsel-Philip Moncharsh addressed the Board.

MOTION: Grant Patricia Scharli a service-connected disability retirement.

James/McCammon	Approved by unanimous voice vote of all present.
Yes:	Cholmondeley, Gray, James, Kendig, McCammon, Rotella
No:	Terris
Absent:	Patterson, Rafferty

10. Receive and file Disability Status Report.

Trustees Kendig and McCammon made, seconded and then amended a motion to receive and file disability status report.

MOTION: Receive and file Disability Status Report, and direct staff to add last Board action before hearing.

Kendig/McCammon	Approved by unanimous voice vote of all present.
Yes:	Cholmondeley, Gray, James, Kendig, McCammon, Rotella, Terris
Absent:	Patterson, Rafferty

BOARD

11. Receive Overview of Disability Process presentation.

Disabilities Manager-Annette Paladino, presented overview, and along with Counsel Blakeboro and Lila Deeds, addressed issues raised by the Board.

Chair Terris directed staff to send a memo to new County Medical Officer, citing Government Code 31530, and including the Board’s regular meeting schedule.

NO ACTION TAKEN

12. Adopt recommended response to the Grand Jury report and authorize the Chair to execute the letter forwarding the response to the presiding judge.

Vince Brown presented item, and along with Counsel Blakeboro and Lila Deeds, addressed issues raised by the Board.

MOTION: Add language to Response to Finding 4, stating that the actuarial interest rate is set on an established basis, the most recent 8.16% rate following the June 2007 Experience Study, and the next evaluation due following the June 2010 Experience Study.

Cholmondeley/James

Approved by voice vote.

- Yes: Cholmondeley, James, Kendig, McCammon, Rotella, Terris
- Abstain: Patterson
- Absent: Gray, Rafferty

MOTION: Correct Response to Finding 3, giving the date the Board established a standing Investment Risk Advisory Committee as March 2009.

Kendig/Rotella

Approved by unanimous voice vote of all present.

- Yes: Cholmondeley, James, Kendig, McCammon, Patterson, Rotella, Terris
- Absent: Gray, Rafferty

13. Review and adopt final budget for Fiscal Year 2009-10, and adopt the enabling resolutions.

Rico Pardo presented item, and along with Vince Brown and Lila Deed, addressed issues raised by the Board.

Trustee James requested that in addition to a full-time Board/Staff Attorney position, a Chief Investment Officer (CIO) position be included for discussion.

16. Board Presentations for next month:
- a. PCA Real Estate (deferred for CIO)
 - b. Actuarial Funding Options
 - c. Fiduciary Insurance 101
 - d. Existing PE Investment Policy

The meeting adjourned at 4:52 p.m.

ATTEST:

Clerk

Chair

Secretary