

**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
Paul Doré
Joseph Gallas
Julie McCammon
Harriet Miller
Shawn Terris
Ronald Bruns

**MINUTES OF THE BOARD OF RETIREMENT
REGULAR MEETING
August 22, 2007
Holiday Inn, Mesquite Room
2100 N. Broadway
Santa Maria, California**

ROLL CALL 9:08 a.m.

Members Present: Bobolia, Gallas, Gray, James, Kendig, McCammon, Miller,
Terris
Member Absent: Doré
Alternate Present: Bruns
Counsel: Blakeboro
Clerk: Bignell

Trustee Doré arrived at 9:15 a.m. and departed at 3:55 p.m.
Counsel left the meeting at 3:59 p.m.

MINUTES

1. Approve Minutes of Regular Board meeting of July 25, 2007.

Trustee Terris requested that staff list all members that had voted yes on Item 17a.

Trustee Bruns asked that his name be included in Item 13 as an Ad Hoc Committee member.

MOTION: Approve the Minutes as amended of the regular Board meeting of July 25, 2007.

Gray/Terris Approved by voice vote of all present.
Absent: Doré

CONSENT

- C-1 Receive and file the Disability Applicant Status Report.
- C-2 Adopt the attached proposed Findings of Fact, Conclusions of Law and Decision granting Diane Finley a nonservice-connected disability retirement, and denying her application for service-connected disability retirement benefits.
- C-3 Approve Jennifer Schneider’s request for service retirement, pending final determination of eligibility for disability retirement.
- C-4 Adopt the attached proposed Findings of Fact, Conclusions of Law and Decision granting Perry Shellhart a service-connected disability retirement.
- C-5 Adopt the attached proposed Findings of Fact, Conclusions Law and Decision granting Felicitas Woodard, a nonservice-connected disability retirement and denying her application for service-connected disability retirement.
- C-6 Receive and file County’s response to inquiry regarding CalPERS study.
- C-7 Receive response from actuary, consultant, and staff, to Trustee Kendig’s questions from SACRS Berkeley Program.
- C-8 Authorize Trustees Gray and Bruns to attend The 16th Annual Public Funds Forum December 8-11, 2007, in San Francisco, California, and reimburse reasonable expenses.
- C-9 Authorize Trustee Kendig to attend the Fall session of the Council of Institutional Investors meeting September 16-18, 2007 in Coronado, California, and reimburse reasonable expenses.
- C-10 Authorize Trustee Kendig, along with up to three other interested trustees, to attend the Opal Group’s Alternative Investment Summit, December 2-4, 2007, in Laguna Niguel, California, and reimburse reasonable expenses.
- C-11 Authorize Trustee Terris to attend CalPERS’ California Pension Fund Investments Conference, September 18-20, 2007, in Los Angeles, California, and reimburse reasonable expenses.
- C-12 Authorize Trustee Terris to attend Hamilton Lane’s Private Summit IX, October 22-24, 2007, in Key Biscayne, Florida, and reimburse reasonable expenses.
- C-13 Adopt Retirement Report.

	<u>Name</u>	<u>Dept.</u>	<u>Service Credit</u>	<u>Sick Leave Credit</u>	<u>ARC</u>
D	Diana Brubaker	Social Services	17.52069	0.15177	
D	Brian Chaney	Public Works	12.21933	0.00047	
	Patricia Gordon	Courts	19.19875	0.00709	
D	David Inger	Public Works	8.86575	0.00000	
	Dennis Jones	Fire	23.67242	0.40489	

C-13. Adopt Retirement Report. (cont'd.)

	<u>Name</u>	<u>Dept.</u>	<u>Service Credit</u>	<u>Sick Leave Credit</u>	<u>ARC</u>
	Gerald McGrath	Public Defender	25.43786	0.91310	
	Debbie Page	Public Health	10.01041	0.00598	
	Lillian Pentecost	Courts	15.47524	0.16900	
	William Seidemann	Public Works	13.66491	0.15025	
D R	Larry Tanaka	Public Works	28.30999	0.76475	5
	Debra Varnado	Regional Programs	3.13266	0.09154	
	Roger Merrithew	ADMHS	8.25800	0.0046	

D=Deferred
R=Reciprocal
Dis=Disability

The Board amended Item C-8 to include authorization for Trustee Bruns to attend The 16th Annual Public Funds Forum December 8-11, 2007, in San Francisco, California, and reimburse reasonable expenses.

MOTION: Approve the Consent Calendar with amendment.

Gray/Terris Approved by unanimous voice vote of all present.
Absent: Doré

Trustee Doré arrived.

INVESTMENTS

2. Receive presentations from General Pension Fund finalists and select consultant:
 - a. Callan Associates
 - b. New England Pension Consultants
 - c. Pension Consulting Alliance

Diana Greenstone, Vice-President; and Jim Callahan, Executive Vice-President; represented Callan Associates.

Carolyn Smith, Senior Consultant; and Allan C. Martin, Partner; represented New England Pension Consultants.

Neil Rue, Managing Director; and Sarah Bernstein; represented Pension Consulting Alliance.

Upon completion of the presentations the Board began deliberations. After additional discussions the Board deferred the final selection until later in the meeting.

DISABILITIES

6. Linda Seals Gatz, applicant for Service-Connected Disability Retirement:
Consider all the pertinent information and provide direction to staff.

Applicant's attorney, Mark Singer, participated by telephone, and requested that any reexamination be performed by neuropsychiatrist rather than neuropsychologist.

Counsel introduced the Item and addressed issues raised by the Board and applicant's counsel.

MOTION: Direct staff to arrange for a neuropsychiatrist to review the records along with the medical testimony and give the neuro-psychiatrist the option to re-examine the applicant without testing and provide a written report on the causation issue for further consideration by the Board or the hearing officer.

Kendig/Terris Approved by unanimous voice vote of all present.

7. Nancy Razo, applicant for Service-Connected Disability Retirement:
Consider the Findings of Fact and Recommendation of the referee, along with any timely filed objections, and approve and adopt the recommendation to deny the application for service-connected disability retirement.

Counsel noted that the Board was in Closed Hearing, introduced the Item, and then addressed issues raised by the Board.

MOTION: Considering the Findings of Fact and Recommendation of the referee, along with any timely filed objections, approve and adopt the recommendation to deny the application for service-connected disability retirement in the case of Nancy Razo.

Gallas/Terris Approved by unanimous voice vote of all present.

8. Jennifer Schneider, applicant for Service-Connected Disability Retirement:
Dismiss for inability to ascertain the permanency of applicant's disability.

Counsel introduced the Item.

Applicant Jennifer Schneider addressed the Board.

Counsel along with Disability Manager Paladino, addressed issues raised by the Board.

MOTION: Deny the staff recommendation, and refer matter back to staff with direction to return with more information as soon as possible but no later than 180 days.

Gallas/Bobolia Approved by unanimous voice vote of all present.

MOTION: Retain Pension Consulting Alliance as General Pension Fund Consultant.

Bobolia/Terris Approved Yes: Bobolia, Doré, Gallas,
Gray, James, Kendig,
McCammon, Miller,
Terris

Trustee Terris thanked staff and the Ad Hoc Committee for their time and effort spent bringing about the process.

Chair directed staff to return in September with the PCA contract to confirm the negotiated conditions of the relationship.

Trustee Doré left.

3. Receive Pension Consulting Alliance Year-End portfolio performance report for June 30, 2007.

ACTION TAKEN UNDER ITEM 4

4. Receive Pension Consulting Alliance report on emerging markets portfolio structure and allocation.

MOTION: Receive and file, and discuss at the next meeting, the Pension Consulting Alliance Year-End portfolio performance report for June 30, 2007; and, the Pension Consulting Alliance report on emerging markets portfolio structure and allocation.

Gallas/Terris Approved by unanimous voice vote of all present.
Absent: Doré

5. Approve recommendation from Hamilton Lane to invest \$5 million in Montreux Equity Partners IV fund.

MOTION: Approve recommendation from Hamilton Lane to invest \$5 million in Montreux Equity Partners IV fund.

Kendig/Terris Approved by unanimous voice vote of all present.
Absent: Doré

BOARD

- 11. Receive staff report regarding overpayment of cash benefit to five System beneficiaries.

Counsel addressed issues raised by the Board.

Continued at Chair's direction.

NO ACTION TAKEN

- 12. Consider proposals for outside counsel and make selections:
 - a. Board Counsel

MOTION: Direct staff to request that Crowell Moring and Reicker, Pfau, Pyle & McRoy draft a response to a current legal question and make a brief presentation of their response to the Board at the next meeting.

Gallas/McCammon Approved by unanimous voice vote of all present.
Absent: Doré

- b. Tax Counsel

MOTION: Contract with Jones Day for tax counsel services.

Administrator addressed issues raised by the Board.

Kendig/Terris Approved by unanimous voice vote of all present.
Absent: Doré

ADMINISTRATOR

- 13. Receive and file Administrator's Report:
 - a. Portfolio Status Report
 - b. Department Operations

Administrator addressed issues raised by the Board, and noted that staff and counsel had met with Auditor-Controller, HR Director and County Counsel regarding the issue of retiree health insurance.

NO ACTION TAKEN

14. Present items to Administrator for future agenda consideration.

NO ACTION TAKEN

The meeting adjourned at (4:08 p.m.)

ATTEST:

Clerk

Chair

Secretary