

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

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**MINUTES OF THE BOARD OF RETIREMENT  
REGULAR MEETING  
November 28, 2007  
Wisteria Room at Casa Nueva  
260 N. San Antonio Rd.  
Santa Barbara, California**

**ROLL CALL 9:01 a.m.**

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

Trustee Gray arrived at 9:17 a.m.

**MINUTES**

1. Approve Minutes:

- a. Special Board meeting of October 11, 2007.

**MOTION:** Approve the Minutes of the special Board meeting of October 11, 2007.

Miller/Kendig Approved by voice vote of all present.  
Abstain: Bobolia  
Absent: Gray, Terris

- b. Regular Board meeting of October 24, 2007.

**MOTION:** Approve the Minutes of the regular Board meeting of October 24, 2007.

Kendig/Gallas Approved by voice vote of all present.  
Abstain: Bobolia  
Absent: Gray, Terris

## CONSENT

- C-3 Grant Elizabeth Lishner's request for an extension of her jurisdiction to complete the hearing in the matter of Sharon Konkol up to and including April 15, 2007.

*Pulled from Consent agenda and discussed separately for clarification*

**MOTION:** Grant Elizabeth Lishner's request for an extension of her jurisdiction in the matter of Sharon Konkol up to and including April 15, 2007, to allow receipt of IME report and additional time for applicant to secure additional medical information if necessary.

Gallas/McCammon Approved by unanimous voice vote of all present.  
Absent: Gray, Terris

- C-1 Receive and file the Disability Applicant Status Report.
- C-2 Receive notice of the extension of Hearing Officer Catherine Harris' jurisdiction to complete the hearing in the matter of Arlene Cohen up to and including December 12, 2007.
- C-4 Receive and file report from Trustee Terris regarding Hamilton Lane Private Equity Summit.
- C-5 Receive and file report from Trustee Kendig regarding Pension Bridge Alternatives Conference.
- C-6 Receive and file report from Trustee Kendig regarding CALAPRS Trustees' Roundtable.
- C-7 Receive and file report from Trustee Kendig regarding Council of Institutional Investors (CII) Fall Meeting.
- C-8 Approve renewal of membership in the Council of Institutional Investors for 2008.
- C-9 Adopt Retirement Report.

	<u>Name</u>	<u>Dept.</u>	<u>Service Credit</u>	<u>Sick Leave Credit</u>	<u>ARC</u>
D	Kathleen Patton	APCD	18.77354	0.02221	
	Louis Martin	Sheriff	31.59209	0.52256	
	Mary Cotta	DRO	4.93230	0.00000	
	Willis Hoggarth	DRO	8.70185	0.00000	
	Carlos Medina	Public Health	9.47797	0.24083	
	James Laponis	CEO	36.09996	0.80340	
	Fred Aiken	District Attorney	11.14357	0.00017	
D	Steve Sterner	APCD	14.28806	0.05319	1.91666
	Franklin Moody	ADMHS	10.03609	0.00669	
D	Alan Salazar	Probation	6.25577	0.00002	
D R	William Pucciarelli	Probation	10.36510	0.19832	
	Laurie Simrany	DRO	5.00261	0.00000	
Dis	Felicita Woodard	Sup Disability Allowance			

D=Deferred  
R=Reciprocal  
Dis=Disability

**MOTION:** Approve the Consent Agenda.

Kendig/Gallas Approved by unanimous voice vote of all present.  
Absent: Gray, Terris

**DISABILITIES**

2. Jack Carrillo, Service-Connected Disability Retirement beneficiary:  
Based on re-examination pursuant to §31729, find that the member is still incapacitated and still entitled to a service-connected disability retirement.

Administrator presented item and addressed issues raised by the Board.

Disability Program Manager addressed issues raised by the Board.

Trustees Kendig and McCammon made, seconded, and withdrew a motion to have applicant's records reviewed in three years.

**MOTION:** Based on re-examination pursuant to §31729, find that the member is still incapacitated and still entitled to a service-connected disability retirement and instruct that applicant's records be reviewed in three years to determine if re-examination is warranted.

Gallas/Kendig Approved by unanimous voice vote of all present.  
Absent: Gray, Terris

3. Loree Hintermister, Nonservice-Connected Disability Retirement applicant:  
Deny the disability application for nonservice-connected disability of Loree Hintermister for lack of permanency.  
*Continued from October 24, 2007*

Loree Hintermister made opening comments.

Counsel Blakeboro presented item and addressed issues raised by the Board.

**MOTION:** Grant the disability application for nonservice-connected disability of Loree Hintermister.

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

4. Linda Seals Gatz, Service-Connected Disability Retirement applicant:  
Receive status report on efforts to schedule further medical evaluation.

Administrator presented item.

Disability Program Manager provided a detailed status report on efforts to schedule further medical evaluation.

**NO ACTION TAKEN**

5. Renee Wright-Edman, applicant:  
Grant the application for nonservice-connected disability retirement of Renee Wright-Edman, subject to timely requested hearing.

Counsel Blakeboro presented item and addressed issues raised by the Board.

Disability Program Manager addressed issues raised by the Board.

Trustees Kendig and McCammon amended their motion and second to include a review of applicant's medical records in three years.

**MOTION:** Grant the application for non service-connected disability retirement of Renee Wright-Edman, subject to timely requested hearing and instruct that applicant's records be reviewed in three years to determine if re-examination is warranted.

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

6. Jeannie Zoppo, Service-Connected Disability Retirement applicant:  
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

**MOTION:** In the matter of Jeannie Zoppo, considering 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.

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

## **INVESTMENTS**

7. Receive Investment Performance Report for the Quarter ending September 30, 2007.

Neil Rue representing Pension Consulting Alliance (PCA) presented item and addressed issues raised by the Board.

Administrator addressed issues raised by the Board.

### **NO ACTION TAKEN**

8. Receive an update on the Emerging Markets equity manager search.

Neil Rue presented the update and addressed issues raised by the Board.

Chair directed that passive management option also be considered when hiring money managers.

*Upon further discussion*

**MOTION:** Start the transition from The Boston Company to a passively managed Emerging Markets vehicle.

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

9. Receive for comment a proposed agenda of Board Investment Workshop.

Neil Rue presented the Board with the proposed agenda and addressed issues raised by the Board.

Trustees Gray and Gallas requested that at the Board Investment Workshop money managers primarily focus on strategies for meeting next year's benchmark.

**NO ACTION TAKEN**

10. Approve proposed structure for International Equity Developed Markets Portfolio and authorize search for active manager.

Neil Rue presented item and addressed issues raised by the Board.

Chair directed PCA to move forward with search for International Equity Developed Markets active manager and to consider passive management option.

**NO ACTION TAKEN**

11. Consider recommendation to continue First Republic Investment Advisors (formerly Starbuck Tisdale) on watch status.

Neil Rue presented item and addressed issues raised by the Board.

Chair directed PCA to provide an update in 3 months.

**NO ACTION TAKEN**

**BOARD**

12. Receive final recommendations and confirm changes in actuarial assumptions as follows:
- a. Receive final 2003-2007 Experience Study from Milliman Actuaries.
  - b. Defer action on the actuary's recommendation regarding the assumed age that vested members begin to draw a pension benefit until the next experience study.
  - c. Adopt a resolution confirming changes in actuarial assumptions for 2007 Valuation and calculation of benefits beginning January 1, 2008.

*Continued from October 24, 2007*

Administrator addressed issues raised by the Board.

Chair directed item be deferred to special meeting.

**NO ACTION TAKEN**

13. Receive draft response from Milliman Actuaries to a request from the County Executive Officer for additional information regarding the actuarial experience study, and authorize the Administrator to forward the final response to the CEO.

Administrator presented item, noted that peer review had been completed, and addressed issues raised by the Board.

**MOTION:** Authorize administrator to forward final response to the CEO.

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

Absent: Terris

14. Receive recommendations from Milliman Actuaries and adopt actuarial assumptions pertaining to the valuation of Post-Retirement Medical benefits.

Administrator presented item and addressed issues raised by the Board.

Chair directed item be deferred to special meeting and that Milliman provide additional information.

**NO ACTION TAKEN**

15. Receive recommendation from Milliman Actuaries and adopt revised actuarial assumptions pertaining to the new safety plan being implemented effective February 25, 2008.

Administrator presented item and addressed issues raised by the Board.

Assistant Administrator addressed issues raised by the Board.

Trustee Kendig made then withdrew a motion.

Chair directed item be deferred to special meeting and that Milliman comment on factors affecting rate of retirement.

**NO ACTION TAKEN**

16. Adopt proposed policy regarding Trustee participation as conference speakers.  
*Continued from September 26, 2007*

Counsel Blakeboro presented item and addressed issues raised by the Board.

Chair directed staff to report annually on Trustee travel, training, and gifts.

**MOTION:** Adopt proposed policy regarding Trustee participation as conference speakers.

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

17. Schedule a Special Meeting to consider actuarial issues.

**MOTION:** Schedule a special meeting at 9:00 a.m., on December 19, 2007, at the Wisteria Room, to consider actuarial issues.

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

Trustee Kendig requested that Milliman provide the Board with an Attribution Table for changes in actuarial assumptions and the impact of potentially extending the amortization schedule beyond 15 years before completing the 2007 valuation.

18. Receive and file Administrator's Report:
- a. Portfolio Status Report
  - b. Private Equity Status Report
  - c. Department Operations

Administrator and Counsel Blakeboro addressed issues raised by the Board.

Chair recognized Susan Paul, Santa Barbara County Assistant CEO/Human Resources Director, and her request to address issues raised by the Board.

Trustee Kendig requested with concurrence of the Chair that the Board reopen Item 8 – Receive an update on the Emerging Markets equity manager search.

**NO ACTION TAKEN**

19. Present items to Administrator for future agenda consideration.

**CLOSED SESSION**  
(1:00 p.m. – 1:37 p.m.)

**Conference with Legal Counsel --** Anticipated Litigation (Government Code Section 549569(b)) and Initiation of Litigation (Government Code Section 549569(c)).

**Conference with Legal Counsel --** Existing Litigation, *Patricia Weiland v. SBCERS* (Government Code Section 54956.9(a)) and Anticipated Litigation (Government Code Section 54956.9(b).)

**OPEN MEETING**

Board Counsel Blakeboro announced that no reportable action had been taken during the first Closed Session; and that Supervisor Gray recused herself and left the meeting before the second Closed Session, during which the Board authorized Mr. Blakeboro proceed to defend SBCERS in the matter of *Patricia Weiland v. SBCERS*.

The meeting adjourned at (1:38 p.m.)

ATTEST:

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Clerk

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Chair

\_\_\_\_\_  
Secretary