

**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
Frederick Tan

AGENDA OF THE BOARD OF RETIREMENT

April 23, 2008

**Board of Supervisors' Hearing Room
105 E. Anapamu Street
Santa Barbara, California**

The Santa Barbara County Employees' Retirement System is committed to:

- *fulfilling its fiduciary responsibility by providing the highest quality of service to all members and plan sponsors; and*
 - *protecting promised benefits through prudent investing; and*
 - *ensuring reasonable expenses of administration.*

In compliance with the Americans with Disabilities Act, if you need special assistance to participate in the meeting, or if translation assistance is requested, please contact the Clerk of the Board of Retirement at 805-568-2940.

Persons desiring to speak on any matter must complete and deliver to the Clerk the form available at the conference room entrance. Matters not listed on the agenda may be addressed at the public comment period.

Roll Call at **8:30 a.m.**

CLOSED SESSION

Closed Sessions are not open to the public.

Conference with Legal Counsel -- Anticipated Litigation (Government Code Section 54956.9(b)).

PUBLIC COMMENT

Receive public comment

3 minutes

MINUTES

1. Approve Minutes of Regular Board meeting of March 26, 2008.

2 minutes

CONSENT AGENDA

5 minutes

- C-1. Receive and file assignment of contract for Julius Baer.

- C-2. Adopt Retirement Report.

	<u>Name</u>	<u>Dept.</u>	<u>Service Credit</u>	<u>Sick Leave Credit</u>	<u>ARC</u>
D	James Anderson	Sheriff	30.16651	1.00000	
D	John Billester	Sheriff	11.98242	0.39056	
D R	Donald W. Byrne	Sheriff	29.04907	0.87094	
R	Cheryl Coffey	Sheriff	13.09014	0.13368	
D	Jeanne Curtis	Public Health	13.44763	0.00000	
D	Gail Faulkner	Probation	10.68777	0.00438	
	Joyce Figueirido	Courts	19.29379	0.15750	
D	Gerald Garmon	Courts	8.36593	0.14358	
	Margarita Giron	Public Health	10.53757	0.00694	
	Laura Guanill	Probation	13.17594	0.00052	
	Gerald Kunkle	Sheriff	27.97326	1.00000	
	Carol Kurtze	Social Services	32.17695	0.43184	
D	John Lewis	General Services	5.09795	0.06597	
	Margaret Magee	Probation	13.29263	0.03536	
	Wesley Maroney	Sheriff	30.48164	0.90209	
R	Garry Martin	Sheriff	25.84738	0.79650	
	Stanley Mathiasen	Sheriff	31.29866	1.00000	
	Michael Mohler	Sheriff	19.16786	0.18744	
	Thomas Muscio	District Attorney	34.31023	0.62660	
	Greg Nordyke	Sheriff	29.64956	1.00000	
	Socorro Perez	Public Health	10.92272	0.00668	
	Robert Pflomm	Auditor-Controller	12.29909	0.01482	
D Dis	Fernando Ramirez	Public Works	17.88071	0.00150	
R	Joseph Smith	Sheriff	32.32083	1.00000	
	Shelby Stegner	Sheriff	14.41136	0.00059	
	Edward Szczepanek	Fire	29.50476	0.22276	
D	Maria Vega	Public Health	21.74011	0.01939	
R	Carol Wilson	Public Defender	18.02098	0.00184	

D=Deferred

R=Reciprocal

Dis=Disability Pending

BOARD

2. Regarding disposition of the Health Coverage Reserve:
Continued from March 26, 2008

A. Adopt staff recommendations, as follows:

- a. Effective July 1, 2008, cease payment of retiree health subsidies, at which time the County will commence payment of such subsidies.
- b. Effective June 30, 2007, eliminate the Health Coverage Reserve and reallocate the associated assets into three new reserves as follows:
 1. Retired Member Benefit Reserve of \$78,430,416, to be treated as Valuation Assets;
 2. Supplemental Cash Benefit Reserve of \$8,100,000, to be treated as Non-Valuation Assets;
 3. 2007-08 Health Benefit Reserve of \$7,000,000, to be treated as Non-Valuation Assets.
- c. Receive correspondence regarding this matter, as follows:
 1. Letter dated 4/7/08 from County Executive Officer and Auditor/Controller to Chair James
 2. Letter dated 4/9/08 from Board Counsel to CEO and Auditor/Controller
 3. Letter from Jones Day, Board Tax Counsel, regarding \$4 Supplemental Cash Allowance

Or, Alternatively,

B. Consider recommendations from Alternative Trustee Bruns, as follows:

Effective July 1, 2008:

1. Create a Supplemental Cash Benefit Reserve, and
2. Eliminate the Health Reserve (formerly named Health Coverage Reserve), and
3. Transfer all assets in the Health Reserve (\$93.5 million) to the Supplemental Cash Benefit Reserve, and
4. Transfer \$40.0 million from the Market Stabilization Reserve to the Supplemental Cash Benefit Reserve in order to fund 100% of the monthly \$15/service year cash benefit for all SBCERS retirees and to future retirees who were employed by June 30, 2007, by any of the system's ten plan sponsors, estimated to cost \$133.5 million in accrued liability, and
5. Use the \$133.5 million in assets from the Supplemental Cash Benefit Reserve to provide a monthly taxable \$15/service year supplemental cash benefit to all SBCERS retirees and to future retirees who were employed by June 30, 2007, by any of the system's ten plan sponsors, and

6. Direct the Retirement Administrator to conduct an aggressive outreach campaign, to include countywide meetings and newsletters, in order to properly notify all retirees and employees of this change in the retiree health care benefit and the reason why.

60 minutes

3. Adopt Addendum to June 30, 2007, Actuarial Valuation and employer contribution rates beginning July 1, 2008.
 - a. employer contribution rates including the new General Plan 5C effective March 10, 2008; OR
 - b. employer contribution rates including the new General Plan 5C and reflecting reallocation of the Health Coverage Reserve effective June 30, 2007, as recommended in Item 2.A.b., above.

45 minutes

4. Adopt assumptions for a revised Additional Retirement Credit (ARC) calculator, consistent with the actuarial assumptions adopted in October 2007.

15 minutes

5. Adopt revised Guidelines for the purpose of interpreting and applying Government Code Section 31724 in the determination of disability effective dates, which:
 - a. Define “regular compensation” as the last day the member received compensation for working in his or her regular position.
 - b. Provide for a presumption that members who are unable to ascertain permanence as of their last day of regular compensation be entitled to an early filing date, while reserving the Board’s discretion to consider the reasonableness of an applicant’s delay in exceptional circumstances.
 - c. Continue the method currently utilized by staff (“compression”) to accomplish an equitable offset for compensation received after the disability effective date.
 - d. Continue and make explicit staff’s existing policy of taking into consideration Labor Code Section 4850 pay in establishing an effective date of benefits, but not taking into consideration other payments made pursuant to Division 4 of the Labor Code, such as temporary total disability benefits.

Continued from March 26, 2008

45 minutes

6. Receive opinion from Board Counsel regarding meeting during SACRS conferences and provide direction to voting delegates regarding election of SACRS officers.

Continued from March 26, 2008

10 minutes

DISABILITY RETIREMENT

TIME CERTAIN OF 1:00 PM

Disability matter shall be considered in CLOSED HEARING. Interested parties may request these matters to be discussed in a session open to the public. CONFIDENTIAL REPORTS are distributed only to the Board.

7. Patricia Weiland, Service-Connected Disability Retiree
Direct staff to set an effective date for the disability retirement of Patricia Weiland, consistent with *Weiland v. Board of Retirement* and the revised adopted Guidelines for determination of disability effective dates.

10 Minutes
8. Fernando Ramirez, Applicant for Service-Connected Disability Retirement (re-application):
Consider all the pertinent information, and deny the application for service-connected disability retirement for ineligibility due to termination for cause, subject to timely requested hearing.
Continued from March 26, 2008

15 Minutes
9. Sharon Konkol, Applicant for Service-Connected disability retirement
Extend Hearing Officer Lishner's jurisdiction to June 25, 2008, and direct Hearing Officer Lishner to conclude the hearing by June 25, 2008 and receive evidence on the full range of issues related to applicant's contention of permanent incapacity due to both medical conditions, with no further extensions or delays.

5 Minutes
10. Receive and file the Disability Applicant Status Report.

5 Minutes

INVESTMENTS

11. Authorize Asset Liability study to be conducted by Pension Consulting Alliance and EFI Actuaries, at a cost not to exceed \$118,000.
Continued from March 26, 2008

15 minutes

ADMINISTRATOR

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

10 minutes
13. Present items to the Administrator for future agenda consideration.

Next regular meeting date is May 28, 2008