

**SANTA BARBARA COUNTY
EMPLOYEES' RETIREMENT SYSTEM**

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Vincent P. Brown
Chief Executive Officer



BOARD OF RETIREMENT

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

MINUTES OF THE BOARD OF RETIREMENT

November 18, 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,
Rafferty, Rotella
Members Absent: Gray, Patterson, Tan
Alternate Absent: Marshall
Counsel: Blakeboro
Clerk: Bignell

Vice Chair Cholmondeley headed the meeting pro tempore in Chair Gray's absence.

Trustee Patterson arrived at 10:56.

CEO Vince Brown gave the Board an overview of the day's agenda.

PUBLIC COMMENT

Trustees Kendig and Rotella both announced their planned absences at the December 16, 2009 meeting of the Board of Retirement.

BOARD

1. Approve the attached Resolution thanking Trustee Shawn Terris for her service as a SBCERS Trustee.

Trustees Kendig and Rafferty made and seconded a motion to approve the

original Resolution thanking Shawn Terris for her service as a SBCERS Trustee.

Vince Brown, CEO and Counsel Blakeboro introduced item and addressed issues raised by the Board.

Trustee McCammon presented an alternate Resolution for the Boards' consideration thanking Shawn Terris for her service as a SBCERS Trustee.

Chair Cholmondeley recognized prior Board member, Trustee Terris' request to address the Board.

Trustee Kendig withdrew his motion after Trustee Rafferty withdrew his second.

Chair Cholmondeley appointed Trustees Kendig and McCammon to an ad hoc committee led by Trustee Rafferty, and directed them to bring a final Resolution back to the Board on December 16, 2009.

NO ACTION TAKEN

CONSENT

C-1. Adopt Retirement Report.

	<u>Name</u>	<u>Dept.</u>	<u>Service Credit</u>	<u>Sick Leave Credit</u>	<u>ARC</u>
D	Jose Apodaca	ADMHS	9.59459	0.00280	
	Kelsey Barkan	Social Services	25.14882	0.00207	
D	Rosa Cockrell	Public Health	10.84785	0.05622	
	Edward Decaro	Courts	29.64359	0.96308	
D	Catherine Dunbar	Planning & Dev.	6.21558	0.07072	
R	Margaret Gadberry	Sheriff	11.46005	0.02733	
	Kathryn Greene	Sheriff	40.02182	1.00000	
D	Lisa Hobbs	Sheriff	11.90381	0.00358	
D	Patricia Ijidakinro	ADMHS	8.12309	0.00774	
	Gordon Jennings	Fire	30.17493	0.65830	
D	Marisela Martinez	Courts	8.09862	0.22394	
D	Tina Marzio	Parks	14.43664	0.27579	
	David Panel	Sheriff	17.63330	0.00078	
D	Rosemary Ramos	Courts	11.14317	0.13130	
D	John Scherrei	Fire	10.70348	0.38864	1.00000

D=Deferred
R=Reciprocal

MOTION: Approve Consent Agenda.

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

Absent: Gray, Patterson, Tan

BOARD (Cont'd.)

- 2. Accept the June 30, 2009 Actuarial Report from Board Actuary Milliman and approve the 2010 Employer Contribution Rate for all Plans.

Trustees Kendig and James made the motion to accept the Report and 2010 Employer Contribution Rate.

Karen Steffen, Consulting Actuary, introduced the item and addressed issues raised by the Board.

Daniel Wade, Consulting Actuary, presented item and addressed issues raised by the Board.

Vince Brown stated, with regard to typographical errors contained within Milliman's slide presentation corrected during the presentation, that the Board was approving the actual Report and the 2010 Employer Contribution Rate as clear and accurate.

MOTION: Accept the June 30, 2009 Actuarial Report from Board Actuary Milliman and approve the 2010 Employer Contribution Rate for all Plans as presented in the Report.

Kendig/James	Approved unanimously by roll call vote.
	Yes: Cholmondeley, James, Kendig, McCammon, Rafferty, Rotella
	Absent: Gray, Patterson, Tan

INVESTMENTS

- 3. Receive and file Second Quarter 2009 Performance Update from Hamilton Lane.

Paul Yett, Managing Director, introduced Matthew Silverio, Associate, who presented for Hamilton Lane and addressed issues raised by the Board.

Vince Brown addressed issues raised by the Board and requested that next Quarter's report include a presentation on industry fee structures for Private Equity.

MOTION: Receive and file Second Quarter 2009 Performance Update from Hamilton Lane.

James/Rotella Approved by unanimous voice vote of all present.

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

4. Receive Apollo Management, L.P., Private Placement Agent Update from Hamilton Lane.

Vince Brown introduced item.

Paul Yett presented the Apollo Management Agent Update and addressed issues raised by the Board.

Vince Brown and Eli Martinez addressed issues raised by the Board.

MOTION: Receive Apollo Management, L.P., Private Placement Agent Update from Hamilton Lane and supplemental information from staff.

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

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

5. Receive review of Hamilton Lane Venture Capital Fund from Pension Consulting Alliance (PCA).

Michael Moy, Managing Director, presented item for PCA and addressed issues raised by the Board.

Counsel Blakeboro and Vince Brown addressed issues raised by the Board, and recommended that Fiduciary Counsel Harvey Leiderman, Reed Smith, return December 16, 2009, with a legal review.

MOTION: Receive review of Hamilton Lane Venture Capital Fund from PCA and direct Reed Smith to provide a separate follow-up report.

James/Rotella Approved by unanimous voice vote of all present.

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

6. Receive BNY Mellon Cash Investment Performance Comparative Analysis Versus County Treasurer from PCA.

Sarah Bernstein, Principal, presented item for PCA and addressed issues raised by the Board.

Vince Brown and Eli Martinez addressed issues raised by the Board.

Vince Brown addressed issues raised by the Board.

Chair Cholmondeley direct staff, time permitting, to have an analysis of fund performance related to total public fund universe prior to SBCERS' Retreat, January 20-21, 2010.

Trustee James requested that future reports show funds invested in BNY/CIS and Treasurer's Pool as separate line items.

MOTION: Receive SBCERS Investment Portfolio September 30, 2009 Quarterly Report from PCA.

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

13. Receive Portfolio Status Report.

Eli Martinez presented item and addressed issues raised by the Board.

MOTION: Receive Portfolio Status Report.

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

**DISABILITY RETIREMENT
CLOSED HEARING**

8. William Buskirk, Service-Connected Disability Retirement Applicant:
Deny the application of William Buskirk for service-connected disability retirement, subject to timely requested hearing.

Annette Paladino, Disabilities Manager, presented item.

MOTION: Deny the application of William Buskirk for service-connected disability retirement, subject to timely requested hearing.

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

9. Teresa Paz, Service-Connected Disability Retirement Applicant.

Deny the application for service-connected disability retirement of Teresa Paz, subject to timely requested hearing by an interested party.

Annette Paladino, Disabilities Manager, presented item.

MOTION: Deny the application for service-connected disability retirement of Teresa Paz, subject to timely requested hearing by an interested party.

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

10. Receive and file Disability Status Report.

Counsel Blakeboro presented Disability Status Report.

MOTION: Receive and file Disability Status Report.

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

OPEN MEETING

Annette Paladino announced her approaching January retirement. Ms. Paladino told the Board she had enjoyed her 20-plus years working with them. She assured the Board that the Disability program is strong, the staff is competent and she anticipates a smooth transition following her departure..

Counsel Blakeboro summarized the Closed Hearing actions taken on Disability Items 8, 9 and 10 as listed above.

CHIEF EXECUTIVE OFFICER

14. Receive and file Chief Executive's Department Operations Report.

Vince Brown.

Counsel Blakeboro addressed issues raised by the Board.

Chair Cholmondeley directed that staff vote for all five CALAPRS Board of Directors nominees for the term January 1, 2010 through December 31, 2011.

Lila Deeds, Assistant CEO provided an update on Retiree Health Plan Open Enrollment and addressed issues raised by the Board.

Vince Brown briefed the Board on the CIO job classification and recruitment.

NO ACTION TAKEN

- 15. Board Presentations for next month:
 - a. OPEB
 - b. Hedge Fund of Funds
 - c. TIPS Finalist Interviews
 - d. Arden
 - e. Kuhns Report
 - f. First Republic
 - g. Hamilton Lane Venture Fund legal analysis
 - h. BNY Mellon
 - i. Fixed Income

The meeting adjourned at 1:46 p.m.

ATTEST:

Clerk

Chair

Secretary