

**SANTA BARBARA COUNTY
EMPLOYEES' RETIREMENT SYSTEM**

3916 State Street Suite 210
Santa Barbara, CA 93105

Phone (805) 568-2940
Fax (805) 560-1086

Vincent P. Brown
Chief Executive Officer



BOARD OF RETIREMENT

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

AGENDA OF THE BOARD OF RETIREMENT

June 23, 2010

**Wisteria Room at Casa Nueva
260 N. San Antonio Rd.
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 **9:00 a.m.**

Pledge of Allegiance led by Chair

Agenda Overview by Assistant CEO

PUBLIC COMMENT

Receive public comment

MINUTES

- 1. Approve Minutes of Regular Board meeting of May 26, 2010.

CONSENT AGENDA

- C-1. Confirm pensionability of new County earnings type "SXW."
- C-2. Adopt Retirement Report.

	<u>Name</u>	<u>Department</u>	<u>Service Credit</u>	<u>Sick Leave Credit</u>	<u>ARC</u>
D R	Alan Fortune	Fire	3.23994	0.07774	
D	Thomas Garrison	Clerk-Recorder-Assessor	9.69025	0.26042	
	Joyce Gerber	DRO	5.04887	0.00000	
	Joy Gilles	Public Defender	17.65698	0.01632	3.50000
	Thomas Jenkins	Sheriff	33.24279	0.96870	
	Jeffrey Stone	Parks	33.02173	0.89591	
	Deborah Talmage	Courts	31.28321	0.48313	

D=Deferred
R=Reciprocal

BOARD

- 2. Receive educational presentation from Board Actuary Milliman regarding the actuarial experience study and valuation process.

BREAK

INVESTMENTS

- 3. Receive presentations from the Discretionary Real Estate Manager finalists, receive finalist report from Pension Consulting Alliance (PCA) and select a Discretionary Real Estate Manager from the finalists.
 - a. Courtland Partners, LTD. (Courtland)
 - b. ORG Portfolio Management, LLC (ORG)
 - c. The Townsend Group (Townsend)
- 4. Receive and approve the Intermediate Government Bond Manager finalist list from PCA.
- 5. Receive and approve the Large Cap Growth finalist list from PCA.

LUNCH

INVESTMENTS (Cont'd.)

6. Receive and approve the recommendation by PCA to affirm the existing Evolving Balanced Risk Investment Policy Allocation for 2010 and 2011 or take further action as the Board deems necessary.
7. Receive and approve the recommendations from PCA for implementing a Covered Call Strategy:
 - a. Begin implementation of a Covered Call Strategy with 2% of SBCERS' assets, to be increased to 4% of SBCERS' assets in 2011 upon successful program review.
 - b. Retain Rampart to passively manage covered call options on S&P500 Index fund, manage against this index fund on a monthly basis, and provide appropriate quarterly reporting to SBCERS' Staff and Consultant.
 - c. Direct staff to shift initial funding from Alliance Bernstein's Russell 1000 Index fund to the Alliance Bernstein S&P 500 Comingled Trust to serve as underlying assets for covered call program.
 - d. Benchmark the Covered Call strategy to the CBOE BXM Index.
 - e. Review Program in one year.
8. Receive and approve the recommendation by PCA to conduct a search for a new hedge fund of funds manager as replacement to Arden.
9. Receive and approve the recommendation by PCA to keep Batterymarch Financial Management on "watch" status.
10. Receive and file the staff Monthly Portfolio Status Report.

BREAK

DISABILITY RETIREMENT

TIME CERTAIN OF 3:00 PM

Disability matters shall be considered in CLOSED HEARING -- pursuant to Government Code Section 54957(b)(1). Interested parties may request these matters to be discussed in a session open to the public. CONFIDENTIAL REPORTS are distributed only to the Board.

11. Robert Abadajos, Applicant for NonService-Connected Disability Retirement:
Adopt Board findings of Fact and Conclusions of Law granting Robert

Abadajos a nonservice-connected disability retirement.

12. Susan Klucker, Applicant for Service-Connected Disability Retirement: Deny The application of Susan Klucker for service-connected disability retirement, subject to timely requested hearing.
13. Robert Peltcher, Applicant for NonService-Connected Disability Retirement: Adopt Board findings of Fact and Conclusions of Law granting Robert Peltcher a nonservice-connected disability retirement.
14. Christopher Raiter, Service-Connected Disability Retirement Applicant: Consider the Findings of Fact and Recommendation and Supplemental Report of the Hearing Officer, along with any timely filed objections, and approve and adopt the recommendation to deny the application for service-connected disability retirement of Christopher Raiter.
15. Receive and file Disability Status Report.

BOARD (Cont'd.)

16. Approve proposed amendment to the SBCERS Code of Conduct to require Trustees to report meetings or contact with any potential or current service providers.
17. Receive and file the audited financials and the Comprehensive Annual Financial Report (CAFR) for the fiscal years ending June 30, 2009.
18. Approve Administrative Budget for Fiscal Year 2010-11, adopt accompanying resolutions, and amend the Budget Approval Process policy to establish May 31 as the annual date to determine the market value of assets used in calculating the statutory Administrative Budget Limit.

CHIEF EXECUTIVE OFFICER

19. Receive and file Chief Executive Officer's department operations report.
20. Receive the proposed three month Board Agenda preview and make adjustments as the Board deems necessary.

CLOSED SESSION

Closed Sessions are not open to the public.

CONFERENCE WITH LEGAL COUNSEL -- ANTICIPATED LITIGATION
Significant exposure to litigation pursuant to Government Code Section 54956.9
(b)(1).

Next regular meeting date is July 28, 2010