

**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 - Donald Kendig
Bernice James
Julie McCammon
Vanessa Patterson
Ward Rafferty
Al Rotella
Frederick Tan
Darryl Scheck
Gail Marshall

MINUTES OF THE BOARD OF RETIREMENT

April 28, 2010

**Board of Supervisors' Hearing Room
105 E. Anapamu St., 4th Floor
Santa Barbara, California**

ROLL CALL 9:02 a.m.

Members Present: Cholmondeley, Gray, James, Kendig, Patterson, Rafferty,
Rotella, Scheck
Member Absent: McCammon,
Alternate Absent: Marshall, Tan
Counsel: Blakeboro
Clerk: Bignell

Trustee Tan arrived at 9:12 a.m. and voted on behalf of Trustee McCammon pursuant to Government Code Section 31520.1(b).

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

MINUTES

1. Approve Minutes of Regular Board meeting of March 24, 2010.

MOTION: Approve corrected Minutes of Regular Board meeting of March 24, 2010.

Patterson/Kendig

Approved by unanimous voice vote

Yes: Gray, James, Kendig,
Patterson, Rafferty, Rotella,
Scheck

Abstain: Cholmondeley

Absent: McCammon, Tan

CONSENT

C-1. Bruce McKaig: Grant applicant's request for a service retirement, pending final determination of his entitlement to disability retirement.

C-2. Adopt Retirement Report.

	<u>Name</u>	<u>Department</u>	<u>Service Credit</u>	<u>Sick Leave Credit</u>	<u>ARC</u>
D	Linda Ballard	Clerk-Recorder-Assessor	6.11037	0.05381	
	Roberta Bratz	APCD	26.06398	0.01120	
	Janice Cioppa	Public Health	15.23647	0.00007	
	Robert Cooley	Sheriff	30.13153	0.52481	
R GH	Fred Espinosa	Public Works	31.26478	0.02163	
R	Ronald Heil	Sheriff	31.76653	0.83494	
	Jeffery Klapakis	Sheriff	31.50873	0.99665	
	Gail Long	Clerk-Recorder-Assessor	37.59137	0.04538	
GH	Eugene Martinez	District Attorney	24.29955	0.70712	
	Ronald McMullan	Sheriff	15.71539	0.00097	
R GH	Rory Moore	Public Defender	29.92682	0.66244	2.00000
GH	Francisco Ortiz	Parks	30.54978	1.00000	
R	William Prince	Planning & Development	1.61789	0.00000	
	Ross Ruth	Sheriff	31.49746	1.00000	
GH	Elliot Schulman	Public Health	21.72664	0.90559	1.00000
D	Suzzanna Walsh	Social Services	13.98042	0.01056	

D=Deferred
R=Reciprocal
GH=Golden Handshake

Assistant CEO Lila Deeds, addressed issues raised by the Board.

MOTION: Approve Consent Agenda.

Patterson/James

Approved by unanimous voice vote of all present

Yes: Cholmondeley, Gray, James,
Kendig, Patterson, Rafferty,
Rotella, Scheck

Absent: McCammon, Tan

INVESTMENTS

2. Approve Pension Consulting Alliance's (PCA's)Active Large Cap Growth Equity Manager search process and timeline.

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

Kay Ceserani, Vice President, PCA, presented item and addressed issues raised by the Board.

CEO Vince Brown addressed issues raised by the Board.

MOTION: Approve Pension Consulting Alliance's (PCA's) Active Large Cap Growth Equity Manager search process, timeline and list, and directed staff to publish and notify all trustees of quiet period parameters.

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

3. Approve PCA's Intermediate Government Fixed Income Manager search process and timeline.

Sarah Bernstein introduced item and addressed issues raised by the Board.

Kay Ceserani presented item and addressed issues raised by the Board.

Vince Brown addressed issues raised by the Board.

MOTION: Approve PCA's Intermediate Government Fixed Income Manager search process, timeline and list, and directed staff to publish and notify all trustees of quiet period parameters.

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

4. Remove Dimensional Fund Advisors (DFA) small cap value fund from Watch status.

MOTION: Remove DFA small cap value fund from Watch status.

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

5. Remove Artio Global Management (Artio) core plus fixed income portfolio from Watch status.

MOTION: Remove Artio core plus fixed income portfolio from Watch status.

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

Chair Gray, with Trustee Cholmondeley concurring, credited PCA staff with a job well done and complimented them on the Watch Status Report format.

- 6. Remove Reams Asset Management (Reams) core plus fixed income portfolio from Watch status.

MOTION: Remove Reams core plus fixed income portfolio from Watch status.

Sarah Bernstein addressed issues raised by the Board.

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

- 7. Remove STW Fixed Income Management (STW) core fixed income portfolio from Watch status.

MOTION: Remove STW core fixed income portfolio from Watch status.

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

PUBLIC COMMENT

Received comment from Disability Retirement Applicant Bruce McKaig, around 10:15 a.m. regarding difficulties faced during worker's compensation process and inability to get necessary treatment.

INVESTMENTS (Cont'd.)

- 8. Receive 2010 SBCERS Fund of Hedge Funds Education from PCA.

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

Vince Brown addressed issues raised by the Board.

Eli Martinez addressed issues raised by the Board.

Counsel Blakeboro addressed issues raised by the Board.

NO ACTION TAKEN

9. Receive Portfolio Status Report.

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

Vince Brown addressed issues raised by the Board.

NO ACTION TAKEN

10. Authorize staff to extend the contract with Pension Consulting Alliance (PCA) for one year until September 30, 2011.

Vince Brown introduced item and addressed issues raised by the Board.

Chair Gray kicked off Board discussion and deliberation.

Counsel Blakeboro addressed issues raised by the Board.

MOTION: Authorize staff to extend the contract with Pension Consulting Alliance (PCA) through December 31, 2010, and issue an RFP for General Investment Consultant (inviting PCA to participate and with an intended December 2010 meeting decision deadline).

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

BOARD

11. Receive SBCERS Quarterly Cash Flow Report.

Rico Pardo presented item and addressed issues raised by the Board.

NO ACTION TAKEN

CLOSED SESSION
(1:31 p.m. – 2:04 p.m.)

CONFERENCE WITH LEGAL COUNSEL -- ANTICIPATED LITIGATION
Initiation of litigation pursuant to Government Code Section 54956.9 (c).

**DISABILITY RETIREMENT
CLOSED HEARING**

13. Sandra Roberts: Direct the referee to complete his report and recommendations in this matter, and make findings on appropriate issues.

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

System Counsel Chris Kroes addressed the Board.

Applicant's Counsel Russell Ghitterman addressed the Board.

MOTION: Referee to complete his report and recommendations in this matter, and make findings on appropriate issues .

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

14. Receive and file Disability Status Report.

Lila Deeds addressed issues raised by the Board.

MOTION: Receive and file Disability Status Report.

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

OPEN MEETING

Mr. Blakeboro announced that the Board had met in Closed Session to consider anticipated litigation, took no reportable action and summarized the Closed Hearing actions taken on Disability Items 13 and 14 as listed above

BOARD (Cont'd.)

12. Authorize staff to issue a Request for Proposal for actuarial audit services in conjunction with Board Actuary Milliman's upcoming Investigation of Experience and Actuarial Valuation for the period ending 6/30/10.

Lila Deeds introduced item and addressed issues raised by the Board.

MOTION: Authorized staff to issue a Request for Proposal for actuarial audit services in conjunction with Board Actuary Milliman’s upcoming Investigation of Experience and Actuarial Valuation for the period ending 6/30/10, choosing option C (full replication of experience study and valuation..

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

CHIEF EXECUTIVE OFFICER

- 15. Receive and file Chief Executives Officer’s department operations report and:
 - a. Approve Trustee Rafferty’s request and any other interested Trustee’s request to attend the Alternative Investment Forum in Los Angeles, May 4, 2010.

MOTION: Approve Trustee Rafferty’s request and any other interested Trustee’s request to attend the Alternative Investment Forum in Los Angeles, May 4, 2010.

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

- b. Receive SACRS Nominating Committee recommendations for SACRS Officers for the 2010/11 year, and authorize voting and alternate voting delegates.

Vince Brown addressed issues raised by the Board.

MOTION: Receive SACRS Nominating Committee recommendations for SACRS Officers for the 2010/11 year, and authorize Chair Gray and Trustee Cholmondeley as voting and alternate voting delegates.

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

Trustees Kendig and Rafferty indicated they were interested in attending the pre-approved Wharton West Course in the Board’s Education Policy.

16. Receive the proposed three month Board Agenda preview and make adjustments as the Board deems necessary.

Vince Brown introduced the three month Board Agenda preview and addressed issues raised by the Board.

NO ACTION TAKEN

The meeting adjourned at 3:13 p.m.

ATTEST:

Clerk

Chair

Secretary