

**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
Darryl Scheck
Frederick Tan
Gail Marshall

MINUTES OF THE BOARD OF RETIREMENT

August 25, 2010

**Wisteria Room at Casa Nueva
260 N. San Antonio Rd.
Santa Barbara, California**

ROLL CALL 9:04 a.m.

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

Trustee McCammon arrived at 9:09 a.m. Trustee Tan arrived at 10:30 a.m.
Trustee Patterson arrived at 11:20.

Safety Alternate Trustee Tan was a voting member in the absence of Trustee Kendig.

Chief Executive Officer Vince Brown gave the Board an overview of the day's agenda.

PUBLIC COMMENT

There was no general public comment.

MINUTES

1. Approve Minutes:
 - a. Regular Board meeting of July 28, 2010

MOTION: Approve Minutes of Regular Board meeting of July 28, 2010 as corrected.

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

b. Special Board meeting of July 30, 2010.

MOTION: Approve Minutes of Special Board meeting of July 30, 2010.

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

CONSENT

C-1. Adopt Retirement Report.

<u>Name</u>	<u>Department</u>	<u>Service Credit</u>	<u>Sick Leave Credit</u>	<u>ARC</u>
Timothy Anderson	Parks	29.11503	0.00178	
Debbie Berg	Courts	35.96274	0.00039	
Delia Bernstine	Social Services	19.53533	0.01748	
Nicolas Carreno	Sheriff	27.39451	0.24732	
Cheralyn Mortenson	Social Services	18.03083	0.00020	
Jaime Pierce	DRO	4.81046	0.00000	
R Eugene Rondash	Public Works	6.53650	0.21544	
D Rochelle Schultz	Public Health	6.71978	0.04991	
Carmen Solis	Child Support Services	25.83658	0.23006	
Karen Wheeler	Probation	27.17184	0.45420	
Nancy Young	Courts	13.25048	0.04934	

D=Deferred
R=Reciprocal

MOTION: Approve Consent Agenda.

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

INVESTMENTS

2. Receive presentations from the Large Cap Growth Manager Finalists, receive the finalist report from Pension Consulting Alliance (PCA), and select a Large Cap Growth Manager from the finalists.

Sarah Bernstein, PCA Principal, introduced item with a brief overview.

Investment Analyst Eli Martinez addressed issues raised by the Board.

- a. RCM Capital Management

Mark B. Sullivan, Director and Head of Public Funds, and Scott Migliori, CIO/Senior Portfolio Manager, made the presentation for RCM Capital Management.

- b. Wellington Management

Scott C. Geary, Vice President/Business Development Manager, and Paul E. Marrkand, Senior Vice President/Equity Portfolio Manager, made the presentation for Wellington Management.

- c. Neuberger Berman

Neill Groom, Portfolio Manager, John Barker, Associate Portfolio Manager, and Bill Barnes, Senior Vice President/Western Public Fund Relationship Manger, made the presentation for Neuberger Berman.

Trustees Cholmondeley and Rafferty and Eli Martinez briefed the Board on the Large Cap Growth Manager finalist site visits.

MOTION: Receive finalist report from PCA, receive presentations from the Large Cap Growth Manager Finalists RCM Capital Management, Wellington Management, and Neuberger Berman, and select Neuberger Berman as the Large Cap Growth Manager.

Cholmondeley/McCammon Approved by unanimous voice vote of all present

Yes: Cholmondeley, Gray, James,
McCammon, Rafferty,

Absent: Rotella, Scheck,
Kendig

3. Receive and approve the General Investment Consultant RFP search process and timeline as outlined by Staff, Reed Smith and Reicker, Pfau, Pyle & McRoy LLP.

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

CEO Vince Brown and Fiduciary Counsel Harvey Leiderman addressed issues raised by the Board.

**DISABILITY RETIREMENT
CLOSED HEARING**

6. Matthew McCord, Applicant for Service-Connected Disability Retirement:
Deny the application of Matthew McCord for service-connected disability retirement, subject to timely requested hearing.

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

MOTION: Deny renewed application for service-connected disability retirement of Mathew McCord, with any hearing requested by an interested party to be limited to the issue of whether there has been a material change in the applicant's medical condition since the Board acted to deny Mr. McCord's prior application for service-connected disability retirement.

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

7. Dean Moore, Applicant for Service-Connected Disability Retirement:
Deny the application of Dean Moore for service-connected disability retirement, subject to timely requested hearing.

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

MOTION: Grant the application of Dean Moore for service-connected disability retirement, subject to timely requested hearing.

James/Tan Failed by voice vote

MOTION: Continue the application of Dean Moore for service-connected disability retirement, at the request of applicant's counsel.

Scheck/Rotella Approved by voice vote

Chair Gray directed staff to seek clarification from Independent Medical Examiner.

8. Cheralyn Mortenson, Applicant for NonService-Connected Disability Retirement:
Deny the application of Cheralyn Mortenson for nonservice-connected disability retirement on the basis of lack of permanency, subject to timely requested hearing.

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

Retirement Disabilities Program Manager Cristal Rodriguez addressed issues raised by the Board.

MOTION: Grant the application of Cheralyn Mortenson for nonservice-connected disability retirement.

Cholmondeley/McCammon Approved by voice vote

Yes: Cholmondeley, Gray, James,
McCammon, Scheck, Tan
No: Rafferty, Rotella
Abstain: Patterson
Absent: Kendig

9. Receive and file Disability Status Report.

MOTION: Receive and file Disability Status Report.

James/Scheck

Approved by unanimous voice vote of all present

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

OPEN MEETING

Counsel Blakeboro summarized the Closed Hearing actions taken on Disability Items 6, 7, 8 and 9 as listed above.

BOARD (Cont'd.)

10. Consider and approve the proposed Interest Crediting and Available Earnings Policy as recommended by the Operations Committee.

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

Counsel Leiderman addressed issues raised by the Board.

MOTION: Approve the proposed Interest Crediting and Available Earnings Policy as recommended by the Operations Committee.

Cholmondeley/James

Approved by voice vote

Yes: Cholmondeley, Gray, James,
McCammon, Patterson
Rafferty, Rotella, Tan
No: Scheck
Absent: Kendig

11. Approve the proposed Accessibility of Records Policy (ARP) and make any changes deemed necessary.

Vince Brown, Lila Deeds and Counsel Leiderman addressed issues raised by the Board.

NO ACTION TAKEN

15. Consider memo from Trustee Scheck requesting that the Board direct Milliman to present different pension funding options for 2011-12.

Trustee Scheck presented his request.

Vince Brown addressed issues raised by the Board.

NO ACTION TAKEN

CLOSED SESSIONS

(4:06 p.m. – 4:52 p.m.)

CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION

Initiation of Litigation pursuant to subdivision (c) of California Government Code Section 54956.9, one matter

CONFERENCE WITH LEGAL COUNSEL -- EXISTING LITIGATION

(Pursuant to subdivision (a) of California Government Code Section 54956.9)

Gail Common v. Retirement Board of the Santa Barbara County Employees' Retirement System, Santa Barbara County Superior Court Case No.: 1339147

PUBLIC EMPLOYMENT

Title: Retirement Chief Investment Officer (CIO)

PUBLIC EMPLOYEE PERFORMANCE EVALUATION

Title: Retirement Chief Executive Officer (CEO)

Continued to September 22, 2010 Meeting of the Board of Retirement

Mr. Blakeboro announced that the Board had met in Closed Session and had taken no reportable action as to the first three items and acted to continue the last item to the September 22, 2010 agenda.

The meeting adjourned at 4:53 p.m.

ATTEST:

Clerk

Chair

Secretary