

**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

---

**MINUTES OF THE BOARD OF RETIREMENT**

**November 17, 2010**

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

**ROLL CALL 9:02 a.m.**

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

Vice Chair Cholmondeley chaired the meeting in Chair Gray's absence.

Counsel Blakeboro stated that while the Board could proceed with a quorum, according to the Bylaws four votes would be needed to take any action.

Chief Executive Officer Vince Brown recommended, with Vice Chair Cholmondeley's concurrence, postponing Item 4, 2010 SBCERS Fund of Hedge Funds Supplemental Education and Recommendations until February 2011, and the Public Employment Closed Session and Item 8, Review status of Chief Investment Officer (CIO) recruitment until December 15, 2010, due to the significant decisions at hand and Board member absences. Mr. Brown then gave the Board an overview of the day's agenda.

Assistant Treasurer-Tax Collector and Treasurer-Tax Collector-Elect Harry Hagen, voted alternate for absent member James.

Trustee McCammon was absent from 9:48 a.m. to 10:18 p.m.

Trustee Patterson arrived at 10:44 a.m.

**PUBLIC COMMENT**

Vice Chair Cholmondeley described the recently attended SACRS Fall Conference 2010 as very informative and timely.

**MINUTES**

- 1. Approve Minutes of October 27, 2010 Regular Board meeting.

**MOTION:** Approve Minutes of October 27, 2010 Regular Board meeting as amended.

Scheck/Rotella

Approved by voice vote.

Yes: Cholmondeley, Hagen, Rotella, Scheck  
Absent: Gray, Kendig, Patterson, Rafferty  
Abstain: McCammon

**CONSENT**

- C-1. Adopt Retirement Report.

	<u>Name</u>	<u>Department</u>	<u>Service Credit</u>	<u>Sick Leave Credit</u>	<u>ARC</u>
D R	Vicki Book	Public Health	8.05375	0.23457	
	Dennis Bradley	Probation	13.79051	0.52741	
D	Arlene Cohen	ADMHS	5.23897	0.00005	
D	Nancy Dorwin	Public Health	13.09773	0.00181	
D	Irene Flynn	Sheriff	19.67608	0.50016	
D	Cathy Fox	ADMHS	6.24357	0.00906	
D	Maite Franck	District Attorney	12.40282	0.00017	
D R	Peter Groth	Sheriff	3.68809	0.00000	
	Olivia Kelly	Social Services	20.74976	0.03010	
D R	Lynn Niziol	Sheriff	1.61701	0.01974	
D	Joyce Kougl	Agricultural Commissioner	5.86473	0.05736	
D R	Donna Palmer-Faoro	Emergency Services	2.98851	0.01773	
	Greg Paraskou	Public Defender	10.34517	0.26368	
R	Shelley Stahl	Planning & Development	15.50367	0.03644	
	Phillip Willis	Sheriff	31.32359	0.74658	
D	Don Wrinkle	Fire	7.18488	0.19396	

D=Deferred  
R=Reciprocal

**MOTION:** Approve Consent Agenda.



- c. Maintain T-Bills as the asset class benchmark and evaluate the current T-Bills + 3% objective as a new manager is identified.
- d. Maintain the Fund of Hedge Funds structure to mitigate headline risk and diversify SBCERS assets.
- e. Develop appropriate investment policy guidelines for Fund of Hedge Funds manager.

*Continued to February 2011*

- 5. Receive and file the staff Quarterly Portfolio Status Report.

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

**MOTION:** Receive and file the staff Quarterly Portfolio Status Report.

Rotella/Scheck

Approved by unanimous voice vote.

Yes: Cholmondeley, Hagen,  
McCammon, Patterson,  
Rotella, Scheck

Absent: Gray, Kendig, Rafferty

### **CLOSED SESSION**

**Public Employment --** Consider Appointment of Retirement Chief Investment Officer (CIO) (Government Code Section 54957(b)(1))

*Continued until December 15, 2010*

### **BOARD**

- 8. Review status of Chief Investment Officer (CIO) recruitment and:
  - a. Authorize the CEO to negotiate a Contract Employee on Payroll Agreement with CIO Candidate B.
  - b. Authorize the CEO to request the County of Santa Barbara establish a new classification for the CIO with a higher base salary subject to the approval of the SBCERS Board of Retirement.
  - c. Direct the staff to begin the analysis of outsourcing the CIO position.

*Continued to December 15, 2010*

- 9. Review the Board Election analysis provided by Reicker, Pfau, Pyle and McRoy, LLP and:
  - a. Conduct a Special Election to fill the vacant Retiree Alternate Position; or



