

**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 – Zandra Cholmondeley  
Vice Chair – Ward Rafferty  
Secretary - Darryl Scheck  
Harry Hagen  
Donald Kendig  
Vanessa Patterson  
Steve Robel  
Al Rotella  
Janet Wolf  
Frederick Tan

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**MINUTES OF THE BOARD OF RETIREMENT**

**January 19, 2011**

**Riviera Ballroom, Canary Hotel**

**31 West Carrillo Street**

**Santa Barbara, California**

**ROLL CALL 9:05 a.m.**

Members Present: Cholmondeley, Hagen, Kendig, Patterson, Rafferty, Robel,  
Scheck, Wolf  
Member Absent: Rotella  
Alternate Absent: Tan  
Counsel: Blakeboro  
Clerk: Bignell

CEO Vince Brown announced that Trustee Rotella would be absent and Trustee Tan would be delayed.

Vince Brown administered the Oath of Office for Public Officers and Employees to Trustees Harry Hagen, Steve Robel and Second District Supervisor Janet Wolf.

Trustee Tan arrived at 1:30 p.m. Fiduciary Counsel, Harvey Leiderman arrived at 2:03 p.m.

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

**PUBLIC COMMENT**

There was no general public comment.

## MINUTES

1. Approve Minutes of Regular Board meeting of December 15, 2010.

**MOTION:** Approve Minutes of December 15, 2010 Regular Board meeting.

Kendig/Scheck Approved by voice vote.

Yes: Cholmondeley, Kendig,  
Patterson, Rafferty, Scheck  
Absent: Rotella  
Abstain: Hagen, Robel, Wolf

## BOARD

2. Election of Officers:
  - a. Chair

**MOTION:** Elect Zandra Cholmondeley as Chair.

Scheck/Rafferty Approved by unanimous voice vote of all present.

Yes: Cholmondeley, Hagen,  
Kendig, Patterson, Rafferty,  
Robel, Scheck, Wolf  
Absent: Rotella

- b. Vice Chair

**MOTION:** Elect Ward Rafferty as Vice Chair.

Cholmondeley/Patterson Approved by unanimous voice vote of all present.

Yes: Cholmondeley, Hagen,  
Kendig, Patterson, Rafferty,  
Robel, Scheck, Wolf  
Absent: Rotella

- c. Secretary

**MOTION:** Elect Darryl Scheck as Secretary.

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

Yes: Cholmondeley, Hagen,  
Kendig, Patterson, Rafferty,  
Robel, Scheck, Wolf  
Absent: Rotella

3. Appointment of Operations Committee

Vince Brown provided an overview of the Committee's anticipated workload



## RETREAT

### Opening Remarks

Vince Brown, CEO, SBCERS

The Board received opening remarks from CEO Vince Brown.

1. **Keynote Presentation: The State of the US and Global Economies**  
Milton Ezrati, Partner, Senior Economist and Market Strategist,  
Lord Abbett

Vince Brown introduced Keynote Speaker, Milton Ezrati.

The Board received Keynote Presentation, “The State of the US and Global Economies” from Milton Ezrati. Mr. Ezrati addressed issues raised by the Board.

2. **Keynote Reaction Panel**

#### Panelists

Neil G. Sutherland, CFA, Principal and Portfolio Manager, STW  
Joshua B. Lissner, Senior Vice President and Chief Investment Officer – Index  
Strategies, Alliance Capital  
Dmitri Kantsyrev, Ph.D., CFA, Portfolio Manager, PanAgora Asset Management

#### Moderator

Allan Emkin, Founder, Managing Director, PCA

The Board received Keynote Reaction Panel presentation.

3. **Asset Allocation & Investment Viewpoints**

#### Panelists

Robert I. Helliesen, CFA, Principal and Senior Investment Consultant, Milliman  
Stephen P. McCourt, CFA, Managing Principal, Meketa Investment Group  
Lee Partridge, CFA, C AIA, Chief Investment Officer, Salient Partners

#### Moderator

Sarah Bernstein, Ph.D., Principal, PCA

The Board received Asset Allocation & Investment Viewpoints presentation.

4. **Socially Responsible Investing (SRI)**

#### Moderator

Anne Sheehan, Director of Corporate Governance, CalSTRS

#### Panelists

Edward Kamonjoh, Head of Specialized Research, Institutional Shareholders  
Services  
Harvey L. Leiderman, Partner, Reed Smith, LLP

Christopher W. Waddell, Senior Attorney, Olson Hagel & Fishburn, LLP

The Boar received SRI presentation.

The meeting adjourned at 5:10 p.m.

ATTEST:

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Clerk

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Chair

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Secretary

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**MINUTES OF THE BOARD OF RETIREMENT**

**January 20, 2011**

**Riviera Ballroom, Canary Hotel  
31 West Carrillo Street  
Santa Barbara, California**

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

Members Present: Cholmondeley, Hagen, Kendig, Robel, Scheck  
Members Absent: Patterson, Rafferty, Rotella, Wolf  
Alternate Present: Tan  
Counsel: Blakeboro, Leiderman  
Clerk: Bignell

Trustee Patterson arrived at 9:27 a.m., and Trustee Rafferty at 10.40 a.m. Trustee Wolf arrived at 1:30 p.m.

**RETREAT**

**5. SBCERS Asset Allocation Update**

Sarah Bernstein, Ph.D., Principal, PCA  
Edward Schwartz, Co-Founder, ORG Portfolio Management, LLC  
Paul R. Yett, Managing Director, Hamilton Lane  
David Sancewich, Senior Vice President, PCA

**MOTION:** Adopt proposed 2011 Asset Allocation Review timeline, postponing November Structural Review for December.

Patterson/Kendig Approved by unanimous voice vote of all present.  
Yes: Cholmondeley, Hagen,  
Kendig, Patterson, Rafferty,  
Robel, Scheck  
Absent: Rotella, Wolf

6. **Why Board Governance?** Review of current Board policies, procedures, bylaws and regulations; consider and take appropriate action on counsel and staff's recommendations.

Alan A. Blakeboro, Partner, Reicher, Pfau, Pyle & McRoy, LLP  
Harvey L. Leiderman, Partner, Reed Smith, LLP

Counsel Blakeboro, Vince Brown and Assistant CEO Lila Deeds addressed issues raised by the Board.

**NO ACTION TAKEN**

7. **SBCERS Board Reaction to Presentations**  
SBCERS Board Chair Moderator

Trustee Kendig asked that service providers be asked to make introductions at the next retreat, introducing themselves, indicating the firm they represent, and the service they provide to SBCERS', with staff filling in with the information for any not in attendance

8. **Recap of Retreat and Next Steps**  
Vince Brown, CEO, SBCERS

The meeting adjourned at 3:10 p.m.

ATTEST:

\_\_\_\_\_  
Clerk

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Chair

\_\_\_\_\_  
Secretary