

**SANTA BARBARA COUNTY
EMPLOYEES' RETIREMENT SYSTEM**

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Lila E. Deeds
Interim 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
John McMillin
Frederick Tan

MINUTES OF THE BOARD OF RETIREMENT

August 31, 2011

Wisteria Room at Casa Nueva

260 N. San Antonio Rd.

Santa Barbara, California

and

Alternate Site

1945 Windsor Blvd.

Cambria, California

ROLL CALL 9:04 a.m.

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

Trustee Patterson was a participant in the meeting between 9:10 a.m. and 12:39 p.m. by Audio Tele-Conference.

CEO Lila Deeds gave the Board an overview of the day's agenda.

PUBLIC COMMENT

There was no general Public Comment.

MINUTES

1. Approve Minutes of July 27, 2011 Regular Board meeting.

C-4. Adopt Retirement Report (Cont'd.).

<u>Name</u>	<u>Department</u>	<u>Service Credit</u>	<u>Sick Leave Credit</u>	<u>ARC</u>
Linda Read	ADMHS	12.79565	0.00177	
D Dora Sanchez	Sheriff	9.14084	0.00053	
D Craig Snell	Planning & Development	12.41876	0.16956	
Diana Stetson	Sheriff	28.68655	0.66536	
John Thelander	Auditor Controller	33.00779	1.00000	
Candice Turner	ADMHS	1.77992	0.00000	
Richard Yoerks	Fire	32.59902	0.01973	

D=Deferred
R=Reciprocal

MOTION: Adopt Consent Agenda.

Robel/Rotella Approved by unanimous roll call vote.
Yes: Cholmondeley, Hagen, Kendig, Patterson, Rafferty, Robel, Rotella, Scheck, Wolf

INVESTMENTS

2. Receive 2011 Strategic Asset Allocation – Session VI presentation from Pension Consulting Alliance (PCA) and select a three-year evolving strategic Asset Allocation.

Allan Emkin, Founder and Managing Director, and Sarah Bernstein, Principal, presented for PCA and addressed issues raised by the Board.

Lila Deeds and Investment Officer Eli Martinez, addressed issues raised by the Board.

ORG Portfolio Management Co-Founder Edward Schwartz, addressed issues raised by the Board.

Trustee Kendig made then amended a motion to receive the 2011 Strategic Asset Allocation – Session VI presentation from PCA and select model D11 adjusting Fixed Income to 15%, and cash to 1% as our three-year evolving strategic Asset Allocation.

MOTION: Receive the 2011 Strategic Asset Allocation – Session VI presentation from PCA and select model D11 adjusting Global to 52%, Covered Calls to 7%, Private Equity 8%, Real Estate 8%, Real Return to 9%, Fixed Income to 15%, and cash to 1% as our three-year evolving strategic Asset Allocation.

Kendig/Hagen Approved by unanimous roll call vote.
Yes: Cholmondeley, Hagen,
 Kendig, Patterson, Rafferty,
 Robel, Rotella, Scheck,
 Wolf

3. Receive and approve recommendation from PCA to invest Other Post-Employment Benefits (OPEB) assets in a life cycle fund.

Allan Emkin and Sarah Bernstein presented for PCA and along with Lila Deeds, addressed issues raised by the Board.

MOTION: Receive and approve the recommendation from PCA to invest OPEB assets in a life cycle fund.

Kendig/Rotella Approved by unanimous roll call vote.
Yes: Cholmondeley, Hagen,
 Kendig, Patterson, Rafferty,
 Robel, Rotella, Scheck,
 Wolf

4. Receive and file ORG Personnel Change Update memo from PCA.

MOTION: Receive and file ORG Personnel Change Update memo from PCA.

Wolf/Robel Approved by unanimous roll call vote.
Yes: Cholmondeley, Hagen,
 Kendig, Patterson, Rafferty,
 Robel, Rotella, Scheck,
 Wolf

5. Receive and file second quarter 2011 Performance Report from PCA.

Allan Emkin and Sarah Bernstein presented for PCA and along with Eli Martinez, addressed issues raised by the Board.

MOTION: Receive and file second quarter 2011 Performance Report from PCA.

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

6. Receive and file first quarter 2011 Real Estate Portfolio Summary from ORG.

Edward Schwartz and Rebecca Morris, Advisor, presented for ORG, and along with Eli Martinez, addressed issues raised by the Board.

MOTION: Receive and file first quarter 2011 Real Estate Portfolio Summary from ORG.

Scheck/Rotella Approved by unanimous roll call vote.
Yes: Cholmondeley, Hagen,
Kendig, Patterson, Rafferty,
Robel, Rotella, Scheck,
Wolf

7. Receive and file first quarter 2011 Performance Update from Hamilton Lane.

Managing Director Paul Yett, and Associate Michael Augustine, presented for Hamilton Lane and addressed issues raised by the Board.

MOTION: Receive and file first quarter 2011 Performance Update from Hamilton Lane.

Rotella/Scheck Approved by unanimous roll call vote.
Yes: Cholmondeley, Hagen,
Kendig, Patterson, Rafferty,
Robel, Rotella, Scheck,
Wolf

DISABILITY RETIREMENT CLOSED HEARING

9. Michael Dacus, Applicant for Service Connected Disability Retirement:
Consider the Findings of Fact and Recommendation and 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 Michael Dacus.

Disability Program Manager Cristal Rodriguez presented item.

System Counsel Chris Kroes was present.

MOTION: Consider the Findings of Fact and Recommendation and 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 Michael Dacus.

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

Absent: Rotella, Scheck, Wolf
Patterson

11. Receive and file Disability Status Report.

MOTION: Receive and file Disability Status Report.

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

10. Susan Klucker Applicant for Service Connected Disability Retirement:
Consider the Findings of Fact and Recommendation and 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 Susan Klucker due to lack of permanency.

Cristal Rodriguez presented item.

System Counsel Chris Kroes spoke to the Board.

Applicant's Counsel Russell Ghitterman and Applicant Susan Klucker, spoke to
the Board.

Counsel Blakeboro addressed issues raised by the Board.

MOTION: Consider the Findings of Fact and Recommendation and 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 Susan Klucker due
to lack of permanency.

Kendig/Robel Approved by unanimous roll call vote.
Yes: Cholmondeley, Hagen,
Kendig, Rafferty, Robel,
Rotella, Scheck, Wolf
Absent: Patterson

OPEN MEETING

Counsel Blakeboro summarized the Closed Hearing actions taken on Disability
Items 9, 10 and 11 as listed above.

- a) Designate a trustee to attend Hamilton Lane Summit scheduled for September 20-22, 2011, in Philadelphia.

MOTION: Designate a Trustee McMillin to attend Hamilton Lane Summit scheduled for September 20-22, 2011, in Philadelphia.

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

- b) Authorize Trustee Rafferty's request to attend the Opal Real Asset Investing Summit, and the attendance of interested trustees at upcoming training events requiring Board pre-approval, as requested.

MOTION: Authorize Trustee Rafferty's request to attend the Opal Real Asset Investing Summit.

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

- c) Provide direction to staff regarding logistics and topics for the 2012 Board Investment Retreat.

MOTION: Schedule the 2012 Board Investment Retreat at the Holiday Inn, unless the Canary or the Hyatt can match the conference price.

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

MOTION: Authorize Trustee Robel's request to attend the NCPERS Public Safety Employees Pension & Benefits Conference.

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

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

NO ACTION TAKEN

The meeting adjourned at 3:13 p.m.

ATTEST:

Clerk

Chair

Secretary