

**SANTA BARBARA COUNTY
EMPLOYEES' RETIREMENT SYSTEM**

3916 State Street, Suite 210
Santa Barbara, CA 93105

Phone (805) 568-2940
Fax (805) 560-1086

Gary A. Amelio
Chief Executive Officer



BOARD OF RETIREMENT

Chair – Zandra Cholmondeley
Vice Chair – Ward Rafferty
Secretary - Darryl Scheck
Dawn Cieslik
Harry Hagen
R. Guy Kraines
Steve Robel
Al Rotella
Janet Wolf
John McMillin
Frederick Tan

AGENDA OF THE BOARD OF RETIREMENT

May 23, 2012

**Coastal Room at Employees' University
267 Camino del Remedio
Santa Barbara, California**

The Santa Barbara County Employees' Retirement System is committed to:

- *fulfilling its fiduciary responsibility by providing the highest quality of service to all members and plan sponsors; and*
 - *protecting promised benefits through prudent investing; and*
 - *ensuring reasonable expenses of administration.*

In compliance with the Americans with Disabilities Act, if you need special assistance to participate in the meeting, or if translation assistance is requested, please contact the Clerk of the Board of Retirement at 805-568-2915.

Persons desiring to speak on any matter must complete and deliver to the Clerk the form available at the conference room entrance. Matters not listed on the agenda may be addressed at the public comment period.

Roll Call at **9:00 a.m.**

Pledge of Allegiance led by Chair

PUBLIC COMMENT

Receive public comment

MINUTES

1. Approve Minutes of April 25, 2012 regular Board meeting.

CONSENT

C-1. Adopt Retirement Report.

	<u>Name</u>	<u>Department</u>	<u>Service Credit</u>	<u>Sick Leave Credit</u>	<u>ARC</u>
	Billie Alvarez	Clerk-Recorder-Assessor	32.26215	0.33668	
	Andrea Anderson	DRO	7.97316	0.00000	
	Leslie Avila	Sheriff	26.12361	0.51355	
	Lois Blake	Sheriff	16.94712	0.00177	
D	William Borgman	Public Health	5.45545	0.07744	
	Atanacio Campas	Social Services	20.90782	0.29162	
	Alicia Castaniero	DRO	7.24485	0.00000	
	Susan Cordero	Probation	15.75752	0.43428	
	Mario Cuevas	Fire	33.27941	0.42998	
	John Day	Planning & Development	11.92560	0.11555	
	Michael DeFillippo	Public Works	32.62803	0.16439	
	Anita Diaz	Sheriff	27.00234	0.23215	2.00000
	David Ehler	General Services	32.51467	0.78092	
D	Julie Ellison	Planning & Development	10.10871	0.00436	
Dis	Rodney Forney	Sheriff	16.50637	0.00103	
R	Clyde George	Sheriff	22.50574	0.67726	
D R	Donna Hamilton	District Attorney	1.18587	0.00178	
	Brian Hayden	Fire	34.44111	0.22166	
	Luke Howe	Courts	6.09871	0.05136	
	Leoda Hvolboll	Courts	26.82969	0.64453	
	Arthur Jarmillo	Sheriff	31.68530	1.00000	
R	Roger Johnson	Sheriff	20.61516	0.40126	
	Steven Kliest	Fire	29.32948	1.00000	
	John Lawrence	Fire	33.30990	0.17612	
	Mark Liddi	Sheriff	33.44454	0.53054	
	Nancy Madsen	Housing & Community Dvmpt.	16.93130	0.07625	
D	Phillip Majarucon	Clerk-Recorder-Assessor	13.71980	0.04927	
	Tracey Martinez	Sheriff	22.34218	0.01953	
	Michael McIntosh	Fire	32.69588	0.72707	
R	Christopher Nelson	Sheriff	29.31737	0.94443	2.00000
	Richard Partida	General Services	31.42333	0.22718	
	Suzanne Post-Glunt	Clerk-Recorder-Assessor	20.02905	0.34945	
	Ruth Reverdy	Planning & Development	36.86215	1.00000	
	Reyna Rodriguez	Public Health	17.91760	0.02899	0.58333
	Alicia Romero	Courts	32.31988	0.05222	
	Yolanda Saunders	DRO	2.17345	0.00000	

D=Deferred
R=Reciprocal
Dis=Disability

C-1. Adopt Retirement Report (Cont'd.).

	<u>Name</u>	<u>Department</u>	<u>Service Credit</u>	<u>Sick Leave Credit</u>	<u>ARC</u>
	Guy Smith	Fire	33.27128	0.57917	
	John Snyder III	General Services	24.88929	0.21886	1.00000
	Robert Stassinios	Treasurer-Tax Collector	27.40570	0.46621	
R	James Swihart	APCD	21.56916	0.02667	
R	Richard Todd	Fire	26.88560	0.70451	
	Vidal Vega	Fire	28.54727	0.25966	
	Margaret Watkins	Fire	22.01930	0.03705	
	Betsy Watson	Planning & Development	29.92490	0.56430	
	Penny Weiss	Auditor Controller	21.42390	0.03884	
	Jack Williams	General Services	12.63633	0.21572	
	Ken Williams	Social Services	36.41915	0.69651	

D=Deferred
R=Reciprocal
Dis=Disability

BREAK

INVESTMENTS

2. Manager Assessment Selection Process—Meketa
Presentation on Meketa’s public market manager search process

DISCUSSION

3. Foreign Bond Manager—Meketa
Asset Class Education, Search & Recommendation

DISCUSSION AND ACTION

RECOMMENDATION: The Board approve the hiring of Brandywine Global Investment Management to manage \$20 million of Plan Assets in the Foreign Bond Asset Class.

4. Emerging Market Debt Manager—Meketa
Asset Class Education, Search & Recommendation

DISCUSSION AND ACTION

RECOMMENDATION: The Board approve the hiring of Stone Harbor Investment Partners to manage \$80 million of Plan Assets in the Emerging Market Debt Asset Class.

5. Bank Loan Manager—Meketa
Asset Class Education, Search & Recommendation

DISCUSSION AND ACTION

RECOMMENDATION: The Board approve the hiring of Beach Point Capital Management to manage \$40 million of Plan Assets in the Bank Loan Asset Class.

6. Natural Resources Manager—Meketa
Asset Class Education, Search & Recommendation

DISCUSSION AND ACTION

RECOMMENDATION: The Board approve the hiring of State Street Global Advisors (SSgA) to manage \$39 million of Plan Assets in the Natural Resources Asset Class.

7. Emerging Market Equity Manager—Meketa
Asset Class Education, Search & Recommendation

DISCUSSION AND ACTION

RECOMMENDATION: The Board approve the hiring of Vontobel Asset Management to manage \$80 million of Plan Assets in the Emerging Market Equity Asset Class.

8. Public Infrastructure Manager—Meketa
Asset Class Education, Search & Recommendation

DISCUSSION AND ACTION

RECOMMENDATION: The Board approve the hiring of RARE Infrastructure to manage \$40 million of Plan Assets in the Public Infrastructure Asset Class.

9. Implementation Plan: Phase II—Meketa
Address cash flow necessary to reach next phase of asset allocation project

DISCUSSION AND ACTION

RECOMMENDATION: The Board approve the termination of the Artio Core Plus Strategy, and engage the Artio High Yield Bond commingled fund to hold \$135 million of Plan Assets.

10. Quarterly Portfolio Performance Report—Meketa

DISCUSSION

11. Quarterly Private Equity Portfolio Review—Hamilton Lane
DISCUSSION
12. Quarterly Real Estate Portfolio Review—ORG
DISCUSSION
13. Monthly Portfolio Status Report—Meketa
 - A. Portfolio Status Report
DISCUSSION
 - B. Summary of Cash Flow Activity Approved / New Index Funds
RECEIVE AND FILE

DISABILITY RETIREMENT

TIME CERTAIN OF 1:30 PM

Disability matters shall be considered in CLOSED HEARING -- pursuant to Government Code Section 54957(b)(1). Interested parties may request these matters to be discussed in a session open to the public. CONFIDENTIAL REPORTS are distributed only to the Board.

14. Vivian L. Beets, Applicant for Nonservice-Connected Disability:
Grant the application of Vivian L. Beets for nonservice-connected disability retirement, subject to timely requested hearing.
15. Mary K. Haberkorn, Applicant for Service-Connected Disability Retirement:
Adopt proposed Findings of Fact, Conclusions of Law and Decision granting Mary Katherine Haberkorn a service-connected disability retirement and finding she is entitled to receive a supplemental disability allowance under Government Code §31725.65 while she remains in County service.
16. Connie Sue Rowan, Applicant for Service-Connected Disability:
Grant the application for nonservice-connected disability retirement of Connie Sue Rowan and deny the application for service-connected disability retirement, subject to timely requested hearing.
17. Receive and file Disability Status Report.

BOARD

18. Service Provider Selection Policy—Staff & Counsel
Present new policy to the Board for approval, as recommended by the Operations Committee.

DISCUSSION AND ACTION

RECOMMENDATION: The Board approve the Service Provider Selection Policy

19. Securities Litigation Policy—Staff & Counsel
Present new policy to the Board for approval, as recommended by the Operations Committee.

DISCUSSION AND ACTION

RECOMMENDATION: The Board approve the Securities Litigation Policy

20. Conflict of Interest Code—Staff & Counsel
Present revised policy to the Board for approval, as recommended by the Operations Committee.

DISCUSSION AND ACTION

RECOMMENDATION: The Board approve the revised Conflict of Interest Code and forward to the Board of Supervisors for adoption.

21. Disability Retirement Procedures—Staff & Counsel
Present revised policy to the Board for approval, as recommended by the Operations Committee.

DISCUSSION AND ACTION

RECOMMENDATION: The Board approve the revised Disability Retirement Procedures.

22. Fiscal Year 2012-13 Proposed Budget—Staff
Present proposed budget to the Board for discussion and consideration.

DISCUSSION

CHIEF EXECUTIVE OFFICER

23.
 - A. Receive and file Chief Executive Officer's department operations report.
 - B. Authorize the attendance of interested trustees at upcoming training events as requested.
24. Receive the proposed three-month Board Agenda preview and make adjustments, as the Board deems necessary.

CLOSED SESSION

CONFERENCE WITH LEGAL COUNSEL -- EXISTING LITIGATION

(Subdivision (a) of Government Code Section 54956.9) *In re Bank of New York Mellon Corporation False Claims Act Foreign Exchange Litigation*, U.S. District Court, Northern District of California, Case No. C-11-05683 (WHA); and *Schmitt v. Vincent P. Brown et al.*, Santa Barbara Superior Court, Case No. 1397101.

Next regular meeting date is June 27, 2012
--