

**SANTA BARBARA COUNTY
EMPLOYEES' RETIREMENT SYSTEM**

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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

June 27, 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 May 23, 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>
D R	Lisa Bodrogi	Agricultural Commissioner	7.79311	0.06564	
D R	Kyle Freeman	ADMHS	4.70315	0.02082	
D	Dennis Gibson	Agricultural Commissioner	27.48759	0.00355	
	Kathryn Johnson	Sheriff	22.55198	0.00630	
D R	Warren Manchester	Public Health	3.33470	0.00000	
D	Heriberto Martinez	Sheriff	13.03866	0.00938	
	Mary McMaster	County Counsel	12.76218	0.12938	5.00000
	William Miller	Sheriff	27.43267	0.84369	
Pend	Joann Paulin	Probation	10.90900	0.00027	
	George Anna Pierce	Courts	40.15457	0.00094	
R	Sheila Singer-Brown	Courts	7.50346	0.15125	

D=Deferred
R=Reciprocal
Pend=Pending Disability

INVESTMENTS

2. Implementation Plan Phase III—Meketa
Presentation by Meketa Consulting of Phase III of the Implementation Plan for fund investments,

DISCUSSION

3. Frontier Manager Search, Education & Recommendation—Meketa
Asset Class Education, Search and Recommendation of Manager.

DISCUSSION AND ACTION

RECOMMENDATION: The Board accept Meketa's report and approve the hiring of Aberdeen to manage 1% (approximately \$20 million) of plan assets in the Frontier Asset Class.

4. Commodities Manager Search, Education & Recommendation—Meketa
Asset Class Education, Search and Recommendation of Manager.

DISCUSSION AND ACTION

RECOMMENDATION: The Board accept Meketa's report and approve the hiring of Mt. Lucas Management to manage 2% (approximately \$40 million) of Plan Assets in the Commodities asset class.

5. Private Natural Resources and Private Infrastructure Implementation—Meketa
Presentation by Meketa on Implementation of Private Natural Resources and
Private Infrastructure Asset Classes.

DISCUSSION AND ACTION

RECOMMENDATION: The Board accept Meketa's report, direct Meketa and staff to conduct further research on these asset classes, and authorize a search for a consultant to oversee these two asset classes.

BREAK

6. Investment Policy Statement—Meketa & Staff
Presentation of revised and restated Investment Policy Statement, as reviewed and recommended for adoption by the Operations Committee.

DISCUSSION AND ACTION

RECOMMENDATION: The Board approve and adopt the revised and restated Investment Policy Statement.

7. Transaction Cost Analysis—Zeno
Presentation of the Transaction Cost Analysis Report.

DISCUSSION AND ACTION

RECOMMENDATION: The Board accept and adopt the Transaction Cost Analysis Report and direct staff and Meketa to implement the recommendations.

8. FX Transaction Analysis—Klarity FX
Presentation of FX Transaction Analysis Report.

DISCUSSION AND ACTION

RECOMMENDATION: The Board accept and adopt the FX Transaction Analysis Report and direct staff and Meketa to implement the recommendations.

9. Monthly Portfolio Status Report—Meketa

DISCUSSION

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.

10. Vivian L. Beets, Applicant for Non-service-connected Disability Retirement:
Adopt proposed Findings of Fact, Conclusions of Law and Decision granting Vivian L. Beets a non-service-connected disability retirement.
11. Marlene Dumm, Applicant for Non-service-connected Disability Retirement:
Grant the application of Marlene Dumm for non-service-connected disability retirement, subject to timely requested hearing:
12. Eric Christopher George: Applicant for Service-Connected Disability Retirement:
Refer the application of Eric Christopher George for service-connected disability retirement to an evidentiary hearing on all issues.
13. Connie Sue Rowan, Applicant for Non-service-connected Disability Retirement:
Adopt proposed Findings of Fact, Conclusions of Law and Decision granting Connie Sue Rowan a non-service-connected disability retirement.
14. Receive and file Disability Status Report.

BOARD

15. Custodian Selection—Meketa & Staff
Presentation of the Custodian selection report and approve recommendation of Custodian.

DISCUSSION AND ACTION

RECOMMENDATION: The Board accept the Custodian Selection Report and approve the engagement of the recommended Custodian and authorize the Chief Executive Officer to negotiate the terms of the contract.

16. Fiscal Year 2012-13 Final Budget—Staff
Second and Final presentation of the Fiscal Year 2012-13 Budget.

DISCUSSION AND ACTION

RECOMMENDATION: The Board accept the second and final presentation of the Fiscal Year 2012-13 Budget, approve the Budget and adopt the authorizing resolutions.

CHIEF EXECUTIVE OFFICER

17. A. Receive and file Chief Executive Officer’s department operations report.
B. Authorize the attendance of interested trustees at upcoming training events as requested.
18. 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).

Next regular meeting date is July 25, 2012
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