

**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

July 25, 2012

**Wisteria Room at Casa Nueva
260 N. San Antonio Road
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 June 27, 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>
	Paul Chappel	Public Works	15.96220	0.00768	
SDA	Mary Haberkorn	Sheriff	N/A	N/A	
D	Teresita Hopson	Public Health	5.23798	0.14286	
D R	Victoria Johnson	Public Works	9.47241	0.02341	
	Douglas Merry	Courts	24.18039	0.09598	
S	Janette Paynter	Courts	0.13504	0.00217	
D R P	Emily Salgado	Child Support Services	11.33984	0.00063	

D=Deferred
R=Reciprocal
P=Pending Disability
S=Service After Reinstatement
SDA=Supplemental Disability Allowance

INVESTMENTS

2. Investment Manager Document Presentation—Staff & ReedSmith
Presentation by Tom Heim of ReedSmith and Gary A. Amelio, CEO on standard and customized Investment Management Agreements and Side Letters utilized by SBCERS, and status update of agreements which are in the process of preparation and execution.

DISCUSSION

3. Implementation Plan Phase IV—Meketa
Presentation by Meketa Consulting of Phase IV of the Implementation Plan for fund investments.

DISCUSSION

4. Manager Structure Review, Domestic Equity—Meketa
Presentation by Meketa Consulting of the current Domestic Equity Manager Structure, and recommendations for modification of this structure.

DISCUSSION AND ACTION

RECOMMENDATION: The Board accept Meketa’s report, approve the recommendation to reallocate the active large cap management strategies for growth (Neuberger Berman) and value (Loomis Sayles) to a passive strategy

(SSGA Russell 1000), and approve Meketa's recommendation to conduct a search for mid cap manager(s).

5. Long-Short Equity Manager Search, Education & Recommendation—Meketa
Asset class education, search and recommendation of manager by Meketa Consulting.

DISCUSSION AND ACTION

RECOMMENDATION: The Board accept Meketa's report and approve the hiring of Brahman to manage .5% (approximately \$10 mil) of Plan Assets in the Long-Short Equity Asset Class.

6. Private Assets Investment Consultant / Product Search—Staff
Presentation by CEO Gary A. Amelio and Investment Officer Eli Martinez on consultant candidates, Fund of Funds and public fund co-investment options for investment of Private Natural Resources and Private Infrastructure asset allocations, and presentation of recommendations.

DISCUSSION AND ACTION

RECOMMENDATION: The Board accept Staff's report and approve the recommendations included in the report.

7. Fixed Income Investment Guidelines—Meketa
Presentation by Meketa Consulting of Fixed Income Investment Guidelines for SBCERS.

DISCUSSION AND ACTION

RECOMMENDATION: The Board accept Meketa's report and approve the recommended guidelines.

8. Monthly Portfolio and Transaction Report—Meketa
Presentation by Meketa of the monthly Portfolio Status Report

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.

9. Marlene Dumm, Applicant for Non-service-connected Disability Retirement: Adopt proposed Findings of Fact, Conclusions of Law and Decision granting Marlene Dumm a non-service-connected disability retirement.
10. Richard F. Mankins, Applicant for Service-connected Disability Retirement: Grant the application of Richard F Mankins for service-connected disability retirement, subject to timely requested hearing.
11. Ray P. Morawski, Applicant for Service-connected Disability Retirement: Consider the Findings of Fact and Recommendation and Report of the Referee, along with any timely filed objections, and approve and adopt the recommendation to grant the application for service-connected disability retirement of Ray P Morawski.
12. Receive and file Disability Status Report.

BOARD

13. Auditor Finalist Selection—Staff
Presentation by Gary A. Amelio, CEO, and Rico Pardo, Retirement Financial Accounting Analyst, on the RFP process for selecting an Auditor and the recommendation by the ad hoc Committee of the Board, as to the selection of the finalist.

DISCUSSION AND ACTION

RECOMMENDATION: The Board accept Staff's report and approve the Ad Hoc Committee's recommendation to hire the accounting firm indicated in the report to serve as the System's auditor.

14. Quarterly Cash Flow Projection—Staff
Presentation by Staff of the Quarterly Cash Flow Projection report.

DISCUSSION

CHIEF EXECUTIVE OFFICER

15.
 - A. Receive and file Chief Executive Officer's department operations report.
 - B. Authorize the attendance of interested trustees at upcoming training events as requested.
16. Receive the proposed three-month Board Agenda preview and make adjustments, as the Board deems necessary.

Next regular meeting date is August 22, 2012