

**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

September 26, 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:
 - a. August 22, 2012 regular Board meeting.
 - b. September 20, 2012 special 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>
	Mark Bright	Planning & Development	28.98510	0.92358	
D	Kevin Cheesman	Agricultural Commissioner	16.95551	0.00000	
Dis	Marlene Dumm	ADMHS	9.41478	0.00082	
	Pete Endsley	Public Works	35.11676	0.17377	
D	Olivia Esparza	Social Services	9.84129	0.04989	
D R	Edward Kendra	Social Services	3.21775	0.00000	
D	Jeffery Mitchell	Public Health	21.59079	0.26483	
D	Robert Munoz	Carpinteria Cemetery	26.56786	N/A	
	Sylvia Rodriguez	Social Services	29.86799	0.00589	
D	Terry Schultz	Probation	5.74865	0.12909	
D R	Victor Valencia	Probation	12.42657	0.02597	
D	Oscar Zapata	Public Health	18.24366	0.00741	

D=Deferred
 Dis=Disability
 R=Reciprocal

CLOSED SESSION

CONFERENCE WITH LEGAL COUNSEL -- EXISTING LITIGATION
 (Subdivision (a) of Government Code Section 54956.9) *In Official
 Committee of Unsecured Creditors of Tribune Company v. Dennis J.
 Fitzsimons, et al.*, U.S. District Court, Southern District of New York,
 Civil Action No. 12-cv-02652 (WHP).

INVESTMENTS

2. **Midcap Manager. Search, Education & Recommendation**—Meketa
Presentation by Meketa of an education session on the midcap asset class, the results of their search process and recommendation of a manager for the midcap asset allocation.

DISCUSSION AND ACTION

RECOMMENDATION: The Board accept Meketa’s report and approve the hiring of Artisan Midcap Growth and RBC Midcap Value strategies for each to manage approximately \$35 million of plan assets in the midcap asset class. This cumulative \$70 million shall be transferred from the SSgA Russell 1000 Index (\$60 million), DFA Small Cap Value (\$5 million) and Eagle Small Cap Growth (\$5 million).

3. **Fixed Income Structure Review**—Meketa
Presentation by Meketa of a report on the fund’s fixed income portfolio and its managers.

DISCUSSION AND ACTION

RECOMMENDATION: The Board accept Meketa’s report and approve their recommendation to terminate Wellington as a TIPS manager and transfer the assets held therein to a TIPS Index Fund or Funds to be recommended by Meketa, being those managed by SSgA and Blackrock.

4. **Transaction and Monthly Portfolio Report**—Meketa
Presentation by Meketa of the fund transactions during the month and monthly Portfolio status of the fund.

DISCUSSION

5. **Overlap of Asset Classes Report**—Meketa
Presentation by Meketa of the issue of overlapping investments, e.g., “spill overs” between the private equity, real estate and natural resources asset classes

DISCUSSION

6. **Report on Walton VII**—Staff & Counsel
Presentation by Fund general counsel Alan Blakeboro and staff regarding the Walton VII investment, ORG's role with reference to this investment and remarks from a representative of UNITE HERE, at the August Board Meeting which were directed at the investment and ORG's role.

DISCUSSION

7. **Private Natural Resources & Infrastructure**—Staff
Staff to present report on the Private Natural Resources and Private Infrastructure asset allocations and the potential roles and engagement of consultants and managers.

DISCUSSION AND ACTION

RECOMMENDATION: The Board accept staff's report and approve any recommendation contained in the report and any motion presented to or by the Board.

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.

8. Bill Joe Ostafin, Service-Connected Disability Retiree:
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 deny Applicant's request for an early effective date of his disability allowance.
9. Joann I. Paulin, Applicant for Service-connected Disability Retirement:
Adopt proposed Findings of Fact, Conclusions of Law and Decision granting Joann Paulin a non-service-connected disability retirement and denying a service-connected disability retirement.
10. Receive and file Disability Status Report.

BOARD

11. **Actuary RFP Report**—Staff
Staff to present a report detailing the Actuary RFP process as determined by the Ad Hoc Committee on the Actuary RFP.

DISCUSSION AND ACTION

RECOMMENDATION: The Board accept this report and approve the engagement process as detailed herein; specifically that the AHC will, along with staff review the RFPs, recommend a group of finalist candidates to the full Board, the full Board conduct in person interviews at a special meeting and the special meeting be held on December 13, 2012.

12. **California Pension Reform**—Staff
Staff to present a brief verbal report on the California Public Employees' Pension Reform Act of 2013 ("AB340").

DISCUSSION

CHIEF EXECUTIVE OFFICER

13.
 - A. Receive and file Chief Executive Officer's department operations report.
 - B. Authorize the attendance of interested trustees at upcoming training events as requested.
14. Receive the proposed three-month Board Agenda preview and make adjustments, as the Board deems necessary.

Next regular meeting date is October 24, 2012
