

**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  
Harry Hagen  
R. Guy Kraines  
Steve Robel  
Al Rotella  
Janet Wolf  
John McMillin  
Frederick Tan

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**AGENDA OF THE BOARD OF RETIREMENT**

**December 12, 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 November 20, 2012, special Board meeting.

## CONSENT

- C-1. Investment Policy Revision.
- C-2. Joseph A. Saldana, Disability Retirement Applicant: Grant Referee Deborah Wissley's request for an extension of her jurisdiction to January 29, 2013.
- C-3. Adopt Retirement Report.

	<u>Name</u>	<u>Department</u>	<u>Service Credit</u>	<u>Sick Leave Credit</u>	<u>ARC</u>
	Jeffrey Adkins	Public Works	24.64790	0.23449	
	Beverly Alexander	Clerk-Recorder-Assessor	22.64169	0.06264	
	Edward Ashburn	General Services	20.95055	0.02190	
	Pamela Bivans	Courts	22.47500	0.47620	
D	Mark Chaconas	Board of Supervisors	14.12185	0.46967	
	Sharlene Hinshaw	Courts	16.88507	0.46432	
	Susan Hoggarth	Sheriff	17.17202	0.07675	
	Susan Horne	Public Health	13.18699	0.30396	
D R	Laurie Kurilla	Clerk-Recorder-Assessor	10.58280	0.38264	
	John Landsberg	Public Health	26.30175	0.04535	
R	Jerry Lulejian	District Attorney	22.70549	0.68893	1.00000
D	Amy Margerum	Planning & Development	6.20320	0.17731	
	Susan Masters	Sheriff	28.00497	0.08097	
	Gloria Ortaleza	Social Services	25.87595	0.18383	
	Michael Peterson	Fire	30.53511	0.42105	
	Flota Pritchard	Courts	35.29012	0.06396	
	Roy Rede	Parks	31.56839	0.02517	
D	Brian Rountree	Sheriff	3.83918	0.14104	
	James Stoddard	Public Defender	34.03882	0.60890	
	Alvera Strieck	Clerk-Recorder-Assessor	11.65600	0.00138	

D=Deferred  
R=Reciprocal

## INVESTMENTS

- 2. **Quarterly Transaction Cost Analysis**—Zeno  
Presentation by Zeno Consulting Group on transaction costs in the fund for the Third Quarter, 2012.

## DISCUSSION

3. **Quarterly FX Transaction Analysis**—KlarityFX  
Presentation by KlarityFX on FX transaction costs in the fund for the Third Quarter, 2012.  
**DISCUSSION**
  
4. **Quarterly Private Equity Portfolio Review**—Hamilton Lane  
Presentation by Hamilton Lane of the status and activity of the fund’s Private Equity portfolio in the second quarter, 2012.  
**DISCUSSION**
  
5. **Internal Rate of Return/Time-Weighted Return**—Hamilton Lane  
Presentation by Hamilton Lane of Internal Rate of Return (“IRR”) and Time-Weighted Return (“TWR”), at the request of the Board.  
**DISCUSSION**
  
6. **Quarterly Real Estate Portfolio Review**—ORG  
Presentation by ORG of the status and activity of the fund’s real estate portfolio in the second quarter, 2012.  
**DISCUSSION**
  
7. **Manager Search & Recommendation: Int’l Small Cap**—Meketa  
Presentation by Meketa of the results of their international small cap search process and recommendation of a manager for the International Small Cap asset allocation.  
**DISCUSSION AND ACTION**  
**RECOMMENDATION:** The Board accept Meketa’s report and approve the hiring of Copper Rock to manage \$20 million (approximately 1%) of Plan Assets in the International Small Cap Equity strategy.
  
8. **Quarterly Portfolio Performance Report**—Meketa  
Presentation by Meketa of the third quarter 2012 Performance Report.  
**DISCUSSION**

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

**DISCUSSION**

10. **Private Natural Resources/Infrastructure Contract**—Meketa & Staff  
Presentation by Meketa and Staff of the discretionary versus directed consultant roles for the Private Natural Resources and Private Infrastructure asset classes.

**DISCUSSION AND ACTION**

**RECOMMENDATION:** The Board accept Meketa and Staff’s report and appoint Meketa Investment Group with discretion in its capacity as consultant for the Private Natural Resources and Private Infrastructure asset classes.

**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.*

11. Clyde L. George, Applicant for Service-connected Disability Retirement:  
Grant the application of Clyde L. George, for service-connected disability retirement, subject to timely requested hearing by an interested party.
12. Kenneth F. Manzer, Applicant for Service-connected Disability Retirement:  
Grant the application of Kenneth F. Manzer, for service-connected disability retirement, subject to timely requested hearing by an interested party.
13. Emily Salgado, Applicant for Non-service-connected Disability Retirement:  
Deny the application of Emily Salgado, for non-service-connected disability retirement, subject to timely requested hearing by an interested party.
14. Receive and file Disability Status Report.

## BOARD

15. **Audit Results Presentation**—Brown Armstrong  
Presentation by SBCERS independent auditor, Brown Armstrong, of the results of the Fiscal Year June 30, 2012, financial audit.

### **DISCUSSION AND ACTION**

**RECOMMENDATION:** The Board accept Brown Armstrong’s report and determination, and direct staff to address any open items set forth in the report.

16. **Comprehensive Annual Financial Report**—Staff  
Staff to present the Comprehensive Annual Financial Report for Fiscal Year June 30, 2012 (“CAFR”) to the Board

### **DISCUSSION AND ACTION**

**RECOMMENDATION:** That the Board approve CAFR.

17. **Pension Reform Update**—Counsel & Staff  
Counsel and Staff to present a report on the California Public Employees’ Pension Reform Act of 2013 (“PEPRA”), the Board to approve Counsel’s and Staff’s recommendations for pensionable compensation, and adopt a Resolution accordingly.

### **DISCUSSION AND ACTION**

**RECOMMENDATION:** The Board accept the PEPRA report and adopt resolution defining compensation earnable and pensionable compensation under PEPRA.

18. **Actuary Rates for New Plans**—Milliman  
Presentation by the SBCERS actuarial consulting firm, Milliman, as to the rates for the new plans being created as a result of PEPRA.

### **DISCUSSION AND ACTION**

**RECOMMENDATION:** The Board accept Milliman’s report and approve the rates for the plans created as the result of PEPRA.

**CHIEF EXECUTIVE OFFICER**

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

Next regular meeting date is January 23, 2013