

**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

**MINUTES OF THE BOARD OF RETIREMENT
SPECIAL MEETING**

March 14, 2012

**Wisteria Room at Casa Nueva
260 N. San Antonio Road
Santa Barbara, California**

ROLL CALL 9:02 a.m.

Members Present: Cholmondeley, Cieslik, Hagen, Kraines, Rafferty, Rotella,
Scheck, Wolf
Members Absent: Robel
Alternate Present: McMillin
Alternate Absent: Tan
Counsel: Blakeboro
Clerk: Bignell

Trustee Tan arrived at 9:28 a.m. Trustee Wolf left at 1:33 p.m.

Safety Alternate Trustee Tan was a voting member in the absence of Trustee Robel.

PUBLIC COMMENT

There was no general Public Comment.

CONSENT

C-1. Adopt resolution authorizing the new Chief Executive Officer to act on behalf of the Board of Retirement.

MOTION: Adopt resolution authorizing the new Chief Executive Officer to act on behalf of the Board of Retirement.

Rotella/Rafferty Approved by unanimous voice vote of all present.
Yes: Cholmondeley, Cieslik,
Hagen, Kraines, Rafferty,
Rotella, Scheck, Wolf
Absent: Robel

INVESTMENTS

1. Receive presentations from Transaction Cost Analysis (TCA) firm finalists and select a TCA firm:

Meketa Principal Mika L. Buffington and Vice President Bradley M. Regier introduced TCA finalists. Managing Principal Stephen P. McCourt participated via conference call.

- a. TradingScreen/GSCS

Head of Analytics Jon Fatica presented for TradingScreen/GSCS.

- b. Zeno Consulting Group

Senior Vice President and Consultant Vinod Pakianathan presented for Zeno Consulting Group.

- c. Klarity FX

FX Analyst Amar Kullar presented for Klarity FX.

Investment Officer Eli Martinez, Counsel Blakeboro and Mika Buffington addressed issues raised by the Board.

MOTION: Select Zeno Consulting Group for quarterly Equity Trade Cost Analysis and Klarity FX for quarterly FX Transaction Cost Analysis, pending further fee negotiations.

Rafferty/Scheck Approved by voice vote.
Yes: Cholmondeley, Cieslik,
Kraines, Rafferty, Rotella,
Scheck, Tan, Wolf
No: Hagen
Absent: Robel

2. Consider and select from options for amendments to Investment Policy Statement, including possible delegation of discretion to the Investment Consultant and adoption of relevant criteria/methodologies:

Mika Buffington and Stephen McCourt presented for Meketa and addressed issues raised by the Board.

CEO Gary A. Amelio, Eli Martinez and Counsel Blakeboro addressed issues raised by the Board.

- a. Manager retention and termination

MOTION: Approve manager retention and termination on a non-discretionary basis; The Board is responsible for choosing to hire or terminate investment managers. The investment consultant shall make recommendations to the Board to hire and terminate investment managers based on the selection and termination policy adopted by the Board; the consultant shall provide an analysis of the rationale underlying the recommendations; the investment consultant shall consult with staff on activities related to their recommendation in hiring and terminating investment managers.

Wolf/Rafferty

Approved by roll call vote.

Yes: Cholmondeley, Cieslik,
Hagen, Kraines, Rafferty,
Scheck, Wolf
No: Tan
Abstain: Rotella
Absent: Robel

MOTION: Approve recommended criteria used in manager hiring/termination decision making process as amended.

Wolf/Hagen

Approved by roll call vote.

Yes: Cholmondeley, Cieslik,
Hagen, Kraines, Rafferty,
Scheck, Tan, Wolf
Absent: Robel, Rotella

- b. Portfolio rebalancing within Board-approved target allocation ranges

MOTION: Delegate portfolio rebalancing within Board-approved target asset allocation ranges to Meketa using recommended methodology.

Rafferty/Rotella Approved by unanimous voice vote of all present.
Yes: Cholmondeley, Cieslik,
Hagen, Kraines, Rafferty,
Rotella, Scheck, Tan, Wolf
Absent: Robel

c. Tactical asset allocation

MOTION: Delegate authority to tactically underweight or overweight asset classes to Meketa using recommended methodology.

Kraines/Scheck Approved by roll call vote.
Yes: Cholmondeley, Cieslik,
Hagen, Kraines, Rafferty,
Rotella, Scheck, Tan
Absent: Robel, Wolf

3. Review and approve the draft Custodian RFP for publication.

Bradley M. Regier presented item and addressed issues raised by the Board.

MOTION: Approve the draft Custodian RFP for publication, delegate the evaluation process to Meketa with staff involvement, and direct Meketa and staff to return with recommendation.

Scheck/Rotella Approved by unanimous voice vote of all present.
Yes: Cholmondeley, Cieslik,
Hagen, Kraines, Rafferty,
Rotella, Scheck, Tan
Absent: Robel, Wolf

BOARD

4. Authorize Chief Executive Officer to execute a short-term extension to the current lease for the SBCERS Santa Barbara office.

Gary Amelio and Lila Deeds addressed issues raised by the Board.

MOTION: Authorize Chief Executive Officer to execute a short-term extension to the current lease for the SBCERS Santa Barbara office.

Scheck/Rafferty

Approved by unanimous voice vote of all present.

Yes: Cholmondeley, Cieslik,
Hagen, Kraines, Rafferty,
Rotella, Scheck, Tan

Absent: Robel, Wolf

5. Receive SACRS Nominating Committee's recommended candidates for 2012-13 SACRS Officers, and consider whether to nominate write-in candidate(s).

NO ACTION TAKEN.

6. Approve the attendance of interested trustees at upcoming training events.

MOTION: Approve the attendance of interested trustees at upcoming training events.

Scheck/Kraines

Approved by unanimous voice vote of all present.

Yes: Cholmondeley, Cieslik,
Hagen, Kraines, Rafferty,
Rotella, Scheck, Tan

Absent: Robel, Wolf

The meeting adjourned at 2:32 p.m.

ATTEST:

Clerk

Chair

Secretary