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

MINUTES OF THE BOARD OF RETIREMENT

March 28, 2012 Wisteria Room at Casa Nueva 260 N. San Antonio Road Santa Barbara, California

ROLL CALL 9:00 a.m.

Members Present: Cholmondeley, Cieslik, Hagen, Kraines, Robel, Scheck,

Wolf

Members Absent: Rafferty, Rotella

Alternate Present: McMillin

Alternate Absent: Tan

Counsel: Blakeboro

Trustee Rafferty arrived at 9:15 a.m. and left at 2:55 p.m. Trustee Wolf left at 3:19 p.m.

PUBLIC COMMENT

There was no general public comment.

MINUTES

1. Approve Minutes:

a. January 25-26, 2012 regular Board meeting

MOTION: Approve January 25-26, 2012 regular Board meeting minutes.

Robel/Kraines Approved by unanimous voice vote.

Yes: Cholmondeley, Cieslik, Hagen,

Kraines, Robel, Scheck, Wolf

Absent: Rafferty, Rotella

b. February 8, 2012 special Board meeting

MOTION: Approve February 8, 2012 special Board meeting minutes.

Wolf/Scheck Approved by unanimous voice vote.

Yes: Cholmondeley, Cieslik, Hagen,

Kraines, Robel, Scheck, Wolf

Absent: Rafferty, Rotella

c. February 22, 2012 regular Board meeting

MOTION: Approve February 22, 2012 regular Board meeting minutes as

amended.

Kraines/Robel Approved by unanimous voice vote.

Yes: Cholmondeley, Cieslik, Hagen,

Kraines, Robel, Scheck, Wolf

Absent: Rafferty, Rotella

d. March 14, 2012 special Board meeting

MOTION: Approve March 14, 2012 special Board meeting minutes as

amended.

Scheck/Cieslik Approved by voice vote.

Yes: Cholmondeley, Cieslik, Hagen,

Kraines, Scheck, Wolf

Abstain: Robel

Absent: Rafferty, Rotella

CONSENT AGENDA

C-1. Adopt Retirement Report.

				<u>Sick</u>	
			<u>Service</u>	<u>Leave</u>	
	<u>Name</u>	Department	Credit	Credit	<u>ARC</u>
D	Linda Alexander	APCD	29.71515	0.38172	
	Jesus Castaneda	Public Works	12.08897	0.01418	
	Joyce Chrisman	Social Services	10.89612	0.18527	
	Robert Davey	Parks	36.34556	0.52609	5.00000
R	Sharon Di Ubaldo	Public Health	21.09693	0.40748	2.00000
	Michael Emmons	Public Works	14.62466	0.38407	
	Ollery Enos	Public Health	19.74230	0.52084	

C-1. Adopt Retirement Report (Cont'd.).

				<u>Sick</u>	
			<u>Service</u>	<u>Leave</u>	
	<u>Name</u>	<u>Department</u>	<u>Credit</u>	<u>Credit</u>	<u>ARC</u>
	Diane Freeman	ADMHS	8.39014	0.17259	
R	Ernest Gutierrez,	Sheriff	18.54323	0.01784	
	Jr.				
D R	Deborah Linden	Sheriff	19.12184	0.63001	
	Charles Nagel	Social Services	24.43911	0.53869	
D	Deborah Oreilly	Public Health	5.47767	0.00096	
	Donna Pelletier	Public Health	13.11664	0.00132	
	Roy Regester	Courts	10.57726	0.27737	
	Patricia Wilkinson	DRO	8.27794	0.00000	
	Eustolia Zendejas	Social Services	22.57927	0.00460	

D=Deferred R=Reciprocal

MOTION: Approve Consent Agenda.

Wolf/Scheck Approved by unanimous voice vote.

Yes: Cholmondeley, Cieslik, Hagen,

Kraines, Robel, Scheck, Wolf

Absent: Rafferty, Rotella

INVESTMENTS

2. Receive the Asset Allocation Policy Review from Meketa Investment Group and select an asset allocation policy:

Managing Principal Stephen P. McCourt (by telephone), Principal Mika L. Buffington and Vice President Bradley M. Regier presented for Meketa Investment Group and addressed issues raised by the Board.

Chief Executive Officer Gary Amelio addressed issues raised by the Board.

MOTION: Adopt Asset Allocation Option B as amended:

Total Equity 43%, including 9% developed non-US and

10% emerging market.

Total Fixed Income 30%, including 4% high yield bonds

and 2% bank loans.

Under Real Assets, allocate 2% to Public Infrastructure and

2% to Private infrastructure.

Wolf/Kraines Approved by roll call vote.

Yes: Cholmondeley, Cieslik, Hagen,

Kraines, Rafferty, Robel, Scheck,

Wolf

Absent: Rotella

MOTION: Approve target5 ranges as proposed except adopt 50% range for

Investment Grade Bonds.

Wolf/Scheck Approved by unanimous voice vote of all present.

Yes: Cholmondeley, Cieslik, Hagen,

Kraines, Rafferty, Robel, Scheck,

Wolf

Absent: Rotella

3. Receive and file the Third Quarter 2011 Private Equity Performance Update from Hamilton Lane.

Managing Director Paul Yett, and Associate Michael Augustine, presented for Hamilton Lane and addressed issues raised by the Board.

Counsel Blakeboro and Gary Amelio addressed issues raised by the Board.

NO ACTION TAKEN

4. Receive and file the SBCERS Interim Update data from Meketa.

Mika Buffington and Bradley Regier presented for Meketa Investment Group and addressed issues raised by the Board.

Counsel Blakeboro, Assistant Chief Executive Officer Lila Deeds and Investment Officer Eli Martinez addressed issues raised by the Board.

NO ACTION TAKEN

5. Receive and file the Fourth Quarter 2011 Fund Evaluation report from Meketa.

Mika Buffington and Bradley Regier presented for Meketa Investment Group and addressed issues raised by the Board.

NO ACTION TAKEN

CHIEF EXECUTIVE OFFICER

16. Receive the proposed three-month Board Agenda preview and make adjustments, as the Board deems necessary.

NO ACTION TAKEN

INVESTMENTS (Cont'd.)

6. Receive and file the staff Monthly Portfolio Status Report.

Investment Officer Eli Martinez presented Quarterly Portfolio Status Report and addressed issues raised by the Board.

NO ACTION TAKEN

DISABILITY RETIREMENT

(Closed Hearing)

7. Rodney M. Forney, Applicant for Service-Connected Disability Retirement:
Adopt proposed Findings of Fact, Conclusions of Law and Decision
granting Rodney M. Forney a service-connected disability retirement.

Trustee Robel recused himself and left the room.

Disability Program Manager Cristal Rodriguez presented item and addressed issues raised by the Board.

MOTION: Adopt proposed Findings of Fact, Conclusions of Law and

Decision granting Rodney M. Forney a service-connected

disability retirement.

Scheck/Kraines Approved by unanimous voice vote of all present.

Yes: Cholmondeley, Cieslik, Hagen,

Kraines, Scheck, Wolf

Absent: Rafferty, Robel, Rotella

10. Bill Joe Ostafin, Service-Connected Disability Retiree:

Refer to hearing before the referee who heard applicant's application for disability retirement applicant's request for an effective date of his service-connected disability retirement benefit earlier than the date of his application.

Trustee Robel recused himself and left the room.

Counsel Blakeboro presented item and addressed issues raised by the Board.

Cristal Rodriguez and Lila Deeds addressed issues raised by the Board.

MOTION: Refer to hearing before the referee who heard applicant's

application for disability retirement applicant's request for an effective date of his service-connected disability retirement benefit

earlier than the date of his application.

Scheck/Kraines Approved by unanimous voice vote of all present.

Yes: Cholmondeley, Cieslik, Hagen,

Kraines, Scheck, Wolf

Absent: Rafferty, Robel, Rotella

8. Marizella Jacobus, Applicant for Service-Connected Disability Retirement:

Deny the application of Marizella Jacobus for service-connected disability retirement, subject to timely requested hearing.

Cristal Rodriguez presented item and addressed issues raised by the Board.

MOTION: Deny the application of Marizella Jacobus for service-connected

disability retirement, subject to timely requested hearing.

Wolf/Robel Approved by unanimous voice vote of all present.

Yes: Cholmondeley, Cieslik, Hagen,

Kraines, Robel, Scheck, Wolf

Absent: Rafferty, Rotella

9. Esperanza M. Limon, Applicant for Service-Connected Disability Retirement:
Adopt proposed Findings of Fact, Conclusions of Law and Decision
denying Esperanza M. Limon a service-connected disability retirement.

Cristal Rodriguez presented item and addressed issues raised by the Board.

MOTION: Adopt proposed Findings of Fact, Conclusions of Law and

Decision denying Esperanza M. Limon a service-connected

disability retirement.

Kraines/Hagen Approved by voice vote.

Yes: Cholmondeley, Hagen, Kraines,

Robel, Scheck, Wolf

Abstain: Cieslik

Absent: Rafferty, Rotella

11. Joseph P Rueff, Applicant for Service-Connected Disability Retirement:

Adopt proposed Findings of Fact, Conclusions of Law and Decision denying Joseph P. Rueff a service-connected disability retirement.

Cristal Rodriguez presented item and addressed issues raised by the Board.

MOTION: Adopt proposed Findings of Fact, Conclusions of Law and

Decision denying Joseph P. Rueff a service-connected disability

retirement.

Hagen/Scheck Approved by voice vote.

Yes: Cholmondeley, Hagen, Kraines,

Robel, Scheck, Wolf

Abstain: Cieslik

Absent: Rafferty, Rotella

12. Frances Mary Velasco, Applicant for Service-Connected Disability Retirement: Refer the application of Frances Mary Velasco for service-connected disability retirement to an evidentiary hearing on all issues.

Cristal Rodriguez presented item and addressed issues raised by the Board.

Robel/Scheck Approved by unanimous voice vote of all present.

Yes: Cholmondeley, Cieslik, Hagen,

Kraines, Robel, Scheck, Wolf

Absent: Rafferty, Rotella

13. Receive and file Disability Status Report.

Cristal Rodrigues presented item and addressed issues raised by the Board.

MOTION: Receive and file Disability Status Report.

Scheck/Kraines Approved by unanimous voice vote of all present.

Yes: Cholmondeley, Cieslik, Hagen,

Kraines, Robel, Scheck, Wolf

Absent: Rafferty, Rotella

CLOSED SESSION

(3:19 p.m. to 3:27 p.m.)

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)

OPEN MEETING

Counsel Blakeboro summarized the Closed Hearing actions taken on Disability Items 7, 8, 9, 10, 11, 12 and 13 as listed above, announced that the Board had met in Closed Session and had taken no reportable action.

CHIEF EXECUTIVE OFFICER

14. Nominate voting delegates for SACRS Spring Conference, May 8-11, 2012.

Chair direction: Trustee Cholmondeley – Delegate

Trustee Scheck – Alternate

Trustee Robel – Second Alternate

15. Receive and file Chief Executive Officer's department operations report and authorize the attendance of interested trustees at upcoming training events as requested.

Gary Amelio presented item and addressed issues raised by the Board.

MOTION:	Authorize the attendance of interested trustees at upcoming training events requiring Board pre-approval, as requested.				
Wolf/Scheck	Approved by Yes:	unanimous voice vote of all present. Cholmondeley, Cieslik, Hagen, Kraines, Robel, Scheck,			
	Abser		Rotella, Wolf		
The meeting adjourned	ed at 4:17 p.m.				
ATTEST:					
		<u> </u>			
Clerk					
			Chair		
		-	Secretary		