

**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

April 25, 2012

**Coastal Room at Employees' University
267 Camino del Remedio
Santa Barbara, California**

ROLL CALL 9:02 a.m.

Members Present: Cholmondeley, Cieslik, Hagen, Kraines, Rafferty, Robel,
Rotella, Scheck, Wolf
Alternates Present: McMillin, Tan
Counsel: Blakeboro, Leiderman (telephonically)

Trustee Tan left at approximately 12:10 p.m.

PUBLIC COMMENT

There was no general public comment.

MINUTES

1. Approve Minutes of March 28, 2012 regular Board meeting.

MOTION: Approve March 28, 2012 regular Board meeting minutes.

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

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

CONSENT AGENDA

- C-1. Joann Paulin, Applicant for Disability Retirement:
Grant applicant's request for a service retirement, pending final determination of her entitlement to disability retirement.
- C-2. Adopt Retirement Report.

	<u>Name</u>	<u>Department</u>	<u>Service Credit</u>	<u>Sick Leave Credit</u>	<u>ARC</u>
D	Nanci Bratcher	District Attorney	6.93619	0.00445	
R	Susan Bryant	Agricultural Commissioner	12.08877	0.37813	
R	Kurt Hamblet	Public Defender	24.42473	0.00177	
	Janet Hansen	Clerk-Recorder-Assessor	27.73659	0.33407	
R	Connie Hurdle	ADMHS	12.48325	0.00181	
	Thadiaz King	Fire	34.15952	0.38247	
	Mark Kulikov	Sheriff	25.63356	0.58316	
D R	Bruce Lorenzana	Planning & Development	5.67115	0.06998	
D	Nina Mahaffey	ADMHS	7.60639	0.00898	
R	David Rickard	Public Works	13.28211	0.00177	
R	John Stockton	Carp/Summerland Fire	27.01183	1.00000	
Dis	Richard Trigueiro	Sheriff	15.48186	0.12473	
D	Carol Wingereid	Social Services	12.57100	0.28399	
	Mary Zois	DRO	8.50455	0.00000	

D=Deferred
R=Reciprocal
Dis=Disability

MOTION: Approve Consent Agenda.

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

BOARD

2. Discussion and Possible Action on SBCERS' Actuarial Assumptions.

The Board engaged in a lengthy discussion on this subject; which included directing questions to and receiving information from the Board's general legal counsel, fiduciary counsel, actuary and the general investment consultant. The Board acknowledged receiving a letter dated April 18, 2012 with minute order regarding the subject from the Chief Deputy Clerk of the County Board of Supervisors.

MOTION: Reverse the Board's prior policy of a 7.5% assumed rate of return for the June 30, 2012 valuation and move the assumed rate of return to 7.75%, pending the next experience study.

Scheck/Hagen Approved by roll call vote.
 Yes: Cholmondeley, Cieslik, Hagen,
 Robel, Scheck, Wolf
 No: Kraines, Rafferty, Rotella

3. Approve 2012-13 employer and member contribution rates for new General Plan.

Chief Executive Officer Gary A. Amelio, Assistant Chief Executive Officer Lila Deeds and Milliman representatives Nicholas Collier and Daniel Wade addressed issues raised by the Board.

MOTION: Approve 2012-13 employer and member contribution rates for new General Plan.

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

INVESTMENTS

4. Receive and file the Summary of Tactical/Rebalancing Action Taken memo from Meketa Investment Group.

Stephen McCourt presented for Meketa Investment Group and addressed issues raised by the Board.

NO ACTION TAKEN

5. Receive the OPEB Search Balanced Index Fund Finalist Candidate Review presentation and approve Meketa's recommendation to hire BlackRock.

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

MOTION: Receive the OPEB Search Balanced Index Fund Finalist Candidate Review presentation and approve Meketa's recommendation to hire BlackRock.

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

6. Receive the Implementation Plan Phase 1 and approve Meketa’s recommendations and changes impacting the aggregate fund, Domestic Equity, Foreign Equity, Fixed Income and Real Assets.

Mika Buffington and Stephen McCourt presented for Meketa Investment Group and along with Investment Officer Eli Martinez, Counsel Blakeboro and Gary Amelio addressed issues raised by the Board.

MOTION: Approve new policy benchmarks effective May1, 2012.

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

MOTION: Move toward target allocations subject to Meketa’s reasonable estimation of entry risk, and utilize index funds for new classes as the Board directs.

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

MOTION: Approve broad rebalancing toward new asset allocation including adding four new index funds [three managed by BlackRock and one managed by SSgA] and terminating Invesco and the Boston Company.

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

Chair Cholmondeley directed Meketa to return with a summary of allocation rebalancing action for ratification and record.

7. Receive the New Asset Class Educational Materials.

ACTION TAKEN WITH ITEM 6

8. Receive the Initial Fund Review Phase 1 and approve Meketa’s recommendations pertaining to SBCERS General Investment Policies, manager structure and Operations and Governance practices.

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

Government Code §31725.65 find Applicant is able to perform other duties in County service.

Disability Program Manager Cristal Rodriguez presented item and along with Counsel Blakeboro addressed issues raised by the Board.

MOTION: Grant the application of Mary Katherine Haberkorn for service-connected disability retirement, subject to timely requested hearing and per Government Code §31725.65 find Applicant is able to perform other duties in County service.

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

13. Marizella Jacobus, Applicant for Service-Connected Disability Retirement:
Adopt proposed Findings of Fact, Conclusions of Law and Decision denying Marizella Jacobus a service-connected disability retirement.

Cristal Rodriguez addressed issues raised by the Board.

MOTION: Adopt proposed Findings of Fact, Conclusions of Law and Decision denying Marizella Jacobus a service-connected disability retirement.

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

14. Receive and file Disability Status Report.

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

MOTION: Receive and file Disability Status Report.

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

OPEN MEETING

Counsel Blakeboro summarized the Closed Hearing actions taken on Disability Items 12, 13 and 14 as listed above.

