

**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

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**MINUTES OF THE BOARD OF RETIREMENT**

**October 24, 2012**

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

**ROLL CALL 9:01 a.m.**

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

Trustee Tan arrived at 9:21 a.m.

**PUBLIC COMMENT**

Trustee Scheck submitted his resignation from the Board of Retirement effective November 9, 2012. Trustee Scheck noted that it had been a pleasure serving the System's membership, commended the Board for their public service and thanked Board and staff for the pleasure of having worked with both.

Trustee Cieslik also submitted her resignation from the Board of Retirement effective November 9, 2012. Trustee Cieslik concurred with Trustee Scheck's sentiments, said serving on the Board the past ten months had been an incredible learning experience and thanked all for the time spent working with the Board, staff and consultants.

## MINUTES

1. Approve Minutes of September 26, 2012 regular Board meeting:

**MOTION:** Approve September 26, 2012 regular Board meeting minutes.

Rafferty/Hagen Approved by roll call vote.

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

## CONSENT

- C-1. Adopt Retirement Report.

	<u>Name</u>	<u>Department</u>	<u>Service Credit</u>	<u>Sick Leave Credit</u>	<u>ARC</u>
D R	Ronald Doughty	District Attorney	3.00395	0.00250	
	William Franco	General Services	31.51760	1.00000	
D R	Alan Hanson	Planning & Development	6.56477	0.15555	
D R	Margaret Cordero	Social Services	9.15178	0.22458	
D R	M.L. Gordon	ADMHS	4.77331	0.00089	
	Susan Spencer	Parks	31.41843	0.11220	
	Michael Skall	Sheriff	25.18792	1.00000	
	Philip Piro	ADMHS	8.54034	0.04390	
	Daniel Stasulis	Parks	12.26950	0.15783	1.50000
	Frances Zimmerman	Public Health	34.71379	0.66824	
	Joel Perales	Social Services	31.99397	0.05448	

D=Deferred  
R=Reciprocal

**MOTION:** Adopt Retirement Report.

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

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

## BOARD

2. Actuarial Valuation as of June 30, 2012—Milliman  
Presentation by Milliman, the System's actuary, of the Actuarial Valuation for June 30, 2012.



## INVESTMENTS

5.     **Real Estate Fees Analysis & Report**—ORG  
Presentation by ORG, the System’s Real Estate Consultant, of a report on Real Estate Management and Incentive Fee Analysis.

**DISCUSSION:** Principal Edward Schwartz presented item for ORG Portfolio Management and along with Consultant Rebecca Morris addressed issues raised by the Board.

**MOTION:** Receive and accept the report on Real Estate Management and Incentive Fee Analysis from ORG.

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

10.    **Real Estate Investment Policy updated**—Operations Committee  
Present revised policy to the Board for approval, as recommended by the Operations Committee.

**DISCUSSION:** Gary Amelio introduced item and along with Ed Schwartz and Rebecca Morris addressed issues raised by the Board.

**MOTION:** Approve the revised Real Estate Investment Policy.

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

6.     **Commission Recapture Program Review/Recommendation**—Meketa  
Presentation by Meketa of Commission Recapture Program and recommendation.

**DISCUSSION:** Vice President Brad Regier presented item and along with Principal Mika Malone addressed issues raised by the Board.

**MOTION:** Accept Meketa’s report, including its recommendations to retain BNY ConvergEx as broker, send reminder letters to managers, and engage low cost brokerage options.

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

7. **Transition Activity Report**—Meketa  
Presentation by Meketa of a Review of Transitions Completed within the fund.  
**DISCUSSION:** Mika Malone presented item for Meketa and addressed issues raised by the Board.  
**MOTION:** Accept Meketa’s report of Transitions Completed within the fund.  
Hagen/Rotella                      Approved by unanimous voice vote of all present  
  Yes:                      Cholmondeley, Cieslik, Hagen,  
  Kraines, Rafferty, Robel, Rotella,  
  Scheck, Wolf

8. **Monthly Fund Evaluation Report**—Meketa  
Presentation by Meketa of the fund activity and performance during the month.  
**DISCUSSION:** Mika Malone and Brad Regier presented item for Meketa and addressed issues raised by the Board.  
**MOTION:** Accept fund activity and performance report from Meketa.  
Rotella/Scheck                      Approved by unanimous voice vote of all present  
  Yes:                      Cholmondeley, Cieslik, Hagen,  
  Kraines, Rafferty, Robel, Rotella,  
  Scheck, Wolf

9. **Private Equity Investment Policy updated**—Operations Committee  
Present revised policy to the Board for approval, as recommended by the Operations Committee.  
**DISCUSSION:** Gary Amelio introduced item for the Operations Committee and addressed issues raised by the Board.  
**MOTION:** Approve the revised Private Equity Investment Policy.  
Kraines/Robel                      Approved by unanimous voice vote of all present  
  Yes:                      Cholmondeley, Cieslik, Hagen,  
  Kraines, Rafferty, Robel, Rotella,  
  Scheck, Wolf

**BOARD CON’T**

11. **Quarterly Cash Flow Projection**—Staff  
Presentation by Retirement Financial Accounting Analyst of System’s Quarterly Cash Flow Projection.

**DISCUSSION:** Retirement Financial Accounting Analyst Rico Pardo presented item and addressed issues raised by the Board.

**MOTION:** Accept System's Quarterly Cash Flow Projection.

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

**CHIEF EXECUTIVE OFFICER**

- 12. A. Receive and file Chief Executive Officer's department operations report.
- B. Authorize the attendance of interested trustees at upcoming training events as requested.

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

**MOTION:** Accept Chief Executive Officer's department operations report and travel modifications.

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

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

**NO ACTION TAKEN**

The meeting adjourned at 3:13 p.m.

ATTEST:

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Clerk

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Chair

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Secretary