

**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 – Ward Rafferty
Vice Chair – Harry Hagen
Secretary – Steve Robel
Zandra Cholmondeley
R. Guy Kraines
Al Rotella
Janet Wolf
John McMillin
Frederick Tan

AGENDA OF THE BOARD OF RETIREMENT

February 27, 2013

**Hart Auditorium at CenCal Health
4050 Calle Real
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

ADMINISTRATION

Oath of Office

Swear in the new General Members of the Retirement Board for the Second [Mark A Paul] and Third [Jennifer Christensen] member seats.

ADMINISTRATION CONT'D

Operations Committee Appointments announced by the Chair.

MINUTES

1. Approve Minutes of:
 - a. January 18, 2013 special Board meeting.
 - b. January 23-24, 2013 regular Board retreat.

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	Tamara Beard	Courts	6.30714	0.03975	
	Norma Benavides	ADMHS	13.36760	0.01566	
	Douglas Blake	Social Services	12.97836	0.40908	
	Cherie Bonazzola	Public Health	18.47270	0.44680	
D	Monika Burrer	Social Services	5.53391	0.09762	
	Francine Cablayan	Probation	15.04796	0.00010	
	Steven Campfield	Fire	27.67843	0.62028	
	Patricia De La Cruz	Public Defender	22.22894	0.01029	
	Linda Duffey	Public Health	28.12653	0.00090	
	Lindsay Fisher	Planning & Development	14.80001	0.34860	
D R	Robert Hansen	Treasurer-Tax Collector	4.80828	0.20069	
D R	William Hatcher	Planning & Development	2.50412	0.02496	
D	Christopher Henrich	Public Works	6.59583	0.08796	
	Ray Hultman	Planning & Development	9.94025	0.29767	
	Bernda Judson	Public Health	15.07884	0.51338	
	Lindy Judson	Public Health	28.00467	0.60832	
	Janice Kettler	APCD	25.34612	0.50540	
	Timothy Manley	Auditor Controller	25.66695	0.02719	
	Matilda Manriquez	Courts	34.55304	0.29594	0.50000
D	David Martell	Auditor Controller	8.98691	0.02929	
D R	Elizabeth Martinez	Public Health	12.63555	0.04200	
R	Jerald McBeth	District Attorney	19.27342	0.47507	
	Clarissa Morris	Social Services	0.82942	0.06277	

D=Deferred
R=Reciprocal

C-1. Adopt Retirement Report Cont'd.

<u>Name</u>	<u>Department</u>	<u>Service Credit</u>	<u>Sick Leave Credit</u>	<u>ARC</u>
James Morris	Fire	23.60347	0.50803	
D Oscar Peters	SBCERS	6.07421	0.30515	
R Robert Thornburg	APCD	24.83753	0.59979	
D Richard Tyrrell	Public Works	22.21718	0.08774	

D=Deferred
R=Reciprocal

BOARD

2. **Actuarial Report - OPEB**—Milliman
Presentation by Milliman of the Actuarial Report for the SBCERS Other Post Employment Benefit Plan (“OPEB”) for retiree medical benefits.

DISCUSSION AND ACTION

RECOMMENDATION: The Board accept Milliman’s report and approve findings contained therein.

3. **COLA Rate**—Milliman and Staff
Presentation by Milliman and Staff of the calculation of the Cost of Living Adjustment (“COLA”) to take effect April 1, 2013, for existing retirees and beneficiaries.

DISCUSSION AND ACTION

RECOMMENDATION: The Board accept Milliman’s report and adopt the rates set forth in Milliman’s letter dated January 22, 2013.

INVESTMENTS

4. **Quarterly Private Equity Portfolio Review**—Hamilton Lane
Presentation by Hamilton Lane of the status and activity of the SBCERS Fund’s Private Equity portfolio in the third quarter, 2012.

DISCUSSION

5. **Annual Strategic Plan**—Hamilton Lane
Presentation by Hamilton Lane of the Annual Strategic Plan for the SBCERS Fund’s Private Equity portfolio.

DISCUSSION AND ACTION

RECOMMENDATION: The Board accept Hamilton Lane’s Annual Strategic Plan and adopt the recommendations contained therein.

6. **Quarterly Real Estate Portfolio Review**—ORG
Presentation by ORG of the status and activity of the SBCERS Fund’s real estate portfolio in the third quarter, 2012.

DISCUSSION

7. **Annual Strategic Plan**—ORG
Presentation by ORG of the Annual Strategic Plan for the SBCERS Fund’s Real Estate portfolio.

DISCUSSION AND ACTION

RECOMMENDATION: The Board accept ORG’s Annual Strategic Plan and adopt the recommendations contained therein.

8. **Manager Expectations Presentation**—Meketa
Presentation by Meketa of an educational report on Investment Manager Expectations by the SBCERS Board.

DISCUSSION

9. **Manager Search & Recommendation: Emerging Markets**—Meketa
Presentation by Meketa of the process and results of a search for an Emerging Markets investment manager.

DISCUSSION AND ACTION

RECOMMENDATION: The Board accept Meketa’s report and approve the hiring of Dimensional Fund Advisors (“DFA”) to manage \$85 million (approximately 4%) of Plan Assets in the Emerging Markets Equity strategy.

10. **Artio High Yield Update**—Meketa
Presentation by Meketa on organizational changes at Artio Global.

DISCUSSION AND ACTION

RECOMMENDATION: Approve Meketa’s recommendation as to Artio’s status as an investment manager for the Fund.

11. **Long-Short Manager Search Update**—Meketa
Presentation by Meketa of the status of the Long-Short manager search for the SBCERS Fund.

DISCUSSION AND ACTION

RECOMMENDATION: The Board accept Meketa’s report and approve the recommendations contained therein.

12. **Monthly Investment Report**—Meketa
Presentation by Meketa of the fund transactions during the past month and monthly Portfolio status of the SBCERS Fund Portfolio.

DISCUSSION

13. **Quarterly Portfolio Performance Report**—Meketa
Presentation by Meketa of the fourth quarter 2012 Performance Report.

DISCUSSION

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.

14. Matthew Fairchild, Applicant for Service-connected Disability Retirement:
Grant the application of Matthew Fairchild, for service-connected disability retirement, subject to timely requested hearing by an interested party.

15. Clyde L. George, Applicant for Service-connected Disability Retirement:
Adopt proposed Findings of Fact, Conclusions of Law and Decision granting Clyde L. George a service-connected disability retirement.
16. Eric Christopher George, Applicant for Service-connected Disability Retirement:
Consider the Findings of Fact and Recommendation and Report of the Referee, along with any timely filed objections, and approve and adopt the recommendation to grant a non-service-connected disability retirement and deny the application for service-connected disability retirement.
17. Kurt Hamblet, Applicant for Service-connected Disability Retirement:
Grant the application of Kurt Hamblet, for service-connected disability retirement, subject to timely requested hearing by an interested party.
18. Kenneth F. Manzer, Applicant for Service-connected Disability Retirement:
Adopt proposed Findings of Fact, Conclusions of Law and Decision granting Kenneth F. Manzer a service-connected disability retirement.
19. Receive and file Disability Status Report.

BOARD

20. **Board Training and Education Attendance Report**—Staff
Staff to present a newly created report, reflecting education and training hours completed by Trustees, in compliance with new state mandated requirements.

DISCUSSION

21. **Videotaping Retirement Board Meetings**—Staff
Staff to present a report on the historic development of the video and audio taping of Retirement Board meetings.

DISCUSSION AND ACTION

RECOMMENDATION: That the Board approve the elimination of videotaping SBCERS meetings.

CHIEF EXECUTIVE OFFICER

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

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

Next regular meeting date is March 27, 2013