

**SANTA BARBARA COUNTY  
EMPLOYEES' RETIREMENT SYSTEM**

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**Gary A. Amelio**  
Chief Executive Officer



**BOARD OF RETIREMENT**

Chair-Ward Rafferty  
Vice Chair-Harry Hagen  
Secretary-Steve Robel  
Zandra Cholmondeley  
Jennifer Christensen  
R. Guy Kraines  
Mark A. Paul  
Al Rotella  
Janet Wolf  
John McMillin  
Frederick Tan

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**AGENDA OF THE BOARD OF RETIREMENT**

**August 28, 2013**

**Wisteria Room at Casa Nueva  
260 N. San Antonio Road  
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

**MINUTES**

1. Approve Minutes of July 24, 2013 regular Board meeting.

## CONSENT

### C-1. Adopt Retirement Report.

	<u>Name</u>	<u>Department</u>	<u>Service Credit</u>	<u>Sick Leave Credit</u>	<u>ARC</u>
	Norma Anaya	Courts	35.28318	0.97160	
	Shirlee Bowden	Courts	16.26068	0.50394	
	Cynthia Castaneda	Courts	34.92311	0.36203	
	Janet Cooper	Sheriff	13.79790	0.00145	
	Jo Ann Erickson	Courts	18.33057	0.19851	
	Richard Holly	Clerk-Recorder-Assessor	37.29288	0.76807	
D R	Gregory Jones	Fire	1.99947	0.00000	
	Michael Ledbetter	County Counsel	31.90290	0.00652	2.00000
	Michele Mickiewicz	Public Health	35.88347	0.57784	5.00000
	Anne Mouyeos	Courts	15.67305	0.22926	
	Teresa Pereida	DRO	7.54528	0.00000	
D R	Michael Stewart	Agriculture Commissioner	1.77190	0.00000	
	Gary Tucker	General Services	12.96108	0.00014	
R	Debra Vidro	Courts	7.46765	0.17439	

D=Deferred  
R=Reciprocal  
Dis=Disability

## INVESTMENTS

2. **Quarterly Private Equity Portfolio Review**—Hamilton Lane  
Presentation by Paul Yett of Hamilton Lane on the status and activity of the Fund's Private Equity portfolio in the first quarter, 2013.

### DISCUSSION

**RECOMMENDATION:** The Board accept the report presented by Hamilton Lane.

3. **Quarterly Real Estate Portfolio Review**—ORG  
Presentation by Ed Schwartz and Rebecca Morris of ORG Portfolio Management on the status and activity of the Fund's Real Estate portfolio in the first quarter, 2013.

### DISCUSSION

**RECOMMENDATION:** The Board accept the report presented by ORG Portfolio Management.

4. **Report on Status of High Yield Manager DDJ**—Meketa  
Presentation by Stephen McCourt and Brad Regier of Meketa Investment Group on the status of pending negotiations with High Yield Manager DDJ.

**DISCUSSION AND ACTION**

**RECOMMENDATION:** The Board accept the report presented by Meketa Investment Group and approve the recommendation presented by Meketa Investment Group to end contract negotiations with DDJ and hire Hotchkis & Wiley to manage \$40 million in the High Yield strategy replacing the initial award to DDJ.

5. **2Q13 General Consulting Review**—Meketa  
Presentation by Stephen McCourt and Brad Regier of Meketa Investment Group of the Fund’s second quarter 2013 Performance Report.

**DISCUSSION**

**RECOMMENDATION:** The Board accept the report presented by Meketa Investment Group.

6. **Monthly Investment Report**—Meketa  
Presentation by Stephen McCourt and Brad Regier of Meketa Investment Group on the Fund transactions during the month and monthly Portfolio status of the Fund.

**DISCUSSION**

**RECOMMENDATION:** The Board accept the report presented by Meketa Investment Group.

**BOARD**

7. **Quarterly Cash Flow Projection**—Staff  
Presentation by Rico Pardo, Retirement Financial Accounting Analyst of System’s Quarterly Cash Flow Projection.

**DISCUSSION**

**RECOMMENDATION:** The Board accept the report presented by Staff.

## DISABILITY RETIREMENT

### TIME CERTAIN OF 11:30 AM

*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.*

8. Lia Helfrich, Applicant for Service-connected Disability Retirement:  
Deny the application of Lia Helfrich for service-connected disability retirement due to lack of permanency, subject to timely requested hearing by an interested party.
9. Emily Salgado, Applicant for Nonservice-connected Disability Retirement:  
Consider the Findings of Fact and Recommendation of Referee Ernest Gould, along with any timely filed objections, and approve and adopt the recommendation to deny the application for non-service-connected disability retirement of Emily Salgado.
10. Kimberly A. Herman  
Deny the application of Kimberly A. Herman for service-connected disability retirement, subject to timely requested hearing by an interested party.
11. Ruby C. Wolff  
Deny the application of Ruby Wolff for service-connected disability retirement due to lack of permanency, subject to timely requested hearing by an interested party.

### BOARD (cont'd)

12. **Net of Fees Performance Rate Reconciliation**—Staff, Cheiron EFI, Meketa Investment Group, BNY Mellon  
  
Presentation by SBCERS staff, Graham Schmidt of Cheiron EFI, Steve McCourt and Brad Regier of Meketa Investment Group, and Amber Sullivan of BNY Mellon on the Net of Fees Performance Rate Reconciliation.  
  
**RECOMMENDATION:** The Board accept the report presented by Staff, Cheiron EFI, Meketa Investment Group and BNY Mellon.

13. **Education on Actuarial Amortization**—Cheiron  
Presentation by Graham Schmidt and Robert McCrory of Cheiron EFI of an educational session on actuarial principles of public pensions.

**DISCUSSION**

**RECOMMENDATION:** The Board accept the report presented by Cheiron EFI

14. **GASB 67 & 68 Education Report**—Brown Armstrong  
Presentation by Eric Berman of Brown Armstrong on GASB 67 and 68, and the potential impact on public pension funds.

**DISCUSSION**

**RECOMMENDATION:** The Board accept the report presented by Brown Armstrong Accountancy Corporation.

15. **Report to SBCERS Board on 2014 Retreat**—Staff  
Presentation by Chief Executive Officer.

**DISCUSSION AND ACTIONS**

**RECOMMENDATION:** The Board accept the report presented by Staff and direct Staff as to whether to continue holding the Retreat and if so, directing the Retreat be delayed to later in 2014.

**CHIEF EXECUTIVE OFFICER**

16. A. Receive and file the Chief Executive Officer's department operations report.  
B. Authorize the attendance of interested trustees at upcoming training events as requested.
17. Receive the proposed three-month Board Agenda preview and make adjustments as the Board deems necessary.

Next regular meeting date is September 25, 2013
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