

**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

MINUTES OF THE BOARD OF RETIREMENT

May 22, 2013

Hart Auditorium at CenCal Health

4050 Calle Real

Santa Barbara, California

ROLL CALL 9:00 a.m.

Members Present: Cholmondeley, Christensen, Hagen, Kraines, Paul,
Rafferty, Robel, Rotella, Wolf
Alternate Present: McMillin
Alternate Absent: Tan
Counsel: Blakeboro
Clerk: Bignell

PUBLIC COMMENT

There was no general public comment.

MINUTES

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

MOTION: Approve April 24, 2013 Board meeting minutes with one correction,
on Item 3 regarding the spelling of Trustee Hagen's name.

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

CONSENT

C-1. Adopt Signature Authority Resolution for Rhonda Cavagnaro, the Assistant Chief Executive Officer, to execute documents for the System.

C-2. Adopt Retirement Report.

	<u>Name</u>	<u>Department</u>	<u>Service Credit</u>	<u>Sick Leave Credit</u>	<u>ARC</u>
D	Henry Ahlstrom	ADMHS	7.43796	0.00249	
	John Allen	Sheriff	23.22280	0.45319	
	Robert Bell	Fire	26.81280	1.00000	
	Linda Bernson	General Services	29.05616	0.13853	
	Terry Briggs	Parks	26.52945	0.79825	
	Keith Brown	Sheriff	12.06300	0.03817	2.25000
R	Sarita Brown	Probation	16.83085	0.00280	
D	Richard Ceriale	Public Health	15.93774	0.01966	
	Kim Densmore	Probation	30.23002	0.36534	
	Gerald DeWitt	Public Health	10.60117	0.09347	
	Clinton Donati	Treasurer-Tax Collector	36.26122	0.21538	
	William Edelstein	Public Health	27.50038	0.44253	
Dis	Matthew Fairchild	Carpinteria-Summerland Fire	19.18260	0.21967	
D	Jane Ferry	Board of Supervisors	12.59776	0.14910	
D R	Clare Fletcher	County Executive Office	9.20145	0.20367	
	Sandra Flynn	Courts	33.17855	0.77904	
	Kathleen Frost	Public Health	18.66778	0.65804	
	Linda Gardy	Community Services	29.07124	0.16426	
	Marion Gibbs	Sheriff	22.34738	0.15276	
	Susan Grady	Courts	11.38245	0.03600	
	Eliana Guerra	Public Health	16.16120	0.10831	
	Randall Haslam	Sheriff	19.42604	0.58133	
	Steven Hobbs	Fire	32.36524	1.00000	
	Mark Howell	Clerk-Recorder-Assessor	36.79587	0.68649	
	Ronald Kinney	Parks	30.75563	0.32981	
	Roberta LaRocco	Probation	16.50205	0.03919	
	Sara Lauderdale	Sheriff	28.73232	0.72097	
	Mark Mahurin	Sheriff	31.14693	0.55985	
	Arturo Martin	General Services	27.71020	1.00000	
D	Megan Miley	APCD	8.56443	0.00500	
D	Craig Paulsen	Sheriff	10.03226	0.25743	
	Robert Perez	Fire	21.44610	0.02448	
	Rose Pueschel	Fire	17.75913	0.51327	
	Robert Richey	ADMHS	22.31594	0.10840	5.00000

D=Deferred
R=Reciprocal
Dis=Disability

C-2. Adopt Retirement Report Cont'd.

	<u>Name</u>	<u>Department</u>	<u>Service Credit</u>	<u>Sick Leave Credit</u>	<u>ARC</u>
	Mickey Robinson	Clerk-Recorder-Assessor	29.57770	0.49576	
	George Rodriguez	Sheriff	21.76678	0.21590	
	Crestina Sierra	Courts	17.30509	0.00022	
R	Steven Stanbrough	Sheriff	13.64074	0.24539	
D R	Alan Stenglein	ADMHS	5.71197	0.00297	
	Katherine Sulka	Fire	25.83488	0.01013	
	Lee Sulka	ADMHS	23.58023	0.00181	
R	Kevin Whalen	Sheriff	15.99197	0.31697	
	Patricia Wheatley	Clerk of the Board	14.44437	0.57532	
	Ronald Wynn, Sr.	Fire	25.05143	0.36491	

D=Deferred
R=Reciprocal
Dis=Disability

Counsel Blakeboro addressed issues raised by the Board.

MOTION: Adopt Consent Agenda.

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

Chair Rafferty directed staff to clarify information in retirement report as presented.

INVESTMENTS

- Semi-Annual Transaction Cost Analysis Report**—Zeno
Presentation by Vinod Pakianathan of Zeno Consulting Group of a trend analysis on transaction costs in the fund during the past immediate four quarters, with emphasis on the most recent – First quarter, 2013.

DISCUSSION: Senior Consultant Vinod Pakianathan presented report and along with Investment Officer Eli Martinez and Counsel Blakeboro addressed issues raised by the Board.

MOTION: Accept report presented by Zeno.

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

3. **Semi-Annual FX Transaction Cost Analysis Report**—KlarityFX
Presentation by Amarjit Sahota of KlarityFX of a trend analysis on FX transaction costs in the fund during the past immediate four quarters, with emphasis on the most recent – First quarter, 2013.

DISCUSSION: Director Amarjit Sahota of KlarityFX presented item and along with Eli Martinez, Vice President Brad Regier of Meketa and Counsel Blakeboro addressed issues raised by the Board.

MOTION: Accept Report presented by KlarityFX.

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

5. **4Q12 Private Equity Portfolio Review**—Hamilton Lane
Presentation by Paul Yett and Michael Augustine of Hamilton Lane on the status and activity of the fund's Private Equity portfolio in the fourth quarter, 2012.

DISCUSSION: Managing Director Paul Yett and Associate Michael Augustine presented item and addressed issues raised by the Board.

MOTION: Accept report presented by Hamilton Lane.

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

4. **Vetting Managers: Education**—Hamilton Lane
Presentation by Paul Yett and Michael Augustine of Hamilton Lane, on the firm's process for reviewing potential Private Equity Investment Managers and General Partners.

DISCUSSION: Paul Yett and Michael Augustine presented item and addressed issues raised by the Board.

MOTION: Accept the report presented by Hamilton Lane.

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

7. **4Q12 Real Estate Portfolio Review**—ORG

Presentation by Ed Schwartz and Rebecca Morris of ORG on the status and activity of the fund’s Real Estate portfolio in the fourth quarter, 2012.

DISCUSSION: Principal Ed Schwartz and Consultant Rebecca Morris presented item and addressed issues raised by the Board.

MOTION: Accept the report presented by ORG.

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

6. **Vetting Managers: Education**—ORG

Presentation by Ed Schwartz and Rebecca Morris of ORG on the firm’s process for reviewing potential investment managers and partners.

DISCUSSION: Ed Schwartz and Rebecca Morris presented item and addressed issues raised by the Board

MOTION: Accept the report presented by ORG.

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

DISABILITY RETIREMENT
(Closed Hearing)

10. Sara Astorga, Applicant for Service-connected Disability Retirement:
 Refer the application of Sara Astorga for service-connected disability retirement to an evidentiary hearing on all issues.

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

9. **Monthly Investment Report**—Meketa
Presentation by Brad Regier and Shane Enete of Meketa Investment Group on the fund transactions during the month and monthly Portfolio status of the fund.

DISCUSSION: Brad Regier and Shane Enete presented item and addressed issues raised by the Board.

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

Trustee Rotella left the room.

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

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.

DISCUSSION: Assistant Chief Executive Officer Rhonda Cavagnaro presented item and along with Counsel Blakeboro addressed issues raised by the Board.

MOTION: Receive and file Chief Executive Officer’s department operations report and authorize the attendance of interested trustees at upcoming training events as modified.

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

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

MOTION: Receive the proposed three-month Board Agenda preview.

Rotella/Kraines

Approved by unanimous voice vote of all present.

Yes: Cholmondeley, Christensen,
Hagen, Kraines, Paul,
Rafferty, Robel, Rotella,
Wolf

CLOSED SESSION

(2:29 p.m. to 3:22 p.m.)

PUBLIC EMPLOYMENT – CEO PERFORMANCE REVIEW

Pursuant to Government Code Section 54957(b).

OPEN MEETING

Counsel Blakeboro announced that the Board had met in Closed Session and that no reportable action had been taken.

The meeting adjourned at 3:22 p.m.

ATTEST:

Clerk

Chair

Secretary