

**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

September 25, 2013

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

ROLL CALL 9:00 a.m.

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

Trustee Kraines left the meeting at 2:48 p.m.

PUBLIC COMMENT

There was no general public comment.

MINUTES

1. Approve Minutes of August 28, 2013 regular Board meeting.

MOTION: Approve August 28, 2013 Board meeting minutes.

Robel/Christensen

Approved by unanimous voice vote of all present.

Yes:

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

CONSENT

C-1. Adopt Retirement Report.

<u>Name</u>	<u>Department</u>	<u>Service Credit</u>	<u>Sick Leave Credit</u>
Rosemary Banko	Public Health	14.74411	0.12836
Sandra Baum	ADMHS	13.34755	0.23722
D Denise Beach-Sporseen	Sheriff	20.04166	0.00034
Gary Blair	Superior Court	37.72946	1.00000
Catherine Daly	Clerk Recorder Assessor	11.51118	0.00035
D Court Eilertson	Public Works	13.53203	0.00307
D Janice Gaines	Public Health	8.08961	0.25250
D Roxanne Lattery	Social Services	18.00105	0.00297
Ronald Tan	APCD	25.81834	0.36545
D Lia Zanesco Schade	Sheriff	14.09293	0.42690

D=Deferred

MOTION: Adopt Retirement Report.

Rotella/Paul

Approved by unanimous voice vote of all present.

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

DISABILITY RETIREMENT

(Closed Hearing)

2. Lia Helfrich, Applicant for Service-connected Disability Retirement:
Adopt proposed Findings of Fact, Conclusions of Law and Decision
denying Lia Helfrich a disability retirement.

DISCUSSION: Disability Program Manager Cristal Rodriguez presented item.

MOTION: Adopt proposed Findings of Fact, Conclusions of Law and Decision
denying Lia Helfrich a disability retirement.

Robel/Christensen

Approved by unanimous voice vote of all present.

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

OPEN MEETING

Counsel Blakeboro summarized the Closed Hearing actions taken on Disability Item 2 as listed above.

BOARD

- 4. **Fiduciary Considerations Impacting the Actuarial Process**—ReedSmith Presentation by Harvey Leiderman of ReedSmith, of an educational report entitled Fiduciary Obligations in Adopting the Assumed Rate of Return and Discount Rate, the major components of the Actuarial Rate Setting Process.

DISCUSSION: Fiduciary Counsel Harvey Leiderman presented for ReedSmith and along with CEO Gary Amelio addressed issues raised by the Board.

MOTION: accept the report presented by ReedSmith.

Wolf/Kraines	Approved by unanimous voice vote of all present. Yes: Cholmondeley, Christensen, Hagen, Kraines, Paul, Rafferty, Robel, Rotella, Wolf
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- 3. **Actuary Experience Study Education Report**—Cheiron EFI Presentation by Graham Schmidt and Robert McCrory of Cheiron EFI of an education report entitled 2013 Economic Assumptions which addresses components of the Retirement System’s triennial Experience Study.

County Budget Director Tom Alvarez, County Treasurer-Tax Collector Assistant Director Kim Tesoro, County Assistant Auditor-Controller Theo Fallati, County Auditor-Controller Financial Reporting, Budget & Cost Division Chief Betsy Schaffer and California Superior Court Human Resources Manager Stephanie Robbins were present.

DISCUSSION: Consulting Actuary Graham Schmidt and Executive Vice President & Director Robert McCrory presented report for Cheiron EFI and along with Meketa Principal Mika Buffington Malone, Fiduciary Counsel Harvey Leiderman and CEO Gary Amelio addressed issues raised by the Board.

MOTION: Accept the report presented by Cheiron EFI.

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

Chair Rafferty gave direction to staff and Cheiron on a variety of analysis options:

- 1) Current assumption
- 2) Current assumption w/ separate administration expense
- 3) Cheiron-EFI proposed assumptions (which includes 25 bps inflation reduction)
- 4) Same as 3, but reduce wages 25 bps
- 5) Closing amortization

5. **Report to SBCERS Board on 2014 Retreat**—Staff

Presentation by Chief Executive Officer Gary Amelio detailing the Board suggested options for the 2014 Board Retreat

DISCUSSION: CEO Gary Amelio presented item and along with Assistant CEO Rhonda Cavagnaro addressed issues raised by the Board.

A motion giving CEO discretion with regard to venue selection from proposed list of hotels was made, seconded and withdrawn by Trustees Rafferty and Kraines.

MOTION: Direct CEO to choose 2014 Retreat venue from list of hotels with the addition of Glen Annie Golf Club.

Christensen/Robel Approved by voice vote.
Yes: Cholmondeley, Christensen,
Kraines, Paul, Rafferty,
Robel, Rotella,
No: Hagen, Wolf

6. **SACRS Voting Delegates**—Staff

Staff presents the SBCERS proposed policy regarding Trustees who cast the Retirement System’s ballot at the SACRS Fall Conference

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

MOTION: Nominate voting delegates for the SACRS Fall Conference, November 12-15, 2013. Any SBCERS vote(s) shall be cast by the Chair, in his absence by the Vice Chair, in both absences by the Secretary, and in all officers’ absence by the Retirement Board member present holding the longest tenure on the Board.

Rotella/Paul Approved by unanimous voice vote of all present.
Yes: Cholmondeley, Christensen,

Hagen, Kraines, Paul,
Rafferty, Robel, Rotella,
Wolf

INVESTMENTS

7. **Monthly Investment Report**—Meketa
Presentation by Mika Malone and Brad Regier of Meketa Investment Group on the Fund transactions during the month and monthly Portfolio status of the Fund.

DISCUSSION: Principal Mika Buffington Malone presented item for Meketa and along with Vice President Brad Regier and Investment Officer Eli Martinez addressed issues raised by the Board.

MOTION: Accept the report presented by Meketa Investment Group.

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

CHIEF EXECUTIVE OFFICER

8. 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.

DISCUSSION: Gary Amelio presented item and 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.

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

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

DISCUSSION: Gary Amelio presented item and along with Counsel Blakeboro addressed issues raised by the Board.

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

Christensen/Paul

Approved by unanimous voice vote of all present.

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

Absent: Kraines

CLOSED SESSION
(3:05 p.m. to 3:59 p.m.)

PUBLIC EMPLOYMENT – PERFORMANCE EVALUATION OF THE CEO
Pursuant to Government Code Section 54957(b).

OPEN MEETING

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

The meeting adjourned at 4:00 p.m.

ATTEST:

Clerk

Chair

Secretary