

**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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**MINUTES OF THE BOARD OF RETIREMENT  
December 11, 2013  
Boardroom, Hill-Carrillo Adobe  
15 East Carrillo  
Santa Barbara, California**

**ROLL CALL 9:00 a.m.**

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

Trustee Cholmondeley left the meeting at 12:30 p.m.

**PLEDGE OF ALLEGIANCE**

**PUBLIC COMMENT**

There was no general public comment.

County Auditor-Controller Robert Geis, Assistant Auditor-Controller Theo Fallati and Alternate Safety Member Elect Steven Johnson were in attendance, but did not comment.

**MINUTES**

1. Approve Minutes of November 20, 2013 regular Board meeting.

**MOTION:** Approve November 20, 2013 Board meeting minutes.



**MOTION:** Receive and accept the report presented by Cheiron, and approve the 2014 member and employer contribution rates for all plans for the fiscal year ending June 30, 2015.

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

### INVESTMENTS

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 second quarter, 2013.

**DISCUSSION:** Principal Edward Schwartz and Consultant Rebecca Morris presented item for ORG and along with Investment Officer Eli Martinez and Meketa Principal Mika Malone addressed issues raised by the Board.

**MOTION:** Receive and accept the report presented by ORG Portfolio Management.

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

4.     **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 second quarter, 2013

**DISCUSSION:** Managing Director Paul Yett presented item for Hamilton Lane and along with CEO Gary Amelio and Eli Martinez addressed issues raised by the Board.

**MOTION:** Receive and 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

## **DISABILITY RETIREMENT**

(Closed Hearing)

5. Donald Ray Carroll, Applicant for Service-Connected Disability Retirement:  
Refer the application of Donald Carroll for service-connected disability retirement to an evidentiary hearing on all issues.

**DISCUSSION:** Disability Program Manager Cristal Rodriguez presented item and along with Counsel Alan Blakeboro addressed issues raised by the Board.

**MOTION:** Refer the application of Donald Ray Carroll for service-connected disability retirement to an evidentiary hearing on all issues.

Rotella/Kraines

Approved by unanimous voice vote of all present.

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

6. Donna L. Pelletier, Applicant for Service-Connected Disability Retirement:  
Deny the application of Donna Pelletier for service-connected disability retirement, subject to timely requested hearing.

**DISCUSSION:** Cristal Rodriguez presented item and along with Counsel Alan Blakeboro addressed issues raised by the Board.

Applicant Donna Pelletier and her husband George Pelletier were present and addressed the Board.

**MOTION:** Deny the application of Donna L. Pelletier for service-connected disability retirement, subject to timely requested hearing.

Rafferty/Christensen

Approved by unanimous voice vote of all present.

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

## OPEN MEETING

Counsel Alan Blakeboro summarized the Closed Hearing actions taken on Disability Items 5 and 6 as listed above.

### BOARD (Cont'd.)

7. **Determination Letter—Staff & Counsel**—Staff & Counsel  
Presentation by CEO Gary Amelio and Counsel Alan Blakeboro regarding receipt of the Internal Revenue Service Determination Letter and steps for future action

**DISCUSSION:** Counsel Alan Blakeboro presented item and addressed issues raised by the Board.

**MOTION:** Receive and accept the report presented by CEO Gary Amelio and Counsel Alan Blakeboro and adopt a resolution adopting regulations in order to retroactively amend the Santa Barbara County Employees' Retirement System Plan to comply with the applicable requirements of federal law, as recommended by the County Board of Supervisors, and that staff and counsel be directed to work cooperatively with the County in preparing a further determination letter request for submittal in Cycle E for government plans.

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

8. **Board Calendar**—Staff  
Presentation by CEO Gary Amelio of the proposed calendar for regular Board of Retirement meetings for 2014, established based upon past practices; as well as the Board's Annual and "Tickler" Calendars.

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

**MOTION:** Receive and accept the above referenced 2014 Board of Retirement regular meeting calendar and approve such Calendar for 2014 Board meetings, with the following two adjustments: add a meeting on November 19, 2014 and move the December 2014 meeting date from the 10<sup>th</sup> to the 11<sup>th</sup>.



## PUBLIC COMMENT

Chair Rafferty and a number of Board members recognized Board member Steve Robel for his service to the Fund, with the Chair noting that this is his last Retirement Board meeting as the Safety member, seat 7, due to his pending retirement from County service. Chair Rafferty also announced that member Guy Kraines tendered his resignation from the Retirement Board effective December 12, 2013.

## CHIEF EXECUTIVE OFFICER

11. 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.
- C. Receive the proposed three-month Board Agenda preview and make adjustments as the Board deems necessary.

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

**MOTION:** Receive and file Chief Executive Officer's department operations report, authorize the attendance of interested trustees at upcoming training events (no modifications were made) and receive the proposed three-month Board Agenda preview.

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

## INVESTMENTS (Cont'd.)

12. **Private Natural Resources/Private Infrastructure**—Staff  
Presentation by CEO Gary Amelio, SBCERS Investment Officer Eli Martinez and Counsel Alan Blakeboro regarding personnel changes within Meketa Investment Group and the Investment Consultant's role in this asset class.

**DISCUSSION:** CEO Gary Amelio and Eli Martinez presented the report to the Board and along with Counsel Alan Blakeboro addressed issues raised by the Board.

**CHAIR DIRECTION:** Board Chair Ward Rafferty directed staff to instruct Meketa to report at the January Board meeting on the current status of the Fund's asset allocation to Private Natural Resources and Private Infrastructure investments ("PNRI"), to assess whether the Fund should continue to maintain an allocation in PNRI; if so should the Board modify the allocation; and if not what type of investments should replace the allocation and what should be done with existing PNRI investments. Also, Meketa is to address the issue of conflicts of interest and its process for addressing such given its dual consulting roles for SBCERS as both general and PNRI discretionary consultants. This report shall be part of the Asset Allocation agenda item.

**MOTION:** Receive and accept the report presented by SBCERS staff.

McMillin/Wolf

Approved by unanimous voice vote of all present.

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

Absent: Cholmondeley

The meeting adjourned at 2:00 p.m.

ATTEST:

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Clerk

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Chair

\_\_\_\_\_  
Secretary