

**SANTA BARBARA COUNTY
EMPLOYEES' RETIREMENT SYSTEM**

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Gary A. Amelio
Chief Executive Officer



BOARD OF RETIREMENT

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

AGENDA OF THE BOARD OF RETIREMENT

February 26, 2014

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

MINUTES

1. Approve Minutes of January 22, 2014 regular Board meeting.

CONSENT

C-1. Adopt Retirement Report.

	<u>Name</u>	<u>Department</u>	<u>Service Credit</u>	<u>Sick Leave Credit</u>
Dis	Sara Astorga	District Attorney	15.47451	0.00102
	Edward Bailey	General Services	11.03131	0.00185
D R	Elizabeth Ellsworth	Agricultural Commission	6.39210	0.02875
	William Finlay	Sheriff's Dept.	21.04043	0.95985
	Erma Gomes	Mental Health Services (ADMHS)	23.61917	0.09575
	Karen Hartman	Clerk Recorder Assessor	15.86510	0.00014
	Amy Jochim	Public Health	17.53908	0.43931
R	Bruce Kiefer	Housing & Community Development	1.35073	0.08719
D	John McGregor	Superior Court	8.90715	0.31680
R	Ronald Mose	Probation	28.18791	0.82935
	Jonathan Mundt	APCD	24.14096	0.62003
	Lorraine Murphy	Social Services	14.50990	0.32681
	Linda Rezazadeh	Social Services	27.05731	0.07448
D	Lydia Thorstenson	Social Services	11.23185	0.00373
D	James Voysey	Public Defender	29.44347	0.55639

D=Deferred
R=Reciprocal
Dis=Disability

ADMINISTRATION

Introduction of new SBCERS Retirement Investment Analyst.

Operations Committee Appointments announced by the Chair.

Committees of the Board of Retirement

Pursuant to ARTICLE VII of the SBCERS BYLAWS the Board of Retirement may establish and define one or more Standing Committees and/or Ad Hoc Committees by majority vote.

DISCUSSION AND ACTION

BOARD

2. COLA Rate Approval—Staff

Presentation by CEO Gary A. Amelio of Cheiron's calculation of the Cost of Living Adjustment ("COLA") to take effect April 1, 2014, for existing retirees and beneficiaries.

DISCUSSION AND ACTION

RECOMMENDATION: The Board accept and receive Cheiron's report presented by Staff and adopt the rates set forth in Cheiron's report.

3. **Mid-Year Budget Review**—Staff
Presentation by CEO Gary A. Amelio and Rico Pardo, Retirement Financial Accounting Analyst of the System's Mid-Year Budget Review for Fiscal Year 2013-2014.

DISCUSSION

RECOMMENDATION: The Board receive and accept the Mid-Year Budget Review for Fiscal Year 2013-2014, as submitted.

DISABILITY RETIREMENT

TIME CERTAIN OF 9:45 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.

4. John C. Lawrence, Applicant for Service-connected Disability Retirement:
Consider the Findings of Fact and Recommendation of Referee Catherine Harris, along with any timely filed objections, and approve and adopt the recommendation to deny John C. Lawrence a service-connected disability retirement.
5. Yolanta Maraboli, Applicant for Service-connected Disability Retirement:
Adopt proposed Findings of Fact, Conclusions of Law and Decision denying Yolanta Maraboli a disability retirement.
6. Receive and file Disability Status Report.

INVESTMENTS

7. **Semiannual FX Transaction Report**—FX
Presentation by Amarjit Sahota of FX of a trend analysis on FX transaction costs in the Fund during the past immediate four quarters, with emphasis on the most recent third and fourth quarters of 2013.

DISCUSSION

RECOMMENDATION: The Board receive and accept the report presented by FX.

8. **Quarterly Portfolio Review**—Meketa
Presentation by Stephen McCourt, Mika Malone and Brad Regier of Meketa Investment Group of the Fund's fourth quarter 2013 Performance Report.

DISCUSSION

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

9. **Search for Small Cap Growth Manager**—Meketa
Presentation by Stephen McCourt, Mika Malone and Brad Regier of Meketa Investment Group on the firm's process for reviewing potential Small Cap Growth Managers.

DISCUSSION AND ACTION

RECOMMENDATION: The Board receive and accept the report presented by Meketa Investment Group and adopt the recommendation contained therein authorizing Meketa to conduct a search for a Small Cap Growth Manager for the Fund.

10. **Quarterly Private Natural Resources/Infrastructure Review**—Meketa
Presentation by Senior Vice President and Head of Infrastructure Research Chris Tehranian and Managing Principal and Director of Private Markets John Haggerty of Meketa Investment Group on the status and activity of the Fund's Private Natural Resources and Infrastructure portfolio in the fourth quarter 2013.

DISCUSSION

RECOMMENDATION: The Board receive and accept Meketa's Quarterly report on the Private Natural Resources and Infrastructure portfolio.

11. **Private NR/Infrastructure Due Diligence Review** —Ad Hoc Committee Presentation by the Ad Hoc Committee, comprised of members Ward Rafferty and Jennifer Christensen, and Staff; CEO Gary Amelio, ACEO Rhonda Cavagnaro, Investment Officer Eli Martinez and Counsel Alan Blakeboro regarding personnel changes within Meketa Investment Group and Meketa’s role as the Investment Consultant for this asset class.

DISCUSSION AND ACTION

RECOMMENDATION: The Board receive and accept the report presented by the Ad Hoc Committee and SBCERS Staff. Based upon the Ad Hoc Committee’s determination the Ad Hoc Committee and Staff prepared a Request for Proposal document, which includes a process and schedule, and recommends the Board approve this RFP document and its process and schedule as the process for selecting a Discretionary PNRI Consultant for the Fund. Staff and the Ad Hoc Committee shall implement other action regarding the RFP process as the Board may direct.

CHIEF EXECUTIVE OFFICER

12. 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.

Next regular meeting date is March 25 and 26, 2014
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