

**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
Steven Johnson
John McMillin

MINUTES OF THE BOARD OF RETIREMENT
January 22, 2014
Wisteria Room at Casa Nueva
260 North San Antonio Road
Santa Barbara, California

ROLL CALL 9:00 a.m.

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

Trustee Tan arrived at 9:05 a.m. and left the meeting at 12:00 p.m. Trustees Rotella and McMillin left the meeting at 5:05 p.m.; Trustee Wolf left at 5:10 p.m.; and Trustee Cholmondeley left at 5:20 p.m.

PLEDGE OF ALLEGIANCE

PUBLIC COMMENT

Rory O. Moore, a Director on the Retired Employees' of Santa Barbara County "RESBC" Board, spoke regarding concerns of agenda item 9, and the potential impact upon Retirees.

CONSENT

C-2. Oath of Office was administered by County Treasurer and Retirement Board Vice Chair Harry Hagen to Safety Member (Seat 7) Frederick Tan and Safety Alternate Member (Seat 7A) Steve Johnson.

MINUTES

1. Approve Minutes of December 11, 2013 regular Board meeting.

Tabled until after Consent Item C-2

MOTION: Approve December 11, 2013 Board meeting minutes as corrected.

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

CONSENT (Cont'd.)

- C-1. Adopt Retirement Report.

	<u>Name</u>	<u>Department</u>	<u>Service Credit</u>	<u>Sick Leave Credit</u>
D R	William Chiat	County Administrator	5.64508	0.28618
D R	Alice Daly	Planning & Development	3.72445	0.10882
D	Jeanne Sparks	Board of Supervisors-5th District	12.22127	0.23043
	William Thompson Jr.	Probation-Institutions	13.66147	0.24605
R	Sandra Russell	Sheriff-Custody	17.35771	0.06633
D R	Annamaria Salazar	Mental Health Services	15.71956	0.00020
	Candice Zaniboni	DRO-A	12.24726	N/A
	Shirley Moraga	Housing & Community Development	31.30451	0.07535
D R	Margaret Burbank	General County Programs	7.69834	0.26181

D=Deferred
R=Reciprocal

MOTION: Adopt Retirement Report.

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

- C-3. Election of Officers:
 a. Chair

MOTION: Elect Ward Rafferty as Chair.

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

- b. Vice Chair

MOTION: Elect Jennifer Christensen as Vice Chair.

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

- c. Secretary

MOTION: Elect Frederick Tan as Secretary.

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

- C-4. Adoption of the Board of Retirement’s 2014 schedule of meeting dates.

January 22	April 23	July 23	October 22
February 26	May 28	August 27	November 19
March 25&26	June 25	September 24	December 11

MOTION: Adopt the Board of Retirement’s 2014 schedule of meeting dates as presented.

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

INVESTMENTS

2. **Annual Strategic Plan [Private Equity]**—Hamilton Lane
 Presentation by Paul Yett and Michael Augustine of Hamilton Lane of the Annual Strategic Plan for the SBCERS Private Equity portfolio.

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

MOTION: Receive and accept the report presented by Hamilton Lane.

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

3. **Annual Strategic Plan [Real Estate]**—ORG

Presentation by Ed Schwartz and Rebecca Morris of ORG Portfolio Management of the Annual Strategic Plan for the SBCERS Real Estate portfolio.

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

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

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

DISABILITY RETIREMENT

(Closed Hearing)

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

Applicant’s Counsel Lauren John Udden addressed issues raised by the Board.

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

MOTION: Deny the application of Yolanta Maraboli for service-connected disability retirement, subject to timely requested hearing.

Christensen/Paul

Approved by unanimous voice vote of all present.

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

Absent: Tan

OPEN MEETING

Counsel Blakeboro summarized the Closed Hearing action taken on Disability Item 6 as listed above.

INVESTMENTS (Cont'd.)

- 4. **Review of Fund Asset Allocation**—Meketa
Presentation by Stephen McCourt and Mika Malone of Meketa Investment Group of SBCERS Asset Allocation Review. Part of the review was to include addressing the Meketa organizational changes, the Meketa due diligence review processes and other related items of the Private Natural Resources and Infrastructure allocation.

Tabled until after Disability Item 6

DISCUSSION: Managing Principal Stephen McCourt and Principal Mika Malone presented the report for Meketa and along with Investment Officer Eli Martinez and Counsel Alan Blakeboro addressed issues raised by the Board.

Trustee Johnson voted as Alternate Safety member in place of Trustee Tan for the remainder of the meeting.

Motion made, withdrawn and renewed

MOTION: Receive and accept the SBCERS Asset Allocation Review presented by Meketa Investment Group, and adopt the recommendation contained therein, to continue with the Fund's existing asset allocation.

Wolf/Paul

Approved by roll call vote.

Yes: Cholmondeley, Johnson,
Paul, Rafferty, Rotella, Wolf

No: Christensen, Hagen

Absent: Tan

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

8. **Comprehensive Annual Financial Report**—Staff & Brown Armstrong Presentation by Retirement Financial Accounting Analyst Rico Pardo, and Firm Principal Andrew Paulden of Brown Armstrong Accountancy Corporation to present the Comprehensive Annual Financial Report for Fiscal Year June 30, 2013 (“CAFR”) to the Board.

DISCUSSION: Principal Andrew Paulden presented item for Brown Armstrong Accountancy Corporation and along with Rico Pardo addressed issues raised by the Board.

MOTION: Approve the Comprehensive Annual Financial Report.

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

9. **SBCERS Office Lease**—Staff Presentation by SBCERS Chief Executive Officer Gary A. Amelio regarding office space leased by the Retirement System in Santa Barbara and Santa Maria. The Retirement System has the opportunity to acquire additional office space in the building it occupies in Santa Barbara. This would enable the Retirement System to close the existing office in Santa Maria, consolidate all SBCERS staff in one office, improve efficient service to members by operating a consolidated telephone and in person appointment unit, obtain a Board meeting room, and effectuate more efficient and detailed management oversight of financial, investment and member services staff functions. This opportunity would result in cost savings by significantly reducing “moving” expenses and furniture acquisition costs.

Public Comment: SEIU Local No. 620 Field Representative Daryl Scheck addressed the Board and expressed concern on this item as it impacts SBCERS staff currently employed in the Santa Maria office. Retired Employees’ of Santa Barbara County “RESBC” Board President, Annette Paladino, addressed the Board and expressed concern that retirees not be faced with a reduction in service, due to the closing of the Santa Maria office.

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

MOTION: Receive and accept the Chief Executive Officer’s report and authorize the Chief Executive Officer to handle any negotiations, take any actions and execute such leases, contracts and documents to finalize the recommendations in the report to enter into the new lease in Santa Barbara, close the existing Santa Maria office and address related concerns including moves, furniture, equipment, etc. In addition, the Board directed that a satellite office be established in Santa Maria for at least one day per week, based upon need as determined by the CEO. The Board also authorized the CEO to implement the “457 model” of special, incidental partial day staffing in other county locations such as Lompoc and Buellton, on a need basis. The CEO is directed to report to the Board within three months of the completed office move, as to the status of the implementation of the supplemental office plan.

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

CHIEF EXECUTIVE OFFICER

- 10. 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 and receive the proposed three-month Board Agenda preview.

Paul/Johnson

Approved by unanimous voice vote of all present.

Yes: Christensen, Hagen, Johnson,
Paul, Rafferty

Absent: Cholmondeley, Rotella, Tan,
Wolf.

The meeting adjourned at 5:26 p.m.

ATTEST:

Clerk

Chair

Secretary