

**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

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**MINUTES OF THE BOARD OF RETIREMENT**  
**February 26, 2014**  
**Hart Auditorium at CenCal Health**  
**4050 Calle Real**  
**Santa Barbara, California**

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

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

**PLEDGE OF ALLEGIANCE**

**PUBLIC COMMENT**

Chair Rafferty welcomed new SBCERS Retirement Investment Analyst Lauren Thompson.

**MINUTES**

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

**MOTION:** Approve January 22, 2014 regular Board meeting minutes.

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

## 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

### **MOTION:** Adopt Retirement Report.

Hagen/Rotella

Approved by unanimous voice vote of all present.

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

## ADMINISTRATION

Introduction of new SBCERS Retirement Investment Analyst by CEO Gary A. Amelio.

Operations Committee Appointments announced by the Chair:

Trustee Hagen – Chair  
Trustee Cholmondeley – Committee Member  
Trustee Rotella – Committee Member  
Trustee Paul – Alternate Committee Member

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.

**NO ACTION TAKEN**

## 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:** CEO Gary A. Amelio presented item and addressed issues raised by the Board.

**MOTION:** Receive and accept Cheiron’s report presented by Staff and adopt the rates set forth in Cheiron’s report.

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

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:** CEO Gary A. Amelio presented item and along with Retirement Financial Accounting Analyst Rico Pardo addressed issues raised by the Board.

**MOTION:** Receive and accept the Mid-Year Budget Review for Fiscal Year 2013-2014, as submitted.

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

## DISABILITY RETIREMENT (Closed Hearing)

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.



**INVESTMENTS**

7. **Semiannual FX Transaction Report**—Klarity FX  
Presentation by Amarjit Sahota of Klarity 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:** CEO Amarjit Sahota presented report for Klarity FX and along with Investment Officer Eli Martinez and Counsel Alan Blakeboro addressed issues raised by the Board.
- MOTION:** Receive and accept the report presented by Klarity FX.
- Wolf/Rotella                      Approved by unanimous voice vote of all present.  
  Yes:                      Cholmondeley, Christensen, Hagen, Paul, Rafferty, Rotella, Tan, Wolf
8. **Quarterly Portfolio Review**—Meketa  
Presentation by Stephen McCourt and Mika Malone of Meketa Investment Group of the Fund's fourth quarter 2013 Performance Report.
- DISCUSSION:** Managing Principal Stephen McCourt and Principal Mika Malone presented the report for Meketa and along with Investment Officer Eli Martinez addressed issues raised by the Board.
- MOTION:** Receive and accept the report presented by Meketa Investment Group.
- Hagen/Paul                      Approved by unanimous voice vote of all present.  
  Yes:                      Cholmondeley, Christensen, Hagen, Paul, Rafferty, Rotella, Tan, Wolf
9. **Search for Small Cap Growth Manager**—Meketa  
Presentation by Mika Malone of Meketa Investment Group on the firm's process for reviewing potential Small Cap Growth Managers.
- DISCUSSION:** Principal Mika Malone presented the report for Meketa and along with Investment Officer Eli Martinez addressed issues raised by the Board.
- MOTION:** 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.

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

10. **Quarterly Private Natural Resources/Infrastructure Review**—Meketa  
Presentation by Senior Vice President and Head of Infrastructure Research Chris  
Tehrani 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:** Managing Principal John Haggerty and Senior Vice President  
Chris Tehrani presented the report for Meketa and addressed  
issues raised by the Board.

**MOTION:** Receive and accept Meketa’s Quarterly report on the Private Natural  
Resources and Infrastructure portfolio.

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

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 A. 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:** CEO Gary A. Amelio presented the review and along with  
Investment Officer Eli Martinez and Counsel Alan Blakeboro  
addressed issues raised by the Board.

**MOTION:** 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.

Rotella/Wolf

Approved by unanimous voice vote of all present.

Yes: Cholmondeley, Christensen,  
Hagen, Paul, Rafferty,  
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 A. 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/Rafferty

Approved by unanimous voice vote of all present.

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

The meeting adjourned at 2:30 p.m.

ATTEST:

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Clerk

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Chair

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Secretary