

**SANTA BARBARA COUNTY
EMPLOYEES' RETIREMENT SYSTEM**

3916 State Street Suite 210
Santa Barbara, CA 93105

Phone (805) 568-2940
Fax (805) 560-1086

**Gregory E. Levin, CPA
Interim 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

June 25, 2014

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

ROLL CALL 9:00 a.m.

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

PLEDGE OF ALLEGIANCE

PUBLIC COMMENT

Trustee Cholmondeley reported to the Board on her attendance Tuesday, June 17, 2014, at SACRS Board of Directors in Sacramento. Trustee Tan congratulated Trustee Cholmondeley on her May 17, 2014 election to the SACRS Board of Directors.

MINUTES

1. Approve Minutes of May 28, 2014 regular Board meeting.

MOTION: Approve May 28, 2014 regular Board meeting minutes.

Christensen/Rafferty

Approved by voice vote.

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

Abstain: Paul, Rotella

C-1. **Adopt Retirement Report.**

	<u>Name</u>	<u>Department</u>	<u>Service Credit</u>	<u>Sick Leave Credit</u>
D R	Frederick Brennan	Public Defender	2.74805	0.04752
D	Anna Lopez	Social Services	11.95832	0.02561
D R	Ophelia Rojas	Public Health	7.67103	0.05246
	Judith Simon	Sheriff	19.82145	0.35275
D R	David Stankiewicz	Sheriff	4.60926	0.02852
D R	Lincoln Thomas	Planning & Development	2.59846	0.08624
	Sandra Talamantes	Public Health	23.38341	0.18780

D=Deferred
R=Reciprocal

MOTION: Adopt Retirement Report.

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

Consent Item C-1 taken separately.

C-2. **Adopt Resolution of Granting Signature Authority to Interim Chief Executive Officer**

This resolution memorializes the Board's delegation of authority to Gregory Levin, the Interim Chief Executive Officer to execute contracts on behalf of the System.

DISCUSSION: Counsel Blakeboro responded to questions from the Board.

MOTION: Adopt Resolution of Granting Signature Authority to Interim Chief Executive Officer.

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

Consent Items C-2 and C-3 taken together.

C-3. **Adopt Resolution of Granting Signature Authority to Investment Officer**

This resolution memorializes the Board's delegation of authority as a signatory, consistent with the Interim Chief Executive Officer's recommendation, to Eliazar Martinez, the system's Investment Officer to execute contracts on behalf of the System.

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

Chair Rafferty directed Interim CEO to plan a special meeting of the Board of Retirement for a Santa Barbara site visit.

5. **Fiscal Year Ending June 30, 2015 Budget Adoption**—Gregory Levin, CPA
Interim CEO
Presentation of the Santa Barbara County Employees' Retirement System Budget for Fiscal Year 6/30/2015 by Gregory Levin, CPA Interim Chief Executive Officer.

DISCUSSION: Interim Chief Executive Officer Greg Levin presented the items, and along with Retirement Financial Accounting Analyst Rico Pardo responded to questions from the Board.

RECOMMENDATION:

- A. The Board receive the presentation and adopt the Budget for Fiscal Year 6/30/2015, as submitted.
- B. The Board authorize the Chair to execute Administrative Budget Adoption Resolution.
- C. The Board authorize the Chair to execute Position Allocation Resolution.

MOTION: Receive the presentation and adopt the Budget for Fiscal Year 6/30/2015, as submitted, authorize the Chair to execute Administrative Budget Adoption Resolution and Position Allocation Resolution.

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

DISABILITY RETIREMENT
(Closed Hearing)

6. Sara Astorga, Non-service-connected Disability Retirement Retiree:
Adopt Findings of Fact, Conclusions of Law, and Decision setting the effective date of Sara Astorga's non-service-connected disability retirement as December 9, 2013

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

9. Receive and file Disability Status Report.

DISCUSSION: Disability Program Manager Cristal Rodriguez presented the item and responded to questions from the Board.

MOTION: Receive and file Disability Status Report.

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

OPEN MEETING

Counsel Blakeboro summarized the Closed Hearing action taken on Disability Items 6, 7, 8 and 9 as listed above.

INVESTMENTS (Cont'd)

10A. **Private Natural Resources/Infrastructure Selection Introduction**—Staff

Introduction by Investment Officer Eli Martinez and Investment Analyst Lauren Thompson of Discretionary Private Natural Resource and Private Infrastructure (PNR&I) Consultant Finalist Interviews and Selection.

DISCUSSION: Investment Officer Eli Martinez and Investment Analyst Lauren Thompson presented their onsite due diligence reports and responded to questions from the Board.

RECOMMENDATION: That the Board of Retirement a) receive and accept the Discretionary PNR&I Consultant finalist presentations by Meketa Investment Group, Hamilton Lane and Wilshire Associates Inc. and b) select a Discretionary PNR&I Consultant to oversee the 5% (3% Private Natural Resources and 2% Private Infrastructure) allocation to PNR&I.

NO ACTION TAKEN

10B. **Private Natural Resources/Infrastructure Finalist Presentation**—
Hamilton Lane

PNR&I finalist presentation by Managing Director, Paul Yett, Managing Director Andrea Kramer, Principal Mike Ryan and Senior Associate Michael Augustine of Hamilton Lane.

DISCUSSION: Managing Directors Paul Yett and Andrea Kramer, Principal Mike Ryan and Senior Associate Michael Augustine presented for Hamilton Lane and responded to questions from the Board.

RECOMMENDATION: Receive and accept the Discretionary PNR&I Consultant finalist presentation by Hamilton Lane.

NO ACTION TAKEN

10C. **Private Natural Resources/Infrastructure Finalist Presentation**—
Meketa Investment Group

PNR&I finalist presentation by Managing Principal/Director of Private Markets Investments John Haggerty and Senior Vice President/Head of Infrastructure Research Christopher Tehranian of Meketa Investment Group.

DISCUSSION: Managing Principal/Director of Private Markets Investments John Haggerty and Senior Vice President/Head of Infrastructure Research Christopher Tehranian presented for Meketa Investment Group and responded to questions from the Board.

RECOMMENDATION: Receive and accept the Discretionary PNR&I Consultant finalist presentation by Meketa Investment Group.

NO ACTION TAKEN

10D. **Private Natural Resources/Infrastructure Finalist Presentation**—
Wilshire Associates, Inc.

PNR&I finalist presentation by President Kevin Nee and Managing Director Gary Gabriel of Wilshire Associates, Inc.

DISCUSSION: President Kevin Nee and Managing Director Gary Gabriel presented for Wilshire Associates, Inc., and responded to questions from the Board.

RECOMMENDATION: Receive and accept the Discretionary PNR&I Consultant finalist presentation by Wilshire Associates Inc.

NO ACTION TAKEN

10E. **Private Natural Resources/Infrastructure Discussion and Vote**—
Board Discussion

DISCUSSION: Investment Officer Eli Martinez, Investment Analyst Lauren Thompson and Interim CEO Greg Levin responded to questions from the Board.

RECOMMENDATION: Select a Discretionary PNR&I Consultant to oversee the 5% (3% Private Natural Resources and 2% Private Infrastructure) allocation to PNR&I.

MOTION: Select Hamilton Lane as Discretionary PNR&I Consultant to oversee the 5% (3% Private Natural Resources and 2% Private Infrastructure) allocation to PNR&I.

Christensen/Cholmondeley Approved by roll call vote.

Yes:	Cholmondeley, Christensen, Hagen, Paul, Rafferty, Rotella
No:	Tan, Wolf

CLOSED SESSION
(4:46 p.m. to 5:21 p.m.)

Closed Sessions are not open to the public.

PUBLIC EMPLOYMENT – CEO Recruitment, Pursuant to Government Code Section 54957(b).

OPEN MEETING

Counsel Blakeboro announced that the Board had met in Closed Session to discuss matters pertaining to the CEO recruitment and that the Board had taken no reportable action.

BOARD (Cont'd)

11. **CEO Recruitment**—Ad Hoc Committee on CEO Recruitment

Presentation by Trustee Tan, Chair Ad Hoc Committee on CEO recruitment.

