

**SANTA BARBARA COUNTY
EMPLOYEES' RETIREMENT SYSTEM**

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**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
October 22, 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
Alternates Present: Johnson, McMillin
Counsel: Blakeboro
Clerk: Bignell

Pledge of Allegiance led by Chair

PUBLIC COMMENT

There was no general public comment.

MINUTES

A. Approve Minutes of September 24, 2014 regular Board meeting.

MOTION: Approve September 24, 2014 regular Board meeting minutes.

Hagen/Johnson

Approved by unanimous voice vote of all present

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

Abstain: Rotella

B. Approve Minutes of October 13, 2014 special Board meeting.

MOTION: Approve October 13, 2014 special Board meeting minutes.

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

CONSENT

C-1. Terri Foster, Disability Retirement Applicant: Grant Referee Deborah Wissley’s request for an extension of her jurisdiction to January 23, 2015.

MOTION: Grant Referee Deborah Wissley’s request for an extension of her jurisdiction to January 23, 2015.

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

C-2. **Adopt Retirement Report.**

	<u>Name</u>	<u>Department</u>	<u>Service Credit</u>	<u>Sick Leave Credit</u>	<u>ARC</u>
	Richard Davis	Sheriff	29.78974	0.14178	
D R	Rogelio Flores	Superior Court	11.47584	0.00000	
	Roy Alexander	Fire	34.62897	0.49232	5.00000
R	Scott Heffelfinger	Sheriff	19.70870	0.46569	
	Eric Jones	Sheriff	18.67002	0.04034	
D	Amy Bellomy	Public Health	15.00447	0.01426	
D R	Elizabeth Simonds	ADMHS	1.50572	0.00232	
D R	Yvette Moniot	Public Works	12.88642	0.03006	
D	Rebecca Armstrong	APCD	21.80788	0.00000	

D=Deferred
 R=Reciprocal

MOTION: Adopt Retirement Report.

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

BOARD

1. **Chief Executive Officer Contract**—Ad Hoc Committee
Consider contract with Gregory Levin, CPA for services as Chief Executive Officer.
DISCUSSION: Counsel Blakeboro introduced item and along with CEO Gregory Levin responded to questions from the Board.
MOTION: Approve the contract with Gregory Levin, CPA for services as Chief Executive Officer.

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

Chair Rafferty thanked Trustees Christensen, Paul and Counsel Blakeboro for their service during the IMC [Interim Management Committee] period.

INVESTMENTS

2. **September Market Update and Performance Review**—Meketa Investment Group
Presentation by Mika Malone of Meketa Investment Group on World Market Activities and September 2014 performance.
DISCUSSION: Principal Mika Malone presented the report for Meketa Investment Group and responded to questions from the Board.
MOTION: Receive and accept Meketa Investment Group's presentation on World Markets and performance review for September 2014.

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

3. **Active vs. Passive Investing**—Meketa Investment Group
Presentation by Shane Enete of Meketa Investment Group on Active versus Passive management investing.
DISCUSSION: Assistant Vice President Shane Enete presented the item for Meketa Investment Group and along with Principal Mika Malone, CEO Gregory Levin and Investment Officer Eli Martinez responded to questions from the Board.

MOTION: Receive and accept Meketa Investment Group’s presentation on Active versus Passive management investing.

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

Chair Rafferty directed Meketa to develop a semi-annual analysis of manager alpha along with a semi-annual active vs. passive analysis.

4. **Frontier Markets**—Meketa Investment Group
Educational presentation by Mika Malone of Meketa Investment Group on Frontier Markets.

DISCUSSION: Principal Mika Malone presented the item for Meketa Investment Group and responded to questions from the Board.

MOTION: Receive and accept Meketa Investment Group’s educational presentation on Frontier Markets.

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

CLOSED SESSION
(11:07 a.m. to 11:54 a.m.)

5. **CONFERENCE WITH REAL PROPERTY NEGOTIATOR**
(Gov. Code Section 54956.8)
Prior to the initiation of closed session counsel Blakeboro identified the potential sub-lessees as EmCare and Henderson & Borgeson

Properties/Parties to Negotiation:

3916 State Street 2nd Floor
Potential sub-lessee

SBCERS Negotiator:

Gregory Levin, Interim CEO
Jim Turner, Radius Real Estate

Under Negotiation:

Possible sub-lease.

OPEN MEETING

Counsel Blakeboro reported that the Board had met in Closed Session in Conference with Real Property Negotiator and had provided direction and authority to Gregory Levin and Jim Turner with respect to negotiations with the identified potential sub-lessees and took no other reportable action.

DISABILITY RETIREMENT
(Closed Hearing)

7. Susan Klucker, Applicant for Service-connected Disability Retirement:
Grant Susan Klucker a non-service-connected disability retirement and deny the application for service-connected disability retirement, subject to a timely requested hearing.

Applicant’s Counsel Russell Ghitterman was present and addressed the Board.

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

MOTION: Grant Susan Klucker a non-service-connected disability retirement and deny the application for service-connected disability retirement, subject to a timely requested hearing.

Cholmondeley/Rotella Approved by voice vote
Yes: Cholmondeley, Hagen, Paul, Rafferty, Rotella, Tan, Wolf
No: Christensen

8. 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.

Paul/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 7 and 8 as listed above.

BOARD (Cont'd.)

- 6. **Santa Barbara Office Update**—Gregory Levin, CPA Interim CEO
Presentation by Gregory Levin on the status of lease negotiations, and potential Santa Barbara Office move plans.

DISCUSSION: CEO Gregory Levin presented item and along with Counsel Blakeboro responded to questions from the Board.

NO ACTION TAKEN

Chair Rafferty directed CEO Gregory Levin to take into consideration the Board’s collective comments and suggestions regarding the Santa Barbara Office move.

- 9. **Cash Flow Report**—Rico Pardo, Financial Accounting Analyst
Presentation by Rico Pardo on SBCERS cash flow projections for the fiscal year ending June 30, 2015.

DISCUSSION: Financial Accounting Analyst Rico Pardo presented the item and along with Investment Officer Eli Martinez responded to questions from the Board.

MOTION: Receive and accept the presentation on Cash Flow projections for the year ending June 30, 2015.

Rotella/Cholmondeley	Approved by unanimous voice vote of all present Yes: Cholmondeley, Christensen, Hagen, Paul, Rafferty, Rotella, Tan, Wolf
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- 10. **CEO Operations Report**—Gregory Levin, CPA Interim CEO
Presentation by Gregory Levin on significant operational activities of SBCERS.

DISCUSSION: Gregory Levin presented the update and responded to questions from the Board.

MOTION: Receive and accept the CEO Operations Report, authorize the attendance of interested trustees at upcoming training events as requested and received the proposed three-month Board Agenda preview.

Cholmondeley/Tan

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

The meeting adjourned at 1:50 p.m.

ATTEST:

Clerk

Chair

Secretary