

**SANTA BARBARA COUNTY  
EMPLOYEES' RETIREMENT SYSTEM**

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**Gregory E. Levin, CPA  
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  
Jonathan Ziegler  
Steven Johnson  
John McMillin

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**MINUTES OF THE BOARD OF RETIREMENT**

**November 19, 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, Rafferty, Rotella,  
Members Absent: Paul, Tan, Wolf  
Alternates Present: Johnson, McMillin  
Counsel: Blakeboro  
Clerk: Bignell

Trustee Wolf arrived at 9:10 a.m. Trustee Johnson voted as alternate in the absence of Trustee Tan.

Pledge of Allegiance led by Chair

**PUBLIC COMMENT**

Trustee Cholmondeley briefed the Board on an RVK report, "SACRS Public Fund Universe Analysis, for the period ending June 30, 2014."

**MINUTES**

A. Approve Minutes of October 22, 2014 regular Board meeting.

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

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

**CONSENT**

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

	<u>Name</u>	<u>Department</u>	<u>Service Credit</u>	<u>Sick Leave Credit</u>	<u>ARC</u>
D R	Angelina Andrelus	Clerk-Recorder-Assessor	19.37684	0.44205	
D R	Denise de Bellefeuille	District Attorney	8.87938	0.09082	
D R	Carlos Claros	Social Services	10.12635	0.04870	
	Daniel Duffy	Sheriff	30.34367	0.70130	
Dis	Mary Garcia	Probation	5.29226	0.00064	
D	Daniel Gira	Planning & Development	18.62345	0.43836	
	Douglass Grapple	APCD	34.48465	0.56171	
D	Victoria Greene	Planning & Development	13.56278	0.32816	
R	Norma Hansen	District Attorney	6.54228	0.14073	
	Jeff Havlik	Public Works	27.32887	0.38217	5.00000
	Cathleen Holmes	Public Health	7.74440	0.21324	
R	Lois Kam	Public Health	27.43590	0.54985	
D R	Beverly Koerner	ADMHS	3.39243	0.03450	
	Ronald Middleton	Parks	33.48311	1.00000	
D Dis	Rolando Perez	SM Cemetery District	5.56827	0.00000	
D	Ennia Rodriguez	Child Support Services	6.67680	0.00544	
	Michael Schmaeling	Public Health	27.06851	0.09429	
	Lynn Sturtevant	Probation	13.78985	0.00037	

D=Deferred  
R=Reciprocal  
Dis=Disability

**MOTION:** Adopt Retirement Report.

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

- Quarterly Private Equity Portfolio Review**—Hamilton Lane  
Presentation by Paul Yett of Hamilton Lane on the status and activity of the Fund’s Private Equity portfolio in the second quarter 2014.

**DISCUSSION:** Managing Director Paul Yett presented the report for Hamilton Lane and responded to questions from the Board.

**MOTION:** Receive and accept Hamilton Lane’s quarterly report on the Private Equity portfolio.

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

2.     **Quarterly Private Natural Resources and Infrastructure Portfolio Review**—Hamilton Lane  
Presentation by Paul Yett of Hamilton Lane on the status and activity of the Fund’s Private Natural Resource and Infrastructure portfolio in the second quarter 2014.

**DISCUSSION:** Managing Director Paul Yett presented the report for Hamilton Lane and responded to questions from the Board.

**MOTION:** Receive and accept Hamilton Lane’s quarterly report on the Private Natural Resources and Infrastructure portfolio.

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

Chair Rafferty directed staff to provide the Board education on Brazil, Mexico, etc.

3.     **Quarterly Private Real Estate Portfolio Review**—ORG Portfolio Management  
Presentation by Ed Schwartz and Rebecca Morris of ORG Portfolio Management on the status and activity of the Fund’s Private Real Estate portfolio in the second quarter 2014.

**DISCUSSION:** Principal Edward Schwartz and Consultant Rebecca Morris presented the report for Org Portfolio Management and along with Investment Officer Eli Martinez and Counsel Blakeboro responded to questions from the Board.

**MOTION:** Receive and accept ORG Portfolio Management’s quarterly report on the Real Estate portfolio.

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

4. **Quarterly Public Markets Portfolio Review**—Meketa Investment Group Presentation by Stephen McCourt and Mika Malone of Meketa Investment Group on the status and activity of the Fund’s third quarter 2014 Quarterly Review.

**DISCUSSION:** Principal Mika Malone introduced Assistant Vice President Nick Erickson then presented the report for Meketa Investment Group and along with Managing Principal Stephen McCourt responded to questions from the Board.

**MOTION:** Receive and accept the third quarter 2014 Quarterly Review presented by Meketa Investment Group.

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

Chair Rafferty directed staff to contact CEO William Williams of STW Fixed Income Management with a letter of acknowledgement.

5. **October Market Update and Performance Review**—Meketa Investment Group Presentation by Mika Malone of Meketa Investment Group on World Market Activities and October 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 October 2014.

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

6. **Global Equity Update**—Meketa Investment Group  
Presentation by Stephen McCourt, Mika Malone and Nick Erickson of Meketa Investment Group on SBCERS Exposure to Global Equities and Current Market Overview.

**DISCUSSION:** Assistant Vice Principal Nick Erickson and Managing Principal Stephen McCourt presented the report for Meketa Investment Group and along with Principal Mika Malone responded to questions from the Board.

**MOTION:** Receive and accept Meketa Investment Group’s report on SBCERS Exposure to Global Equities and Current Market Overview.

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

**DISABILITY RETIREMENT**  
(Closed Hearing)

7. Susan Klucker, Applicant for Service-connected Disability Retirement:  
Adopt the proposed Findings of Fact, Conclusions of Law and Decision granting Susan Klucker a non-service-connected disability retirement.

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

**MOTION:** Adopt the proposed Findings of Fact, Conclusions of Law and Decision granting Susan Klucker a non-service-connected disability retirement.

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

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.

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

## OPEN MEETING

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

## BOARD

9. **Presentation of Preliminary Valuation Results**—Cheiron EFI  
Presentation by Graham Schmidt of Cheiron EFI of the draft report on the valuation of system assets and liabilities as of June 30, 2014.

**DISCUSSION:** Consulting Actuary Graham Schmidt presented item for Cheiron EFI and responded to questions from the Board.

**MOTION:** Receive and accept the presentation the draft report on the valuation of system assets and liabilities as of June 30, 2014 presented by Cheiron EFI.

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

10. **Quarterly Budget Report**—Gregory Levin CPA CEO, Rico Pardo, Financial Accounting Analyst.

**DISCUSSION:** CEO Gregory Levin presented the item and along with Financial Accounting Analyst Rico Pardo, Investment Officer Eli Martinez and Investment Analyst Lauren Thompson responded to questions from the Board.

**MOTION:** Receive and file the quarterly budget report for the period ending September 30, 2014.

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

11. **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:** Cancel December 11, 2014 regular Board meeting and approve the proposed 2015 calendar to January 21, 2015 as amended.

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

**MOTION:** Receive and accept the CEO Operations Report, authorize the attendance of interested trustees at upcoming training events as requested, receive and file he proposed 3-Month Look Ahead Calendar and Trustee Education Report.

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

Chair Rafferty directed staff to bring back to the Board results of a survey of other 1937 Act systems for their travel and education parameters

The meeting adjourned at 1:50 p.m.

ATTEST:

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Clerk

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Chair

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Secretary