

**SANTA BARBARA COUNTY
EMPLOYEES' RETIREMENT SYSTEM**

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**Gregory E. Levin, CPA
Chief Executive Officer**



BOARD OF RETIREMENT

Chair-Jennifer Christensen

Vice Chair-Frederick Tan

Secretary-Mark A. Paul

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Alternates

Steven Johnson

John McMillin

AGENDA OF THE BOARD OF RETIREMENT

December 14, 2016

**Coastal Room at Employees' University
267 Camino del Remedio
Santa Barbara, California**

The Santa Barbara County Employees' Retirement System is committed to:

- *fulfilling its fiduciary responsibility by providing the highest quality of service to all members and plan sponsors; and*
 - *protecting promised benefits through prudent investing; and*
 - *ensuring reasonable expenses of administration.*

In compliance with the Americans with Disabilities Act, if you need special assistance to participate in the meeting, or if translation assistance is requested, please contact the Clerk of the Board of Retirement at 805-568-2915.

Persons desiring to speak on any matter must complete and deliver to the Clerk a completed public comment form. The form is available at the conference room entrance prior to the meeting. Matters not listed on the agenda may be addressed at the public comment period.

Roll Call at **9:00 a.m.**

Pledge of Allegiance led by Chair

PUBLIC COMMENT

Receive public comment

MINUTES

Approve Minutes of October 26, 2016 regular Board meeting.

CONSENT

C-1. Barbera Ledger-Steels, Applicant for Disability Retirement:
Grant Applicant’s request for a service retirement, pending final determination of her entitlement to disability retirement.

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

	<u>Name</u>	<u>Department</u>	<u>Service Credit</u>	<u>Sick Leave Credit</u>
	David Aho	Parks	24.40842	0.15472
R	Manuel Burquez	Carpinteria-Summerland Fire	37.48394	0.34036
	Aydeth Dominguez	Sheriff	20.57308	0.07855
	Colleen Hankins	Public Works	25.10799	0.12223
	Leslie Heintz	Superior Court	19.90301	0.37415
	Juan Hernandez, Jr.	Sheriff	9.87864	0.00267
	Suzanne Jackson	Clerk-Recorder-Assessor	13.03571	0.03222
R	Richard McCarty	Behavioral Health	12.03820	0.15603
	David Milner	Fire	24.18690	0.29013
	Rosemary Moll	District Attorney	19.86661	0.04617
	Jerry Pickens	Goleta Cemetery	29.64265	0.11691
	Robyn Smith	Public Works	28.03177	0.01468
D R	Michael Stoker	Board of Supervisors	2.50922	0.00000
	Michelle Travis	Sheriff	23.09493	0.17972
	Paul Weirum	Sheriff-Coroner	23.49623	0.51214

D=Deferred
R=Reciprocal

DISABILITY RETIREMENT

TIME CERTAIN OF 9:05 AM

Disability matters shall be considered in CLOSED HEARING -- pursuant to Government Code Section 54957(b)(1). Interested parties may request these matters to be discussed in a session open to the public. CONFIDENTIAL REPORTS are distributed only to the Board.

1. Vickie L. Ponce, Applicant for Service-connected Disability Retirement:
Adopt the proposed Findings of Fact, Conclusions of Law and Decision denying Vickie L. Ponce a service-connected disability retirement.

2. Anthony Masiel, Applicant for Service-connected Disability Retirement:
Grant the application of Anthony Masiel for service-connected disability retirement, subject to timely requested hearing by an interested party.

3. Kevin Cogswell, Applicant for Service-connected Disability Retirement:
Grant the application of Kevin Cogswell for service-connected disability retirement, subject to timely requested hearing by an interested party.
4. Jeffrey Fredericks, Applicant for Service-connected Disability Retirement:
Consider the Findings of Fact and Recommendation of Referee Barbara Kong Brown and approve and adopt the recommendation to grant the application of Jeffrey Fredericks for service-connected disability retirement.
5. Rhonda Funkhouser, Applicant for Service-connected Disability Retirement:
Deny the application of Rhonda Funkhouser for service-connected disability retirement, subject to timely requested hearing by an interested party.
6. Receive and file Disability Status Report.

BOARD

7. **June 30, 2016 Actuarial Valuation and Triennial Actuarial Experience Study**
—Cheiron
Presentation from Anne Harper of Cheiron on the results of the June 30, 2016 Actuarial Valuation and Triennial Actuarial Experience Study for the period of July 1, 2013 – June 30, 2016.

DISCUSSION AND ACTION

RECOMMENDATION: That the Board of Retirement:

- A) Adopt the June 30, 2016 Actuarial Valuation and recommend rates of contribution contained therein for approval by the Santa Barbara County Board of Supervisors in accordance with California Government Code section 31453; and
- B) Receive and adopt the triennial experience study for the period of July 1, 2013 through June 30, 2016 in accordance with Government Code section 31453

8. **Training: Securities Litigation**—Alan Blakeboro
Presentation from General Counsel Alan Blakeboro on existing SBCERS Securities Litigation policies and procedures and new trends in securities litigation in foreign jurisdictions.

DISCUSSION AND ACTION

RECOMMENDATION: That the Board of Retirement receive and file the presentation from General Counsel on Securities Litigation.

CLOSED SESSION

Closed Sessions are not open to the public.

CONFERENCE WITH LEGAL COUNSEL—ANTICIPATED LITIGATION
Initiation of Litigation, Gov. Code Sec. 54956.9(d)(4) (One Case)

OPEN SESSION

INVESTMENTS

9. **Quarterly Private Real Estate Portfolio Review**—ORG Portfolio Management
Presentation by Principal Ed Schwartz of ORG Portfolio Management on the status and activity of the Fund's Private Real Estate portfolio for the quarter ended June 30, 2016.

DISCUSSION

RECOMMENDATION: That the Board of Retirement receive and accept the quarter ended June 30, 2016 Real Estate Portfolio Summary presented by Ed Schwartz of ORG Portfolio Management.

10. **Quarterly Private Equity, Natural Resources and Infrastructure Review**
—Hamilton Lane

Presentation by Managing Director Paul Yett of Hamilton Lane on the status and activity of the Fund’s Private Equity, Natural Resources and Infrastructure portfolio for the quarter ended June 30, 2016.

DISCUSSION

RECOMMENDATION: That the Board of Retirement receive and accept the quarter ended June 30, 2016 Private Equity, Natural Resources and Infrastructure Performance Update presented by Paul Yett of Hamilton Lane.

11. **Training: Private Equity and PNRI Account Administration**—Hamilton Lane

Presentation by Paul Yett of Hamilton Lane on Private Equity Account Administration including key negotiation terms, fee structures and post due diligence activities.

DISCUSSION AND ACTION

RECOMMENDATION: That the Board of Retirement receive and accept the training presentation on private equity account administration given by Paul Yett of Hamilton Lane.

12. **Quarterly Public Markets Portfolio Review**—RVK, Inc.

Presentation by Principals Marcia Beard and Matthias Bauer of RVK, Inc. on the quarter ending September 30, 2016.

DISCUSSION

RECOMMENDATION: That the Board of Retirement receive and accept the Quarterly Review report presented by Marcia Beard and Matthias Bauer of RVK, Inc.

13. **Market Update and October Performance Review**—RVK, Inc.

Presentation by Principal Marcia Beard and Matthias Bauer of RVK, Inc. on World Market Activities and October 2016 performance.

DISCUSSION

RECOMMENDATION: That the Board of Retirement receive and accept the October Market Update and Preliminary Performance report presented by report presented by Marcia Beard and Matthias Bauer of RVK, Inc.

14. **Investment Policy**—RVK, Inc.

Presentation by principal Marcia Beard and Matthias Bauer of RVK, Inc. on the proposed revisions to the SBCERS Investment Policy Statement that incorporate the asset allocation changes adopted at the Board of Retirement meeting on September 28, 2016.

DISCUSSION

RECOMMENDATION: That the Board adopt the revised Investment Policy Statement as recommended by RVK Inc. or take other appropriate action.

15. **Investment Staff Report**—Staff

Presentation by SBCERS Investment Staff on the investment activities of the System and presentation of a proposed contract amendment with ORG Portfolio Management.

DISCUSSION

RECOMMENDATION: That the Board of Retirement receive and accept the Investment Staff report and direct staff to enter into a contract amendment with ORG Portfolio Management to implement side letter requirements and to change ORG Portfolio Management's compensation to a flat fee effective October 1, 2016.

BOARD (Cont'd.)

16. **CEO Operations Report**—Gregory E. Levin, CPA CEO

Presentation by Gregory Levin on significant operational activities of SBCERS.

DISCUSSION

- RECOMMENDATION:** That the Board consider the operations report and take the following actions:
- a. Receive and file the Operations Report,
 - b. Approve the quarterly Trustee education report.
 - c. Authorize the attendance of interested trustees at upcoming training events requiring Board pre-approval, as requested, and,
 - d. Receive and file the 3-Month Look Ahead Calendar.

Next regular meeting date is January 25, 2017
