

**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-Al Rotella
Zandra Cholmondeley
Harry Hagen
Mark A. Paul
Ward Rafferty
Janet Wolf
Jonathan Ziegler
Steven Johnson
John McMillin

AGENDA OF THE BOARD OF RETIREMENT

January 27, 2016

**Wisteria Room at Casa Nueva
260 North San Antonio Road
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

A. Approve Minutes of December 16, 2015 regular Board meeting.

BOARD

- B. Election of Officers:
- a. Chair
 - b. Vice Chair
 - c. Secretary

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	Mai Franklin	Public Health	19.17353	0.00006	
	Lorelei Martinez	Public Health	10.04810	0.04189	
D	Erik Olsen	Sheriff	12.83508	0.41529	
D R	Ginger White	Sheriff	3.21166	0.12205	

D=Deferred
R=Reciprocal

DISABILITY RETIREMENT

TIME CERTAIN OF 9:10 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. Christopher Pappas, Applicant for Service-connected Disability Retirement:
Grant the application of Christopher Pappas for service-connected disability retirement, subject to timely requested hearing by an interested party.
2. Jenny Stetson, Applicant for Service-connected Disability Retirement:
Grant the application of Jenny Stetson for service-connected disability retirement, subject to timely requested hearing by an interested party.
3. Ruby Wolff, Applicant for Service-connected Disability Retirement:
Refer the application of Ruby Wolff for service-connected disability retirement to an evidentiary hearing on all issues.

4. Receive and file Disability Status Report.

INVESTMENTS

5. **Education: Active vs. Passive Investing**—Dimensional Fund Advisors

Presentation by Savina Rizova and Ted Simpson of Dimensional Fund Advisors on the efficiency of markets, active vs. passive, and an enhanced passive strategy.

DISCUSSION

RECOMMENDATION: That the Board of Retirement receive and accept the educational presentation presented by Savina Rizova and Ted Simpson of Dimensional.

6. **Market Update and November through December Performance Review**
—Meketa Investment Group

Presentation by Managing Principal Stephen McCourt and Assistant Vice President Nick Erickson of Meketa Investment Group on World Market Activities and November through December 2015 performance.

DISCUSSION

RECOMMENDATION: That the Board of Retirement receive and accept the November and December Market Update and Preliminary Performance report presented by Stephen McCourt and Nick Erickson of Meketa Investment Group.

7. **Staff Investment Report**—Staff

Presentation by ACEO Ellen Hung on the activities of the System's investment team and follow up on prior Board of Retirement inquiries.

DISCUSSION

RECOMMENDATION: That the Board of Retirement receive and accept the Staff Investment Report.

8. **Review of RVK SACRS Universe Report**—Staff

Presentation by ACEO Ellen Hung and Retirement Investment Analyst Lauren Thompson on the review of the 2015 RVK SACRS Universe Report.

DISCUSSION

RECOMMENDATION: That the Board of Retirement receive and accept the presentation on the RVK SACRS Universe Report.

9. **RFP Update and Ad Hoc Committee Selection**—Staff

Presentation by ACEO Ellen Hung and Retirement Investment Analyst Lauren Thompson on the status of the current request for proposal for general investment consultant services and selection of an ad hoc Committee to work with staff to select finalists and perform onsite due diligence visits.

DISCUSSION

RECOMMENDATION: That the Board of Retirement receive and accept the presentation on the status of the request for proposal for general investment consultant services and, that the Chair of the Board of Retirement appoint an ad hoc committee to oversee the process, select finalists and perform onsite due diligence visits.

BOARD

10. **June 30, 2015 Comprehensive Annual Financial Report**
—Brown Armstrong Accountancy Corporation

Presentation by Brown Armstrong Partner Andrew Paulden, CPA and Brook Baird, CPA to present the Comprehensive Annual Financial Report for Fiscal Year June 30, 2015 (“CAFR”) to the Board.

DISCUSSION

RECOMMENDATION: The Board receive and file the CAFR for Fiscal Year ending June 30, 2015.

11. **Quarterly Cash Flow Report Quarter Ending December 31, 2015**—Staff

Presentation by Accounting Manager Rico Pardo on the Cash Flow Report for the quarter ending December 31, 2015.

DISCUSSION

RECOMMENDATION: That the Board of Retirement receive and accept the quarter ending December 31, 2015 Cash Flow Report.

12. **Fiscal Year Ending June 30, 2016 Mid - Year Budget Review**—Staff

Presentation by ACEO Ellen Hung and Rico Pardo, Accounting Manager, on the System's Mid-Year Budget Review for Fiscal Year 2015-2016.

DISCUSSION

RECOMMENDATION: That the Board of Retirement receive and file the mid-year budget report for the period ending December 31, 2015 and approve a budget increase to line item account 7467 – Physician Fees in the amount of \$45,000.

13. **SACRS Legislative Initiatives**—Staff

Presentation by Board Counsel Alan Blakeboro and CEO Gregory Levin on SACRS legislative initiative to establish options for retirement systems to become independent special districts.

DISCUSSION

RECOMMENDATION: That the Board of Retirement receive and accept the presentation and provide direction on a response to the SACRS Legislative Committee.

14. **Conflict of Interest Code**—Staff

Presentation by CEO Gregory Levin and the Operations Committee on the SBCERS Conflict of Interest Code.

DISCUSSION

RECOMMENDATION: That the Board of Retirement approve amendments to the SBCERS Conflict of Interest Code as recommended by the Board of Retirement Operations Committee or, provide direction or the Operations Committee and staff for further evaluation of the SBCERS Conflict of Interest Code.

15. **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. Authorize the attendance of interested trustees at upcoming training events requiring Board pre-approval, as requested, and
- c. Receive and file the 3-Month Look Ahead Calendar.

16. **Cost of Living Adjustment Rate Approval**—Staff

Presentation by CEO Gregory E. Levin of Cheiron’s calculation of the Cost of Living Adjustment (“COLA”) to take effect April 1, 2016, for existing retirees and beneficiaries.

DISCUSSION AND ACTION

RECOMMENDATION: The Board receive and accept Cheiron’s report presented by Staff and adopt the rates set forth in Cheiron’s report.

Next regular meeting date is February 24, 2016
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