

**SANTA BARBARA COUNTY
EMPLOYEES' RETIREMENT SYSTEM**

3916 State Street, Suite 100
Santa Barbara, CA 93105

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

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



BOARD OF RETIREMENT

Chair-Jennifer Christensen
Vice Chair-Frederick Tan
Secretary-Mark A. Paul
Zandra Cholmondeley
Harry Hagen
Ward Rafferty
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AGENDA OF THE BOARD OF RETIREMENT

July 27, 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

A. Approve Minutes of June 22, 2016 regular Board meeting.

CONSENT

C-1. Anthony F. Masiel, Applicant for Disability Retirement:
Grant Applicant’s request for a service retirement, pending final determination of his entitlement to disability retirement.

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

<u>Name</u>	<u>Department</u>	<u>Service Credit</u>	<u>Sick Leave Credit</u>
Manuel Berroteran	General Services	14.87960	0.52062
Trina Boyce	Probation	22.19536	0.76493
D Robert Hample	Probation	17.05871	0.36868
Angie Herrera	Public Health	10.02114	0.07717
DR Mara Murphy	Courts	15.54955	0.00229
Roger Quaglia	Sheriff	15.02495	0.38666
D Amy Ramos	Human Resources	16.16604	0.59555
D Albert Ronyecz	APCD	7.26748	0.13761

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

2. Martin J. Rose, Applicant for Service-connected Disability Retirement:
Adopt the proposed Findings of Fact, Conclusions of Law and Decision granting Martin J. Rose a service-connected disability retirement.

3. Russell Sechler, Applicant for Service-connected Disability Retirement:
Adopt the proposed Findings of Fact, Conclusions of Law and Decision granting Russell Sechler a service-connected disability retirement.

4. Mark Suarez, Applicant for Service-connected Disability Retirement:
Grant the application for service-connected disability retirement of Mark C. Suarez based on the presumption of Government Code §31720.5 that the member's condition arose from his County employment, subject to timely requested hearing by an interested party.
5. Byron M. Kies, Applicant for Service-connected Disability Retirement:
Grant the application of Byron M. Kies for service-connected disability retirement, subject to timely requested hearing by an interested party.
6. Receive and file Disability Status Report.

INVESTMENTS

7. **Investment Education: Transition Management**—RVK, BlackRock

Educational presentation by RVK and BlackRock on investment transition processes, why SBCERS uses transition managers and how to evaluate investment transitions.

DISCUSSION

RECOMMENDATION: That the Board of Retirement receive and accept the educational presentation on Transition Management from RVK and BlackRock.

8. **Monthly Performance and World Market Update**—RVK

Presentation by RVK on World Market Activities and June 2016 performance and 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 June Market Update and June 2016 performance report presented by RVK.

9. **Aberdeen Global High Yield Review**—RVK

Presentation by RVK on the Aberdeen Global High Yield strategy and recent departures by key staff. Consideration of RVK’s recommendation to terminate the Aberdeen Global High Yield Strategy.

DISCUSSION

RECOMMENDATION: That the Board of Retirement consider and take action on RVK’s recommendation to terminate the Aberdeen Global High Yield strategy and move up to \$15 million to the Hotchkis & Wiley US High Yield strategy, to maintain 2% policy weight to High Yield, and the remainder to Reams Core Plus Fixed Income until a Fixed Income Structure Study is completed.

10. **Investment Education: Asset Liability Process**—RVK

Educational presentation by RVK on Asset Liability Studies and Capital Market Assumptions.

DISCUSSION

RECOMMENDATION: Receive and accept the educational presentation from RVK on Asset Liability Studies and Capital Market Assumptions.

11. **Investment Staff Report and Custodial Account Structure Review**—Staff

Presentation by SBCERS Investment Staff on the investment activities of the System and an overview of the custodial account structure used by SBCERS at the Bank of New York Mellon.

DISCUSSION AND ACTION

RECOMMENDATION: That the Board of Retirement receive and accept the Investment Staff report and the Custodial Account Structure presentation.

BOARD

12. **OPEB Plan Investment and Activity Report**—Staff

Presentation by SBCERS Staff on the investment results for the OPEB plan and related operational statistics on plan administration activities.

DISCUSSION

RECOMMENDATION: Receive and accept the Quarterly report on OPEB plan investment activity.

13. **Quarterly Cash Flow**—Staff

Presentation by SBCERS Finance Staff on the Cash Flow Report for the quarter ending June 30, 2016.

DISCUSSION

RECOMMENDATION: That the Board of Retirement receive and accept the quarter ending June 30, 2016 Cash Flow Report.

14. **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.
- d. Receive and file the Quarterly Board education Report.

Next regular meeting date is August 24, 2016
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