

**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
Zandra Cholmondeley
Harry Hagen
Al Rotella
Janet Wolf
Steven Johnson
John McMillin

MINUTES OF THE BOARD OF RETIREMENT

May 25, 2016

**Wisteria Room at Casa Nueva
260 North San Antonio Road
Santa Barbara, California**

ROLL CALL 9:06 a.m.

Members Present: Cholmondeley, Christensen, Hagen, Paul, Rafferty, Rotella,
Wolf
Members Absent: Tan
Alternates Present: Johnson, McMillin
Counsel: Blakeboro
Clerk: Bignell

Trustee Johnson voted in Trustee Tan's absence. Trustee Christensen left the meeting at 2:40 p.m.

Pledge of Allegiance led by Chair

PUBLIC COMMENT

There was no general public comment.

MINUTES

A. Approve Minutes of April 27, 2016 regular Board meeting.

MOTION: Approve April 27, 2016 regular Board meeting minutes as amended.

Wolf/Paul

Approved by voice vote.

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

Abstain: Rotella

Absent: Tan

B. Approve Minutes of May 6, 2016 special Board meeting.

MOTION: Approve May 6, 2016 special Board meeting minutes.

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

CONSENT

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

	<u>Name</u>	<u>Department</u>	<u>Service Credit</u>	<u>Sick Leave Credit</u>
	Marian Allman	Social Services	10.86713	0.00048
	Elena Aranda	Public Health	31.91492	0.10047
	Deborah Bailey	Public Health	9.85364	0.17588
	Elia Barbosa	Courts	24.34458	0.00081
	Jeannette Brown	Child Support	21.48103	0.05306
	Judy Brown	Treasurer-Tax Collector	29.86588	0.00181
	Bruce Campbell	Fire	28.23590	0.08069
D R	Ben Castaniero	Sheriff	17.98706	0.92899
	Loreto Cinco	Social Services	16.16975	0.30406
	Diane Cline	Sheriff	21.26811	0.09099
	Stephen Cottingham	Probation	18.54196	0.12757
	Lori Crestfield	Probation	33.05639	0.76538
	Patricia Dark	Public Defender	13.41439	0.00538
	Cecelia Davis	Probation	25.10362	0.03395
Pend	Beatrice De la Cerda	Probation	35.00451	0.00181
D	Joseph Domingues	Probation	8.85799	0.27407
	Beverly Eberling	Probation	33.07169	0.08266
	Martin Eberling	Sheriff	39.77273	0.73091
	Robert Geis	Auditor-Controller	37.73247	1.00000
	Jacklyn Green	Sheriff	26.55016	0.92242
D	Sandra Gullett	Behavioral Wellness	5.18285	0.02470
	William Hanrahan	Public Works	30.90684	0.64291
	Isabel Huacuja	Public Health	26.10348	0.37427
	Scott Ingraham	Probation	30.77348	0.47561

D=Deferred
R=Reciprocal
Pend=Disability Retirement Pending

C-1. **Adopt Retirement Report.** (Cont'd.)

	<u>Name</u>	<u>Department</u>	<u>Service Credit</u>	<u>Sick Leave Credit</u>	<u>ARC</u>
	Blonde Jones	Child Support	29.51913	0.01838	
R	Eric Koopmans	Sheriff	32.97855	1.00000	
	Cindy Le Claire	Public Health	21.98324	0.16724	
	Jesse Lewis	Public Works	28.11419	0.04437	
	Jeffrey Long	Parks	15.13160	0.04074	
	David Major	Public Works	22.38329	0.70997	
	Julie McCammon	Sheriff	32.02646	1.00000	
	Alice McCurdy	Planning & Development	38.15516	0.56296	4.50000
	Theresia McKelvey	Courts	24.06428	0.42835	
	Sylvia Medinger	Public Health	8.30861	0.15199	
	Virgil Messmore, Jr.	Sheriff	24.64312	1.00000	
	Joe Mora	Social Services	19.29200	0.00171	
D R	Shawn Morgan	Sheriff	4.61889	0.01230	
	Rachel Ochoa	Social Services	16.63906	0.11778	
	Michael Patarak	Fire	33.45362	0.36833	
D	Rudy Pinedo	Public Health	29.48961	0.01278	
	Willie Poindexter	Probation	21.57996	0.41903	
	Joe Rico	Public Works	27.40054	0.04419	
R	Tamarra Rogas	Sheriff	25.07604	0.35531	
	Bonnie Smith	Sheriff	11.20829	0.47898	
	Rhonda Spiese	Probation	29.84730	0.58602	
	Caro Stinson	Public Health	30.21200	0.54650	
D R	Debra Vaughan	Superior Court	3.21583	0.03307	
Dis	Ruby Wolff	Sheriff	12.06454	0.00037	

D=Deferred
R=Reciprocal
Dis=Disability Retirement

MOTION: Adopt Consent Agenda.

Paul/Johnson

Approved by unanimous voice vote of all present.

Yes: Cholmondeley, Christensen,
Hagen, Johnson, Paul, Rafferty,
Rotella, Wolf

Absent: Tan

DISABILITY RETIREMENT
(Closed Hearing)

1. Michael E. Snyder, Applicant for Service-connected Disability Retirement:

Grant the application of Michael E. Snyder for service-connected disability retirement, subject to timely requested hearing by an interested party.

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

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

MOTION: Grant the application of Michael E. Snyder for service-connected disability retirement, subject to timely requested hearing by an interested party.

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

- 2. Adrienne M. Brooks, Applicant for Service-connected Disability Retirement:
 Grant the application of Adrienne M. Brooks for non-service-connected disability retirement and deny the application for service-connected disability retirement, subject to timely requested hearing by an interested party.

DISCUSSION: Disability Program Manager Cristal Rodriguez presented the item.

MOTION: Grant the application of Adrienne M. Brooks for Non-service-connected disability retirement and deny the application for service-connection, subject to timely requested hearing by an interested party.

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

- 3. Mary Grace Dacheff, Applicant for Service-connected Disability Retirement:
 Consider the Findings of Fact and Recommendation of Referee Irene Ayala, along with any timely filed objections, and approve and adopt the recommendation to deny the application for service-connected disability retirement of Mary Grace Dacheff.

DISCUSSION: Disability Program Manager Cristal Rodriguez presented the item.

MOTION: Receive and accept the Quarterly Review and investment staff report presented by Ellen Hung and Lauren Thompson.

Hagen/Rotella

Approved by unanimous voice vote of all present.

Yes: Cholmondeley, Christensen,
Hagen, Johnson, Paul, Rafferty,
Rotella, Wolf

Absent: Tan

6. **Monthly Update and Investment Staff Report**—Staff

Presentation by Ellen Hung, ACEO and Lauren Thompson, Investment Analyst on World Market Activities and May 2016 performance.

DISCUSSION: ACEO Ellen Hung presented the report and responded to questions from the Board.

MOTION: Receive and accept the April Market Updates and Staff Investment report presented by Ellen Hung and Lauren Thompson.

Wolf/Paul

Approved by unanimous voice vote of all present.

Yes: Cholmondeley, Christensen,
Hagen, Johnson, Paul, Rafferty,
Rotella, Wolf

Absent: Tan

7. **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 in the fourth quarter 2015.

DISCUSSION: Managing Director Paul Yett presented the report on behalf of Hamilton Lane and along with CEO Gregory Levin responded to questions from the Board.

MOTION: Receive and accept the fourth Quarter 2015 Private Equity, Natural Resources and Infrastructure Performance Update presented by Paul Yett of Hamilton Lane.

Rafferty/Cholmondeley

Approved by unanimous voice vote of all present

Yes: Cholmondeley, Christensen,
Hagen, Johnson, Paul, Rafferty,
Rotella, Wolf

Absent: Tan

8. **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 in the fourth quarter 2015.

DISCUSSION: Principal Ed Schwartz presented the report on behalf of ORG and responded to questions from the Board.

MOTION: Receive and accept the fourth quarter 2015 Real Estate Portfolio Summary presented by Ed Schwartz of ORG Portfolio Management.

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

9. **Education: Private Real Estate Education**—ORG Portfolio Management

Presentation by Principal Ed Schwartz of ORG Portfolio Management on private real estate portfolio construction and the due diligence process used in selecting funds for investment.

DISCUSSION: Principal Ed Schwartz presented the report on behalf of ORG and responded to questions from the Board.

MOTION: Receive and accept the presentation from Ed Schwartz of ORG Portfolio Management.

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

BOARD

12. **Actuarial Auditor Selection**—Staff

Presentation by CEO Gregory E. Levin and General Counsel Alan A. Blakeboro on the results of the request for proposal process conducted for an Actuarial Auditor and the firm recommended by the Board of Retirement Operations Committee.

Daniel Wade, Principal, Consulting Actuary, was present and represented Milliman.

DISCUSSION: CEO Gregory E. Levin presented the item and along with General Counsel Alan Blakeboro and Principal, Consulting Actuary Daniel Wade responded to questions from the Board.

MOTION: Authorize the CEO to enter into a written contract for Actuarial Auditing services with Milliman Consulting.

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

10. **Pension Gold Report**—Staff

Presentation by ACEO Brian Richard along with Dan Jordan and Max Dillahunty of Levi, Ray and Shoup on the results of the Pension Gold fit gap and requirements analysis project and also the projected cost of upgrading to Pension Gold Version 3.

DISCUSSION: ACEO Brian Richard presented the item and along with CEO Gregory Levin, General Counsel Alan Blakeboro, Max Dillahunty and Dan Jordon responded to questions from the Board.

MOTION: Receive presentation from ACEO Brian Richard on the results of the Pension Gold Upgrade Fit Gap Evaluation Report and authorize the CEO to negotiate a proposed written contract with Levi, Ray & Shoup for the purchase and implementation of Pension Gold Version 3 upgrade, PageCenter X document management system, Member Direct and hosting services and return to the Board for consideration and approval of the proposed contract, along with further information regarding system costs and operational issues in peer county retirement systems.

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

11. **2016/17 Annual Budget: First Reading**—Staff

Presentation by CEO Gregory E. Levin, ACEO Ellen Hung and Accounting Manager Rico Pardo on the Systems proposed budget for the fiscal year beginning July 1, 2016.

The meeting adjourned at 3:23 pm.

ATTEST:

Clerk

Chair

Secretary