

**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

June 22, 2016

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

ROLL CALL 9:02 a.m.

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

Trustee Johnson voted in Trustee Tan's absence. Trustee Tan arrived at 9:24 a.m.

Pledge of Allegiance led by Chair

PUBLIC COMMENT

There was no general public comment.

MINUTES

A. Approve Minutes of May 25, 2016 regular Board meeting.

MOTION: Approve May 25, 2016 regular Board meeting minutes as amended.

Hagen/Paul

Approved by voice vote.

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

Absent: Rotella, Tan, Wolf

CONSENT

C-1. Adopt Retirement Report.

	<u>Name</u>	<u>Department</u>	<u>Service Credit</u>	<u>Sick Leave Credit</u>
	Marian Amsbaugh	Public Defender	27.23945	0.12492
	J. Gordon Auchincloss	District Attorney	25.84318	0.69838
	Donald Becker	Probation	37.37684	1.00000
	Iris Camyre	Public Health	9.27895	0.00003
D R	Gabriel Fabela	Sheriff	6.06939	0.47281
	Muriel Jones	Probation	19.88260	0.74779
	Frankie Lowers	Sheriff	21.47566	0.09676
R	David Ogren	Public Defender	26.20664	0.07527
	Sabin Perkins	Fire	28.85057	0.65703
	Jane Roediger	Behavioral Wellness	20.71960	0.01126

D=Deferred
R=Reciprocal

MOTION: Adopt Consent Agenda.

Hagen/Johnson

Approved by unanimous voice vote of all present.

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

Absent: Rotella, Tan, Wolf

DISABILITY RETIREMENT
(Closed Hearing)

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

Applicant's Counsel Russell Ghitterman was present.

DISCUSSION: Disability Program Manager Cristal Rodriguez presented the item.

MOTION: Adopt the proposed Findings of Fact, Conclusions of Law and Decision
granting Michael E. Snyder a service-connected disability retirement.

Hagen/Paul

Approved by unanimous voice vote of all present.

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

Absent: Rotella, Tan, Wolf

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

Applicant's Counsel Russell Ghitterman was present.

Trustee Paul recused himself and left the boardroom.

DISCUSSION: Disability Program Manager Cristal Rodriguez presented the item.

MOTION: Grant the application of Jonathan Fernandez 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, Rafferty
Absent: Paul, Rotella, Tan, Wolf

- Adrienne M. Brooks, Applicant for Service-connected Disability Retirement:
Adopt the proposed Findings of Fact, Conclusions of Law and Decision granting Adrienne M. Brooks a non-service-connected disability retirement and denying service-connection.

Trustee Paul returned to the boardroom at 9:15.

DISCUSSION: Disability Program Manager Cristal Rodriguez presented the item.

MOTION: Adopt the proposed Findings of Fact, Conclusions of Law and Decision granting Adrienne M. Brooks a non-service-connected disability retirement and denying service-connection.

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

- Mary Alice Baez, Applicant for Service-connected Disability Retirement:
Adopt the proposed Findings of Fact, Conclusions of Law and Decision denying Mary Alice Baez a service-connected disability retirement.

DISCUSSION: Disability Program Manager Cristal Rodriguez presented the item.

MOTION: Adopt the proposed Findings of Fact, Conclusions of Law and Decision denying Mary Alice Baez a service-connected disability retirement.

OPEN MEETING

Counsel Blakeboro summarized the Closed Hearing action taken on Disability Items 1, 2, 3, 4, 5, 6 and 7 as listed above.

DISABILITY RETIREMENT

8. Disability Demographics Report

Presentation by Cristal Rodriguez, Disability Program Manager on Demographic Report of Disability Retirement applications.

Trustee Hagen left the boardroom at 10:20 a.m.

DISCUSSION: Disability Program Manager Cristal Rodriguez presented the report and along with CEO Gregory E. Levin and Board Counsel Alan Blakeboro responded to questions from the Board.

MOTION: Receive Demographic Report of Disability Retirement Applications presentation by Cristal Rodriguez, Disability Program Manager.

Rafferty/Tan

Approved by unanimous voice vote of all present.

Yes: Cholmondeley, Christensen,
Paul, Rafferty, Tan

Absent: Hagen, Rotella, Wolf

INVESTMENTS

9. Emerging Markets Growth Manager Search—RVK

Presentation by RVK on the results of the Emerging Markets Growth manager search followed by presentations from William Blair & Company, LLP and RBC Global Asset Management respectively, on their proposed Emerging Markets Growth strategies.

Trustee Hagen returned to the boardroom at 12:45 p.m.

DISCUSSION: Consultants Marcia Beard and Matthias Bauer presented the Emerging Markets Growth manager search report and responded to questions from the Board. Representatives of William Blair & Company and RBC Global Asset Management presented information regarding their services and responded to questions from the Board. The Board discussed each of the presentations and the strengths and weaknesses of each candidate.

MOTION: Authorize the CEO to execute a contract with RBC Global Asset Management, in writing, for Emerging Markets Growth manager services.

Cholmondeley/Paul

Failed by roll call vote.

Yes: Cholmondeley, Paul, Tan
No: Christensen, Rafferty
Abstain: Hagen
Absent: Rotella, Wolf

MOTION: Authorize the CEO to execute a contract with William Blair & Company LLP, in writing, for Emerging Markets Growth manager services.

Christensen/Rafferty

Failed by roll call vote.

Yes: Christensen, Paul, Rafferty
No: Cholmondeley, Tan
Abstain: Hagen
Absent: Rotella, Wolf

General Counsel Blakeboro responded to a question from Trustee Hagen as to whether he was required to abstain from voting because he was absent during the candidate presentations. General Counsel Blakeboro advised that Trustee Hagen was not disqualified from voting based on his review of the written presentations and his participation in Board discussion

MOTION: Authorize the CEO to execute a contract with RBC Global Asset Management, in writing, for Emerging Markets Growth manager services.

Cholmondeley/Tan

Approved by roll call vote.

Yes: Cholmondeley, Hagen, Paul, Tan
No: Christensen, Rafferty
Absent: Rotella, Wolf

10. **Market Update, May Performance Review and Investment Staff Report**—Staff

Presentation by SBCERS Investment Staff 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: Investment Analyst Lauren Thompson presented the report and responded to questions from the Board.

MOTION: Receive and accept the March Market Update and Preliminary Performance report presented and Staff Investment Report.

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

11. **ORG Oversight Due Diligence Review**—Staff

Presentation by Investment Staff on the preliminary results of the ORG Oversight Due Diligence Review process and recommended next steps.

DISCUSSION: ACEO Ellen Hung and Investment Analyst Lauren Thompson presented the ORG Oversight Due Diligence Review and along with CEO Gregory E. Levin and General Counsel Alan Blakeboro responded to questions from the Board.

MOTION: Receive the ORG Oversight Due Diligence Review report and approve the next steps outlined in the presentation.

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

BOARD

12. **2016/17 Annual Budget: Second Reading**—Staff

Presentation by SBCERS Finance staff on the SBCERS proposed budget for the fiscal year beginning July 1, 2016.

DISCUSSION: CEO Gregory E. Levin presented the item and along with General Counsel Alan Blakeboro responded to questions from the Board.

MOTION: Adopt the proposed budget for the fiscal year beginning July 1, 2016, as recommended by the CEO.

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

13. **Policy: SACRS Delegate**—Staff

Presentation by CEO Gregory E. Levin and General Counsel Alan A. Blakeboro on an amended SACRS Delegate Policy as recommended by the Operations Committee.

DISCUSSION: General Counsel Alan Blakeboro presented the policy and along with ACEO Gregory E. Levin responded to questions from the Board.

MOTION: Approve the amended SACRS Delegate Appointment Policy as recommended by the Operations Committee.

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

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

Presentation by Gregory E. Levin on significant operational activities of SBCERS.

DISCUSSION: CEO Gregory E. Levin presented the item and responded to questions from the Board.

MOTION: 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.

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

The meeting adjourned at 2:21 pm.

ATTEST:

Clerk

Chair

Secretary