

**SANTA BARBARA COUNTY
EMPLOYEES' RETIREMENT SYSTEM**

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



BOARD OF RETIREMENT

Chair - Frederick Tan
Vice Chair- Harry E. Hagen
Secretary- Pancho Occiano II
Trent Benedetti
Zandra Cholmondeley
Steve Lavagnino
Laura Robinson
Ted Sten
Michael Vidal

Alternates

Gary Blair
Ryan Sullivan

MINUTES OF THE BOARD OF RETIREMENT

April 24, 2019

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

Roll Call at 9:05 a.m.

Pledge of Allegiance led by Chair

Members Present: Benedetti, Cholmondeley, Hagen, Occiano, Robinson, Sten, Tan,
Vidal

Members Absent: Lavagnino

Alternates Present: Sullivan

Alternates Absent: Blair

Counsel Present: Blakeboro

Clerk Present: Couture

Alternate Trustee Blair arrived at 9:10 a.m. Alternate Trustee Sullivan departed at 12:05 p.m. and Alternate Trustee Blair departed at 12:10 p.m.

PUBLIC COMMENT

No public comment.

MINUTES

A-1. Approve Minutes of April 3, 2019 Regular Board meeting.

MOTION: Approve Minutes of April 3, 2019 Regular Board meeting.

Motion: Robinson

Second: Hagen

Approve by voice vote.

Yes: Benedetti, Cholmondeley, Hagen, Occiano, Robinson, Sten, Vidal

Abstain: Tan

Absent: Lavagnino

A-2. Approve Minutes of the April 4, 2019 Board Retreat.

MOTION: Approve Minutes of April 4, 2019 Board Retreat.

Motion: Robinson

Second: Sten

Approve by voice vote.

Yes: Benedetti, Cholmondeley, Hagen, Occiano, Robinson, Sten, Tan, Vidal

Abstain: Hagen

Absent: Lavagnino

CONSENT

C-1. Adopt Retirement Report

<u>Name</u>	<u>Department</u>	<u>Total Service Credit</u>	<u>Sick Leave Credit (incl. in Total)</u>	<u>ARC</u>
	Irma Cabigas	Social Services	29.38403	0.22234
D	Aida Cordero	General Services	5.61172	0.02121
D R	Thomas DeFazio	Planning & Development	4.56780	0.05317
	Rita Dwyer	Behavioral Wellness	8.76866	0.01182
	Maria Garcia	Sheriff	32.01253	0.21799
	Janice Kulikov	DRO-B	N/A	N/A
D	Arnell Monahan	Public Health	8.41631	0.01470
D	Raymond Navarro	CSFPD	9.62651	0.16603
	Jennifer Paulson	Public Health	9.82209	0.13161
	Danielle Plastino	DRO-A	6.83828	0.00000
	Leticia Rodriguez	Superior Court	26.3302	0.36642
D	Kemal Serdengecti	APCD	10.75251	0.00000
	Nancy Silha	Public Health	9.83757	0.01366
	Peter Smith	Sheriff	19.97557	0.51023
	Lesley Steppan	Sheriff	19.67856	0.27266
D R	Alice Ubry	County Counsel	2.76173	0.00177
	Kim Vallely	Auditor Controller	12.23994	0.02687
	Lori Vandborg	Public Works	17.48128	0.07825

D=Deferred R=Reciprocal Dis. = Disability Dis. Pend = Disability Pending

<u>Beneficiary on Payroll</u>	<u>Decedent Retiree</u>	<u>Department</u>	<u>Retirement Date</u>	<u>Date of Death</u>
Ruth Ahlroth	Jon Ahlroth	General Services	03/18/2002	02/20/2019
Sally English	John English	Public Works	04/15/1934	02/24/2019
Martha Guggenmos	Vern Guggenmos	Fire	01/23/2010	02/21/2019
Harry Johnson	Virginia Johnson	County Garage	10/02/1985	03/06/2019
Dorothy Sams	John Sams	Public Works	01/07/2001	01/12/2019

MOTION: Adopt Retirement Report.

Motion: Vidal
Second: Robinson

Approve by voice vote.
Yes: Benedetti, Cholmondeley, Hagen, Occiano, Robinson, Sten, Tan, Vidal
Absent: Lavagnino

C-2. **Quarterly Cash Flow** – Cash Flow Report for the quarter ending March 31, 2019.

MOTION: Approve Quarterly Cash Flow Report for the quarter ending March 31, 2019.

Motion: Hagen
Second: Robinson

Approved by voice vote.
Yes: Benedetti, Cholmondeley, Hagen, Occiano, Robinson, Sten, Tan, Vidal
Absent: Lavagnino

DISABILITY RETIREMENT

D-1. Ronald Husted, Applicant for Service-connected Disability Retirement:
Grant the application of Ronald Husted for service-connected disability retirement, subject to timely requested hearing by an interested party.

DISCUSSION: Disability Manager Cristal Rodriguez presented the item and responded to questions from the board. Jane Oatman, Counsel for Applicant, was present and addressed the Board.

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

Motion: Vidal
Second: Sten

Approved by voice vote.

Yes: Benedetti, Cholmondeley, Hagen, Occiano, Robinson, Sten, Tan, Vidal

Absent: Lavagnino

D-2. Maria de Jesus Villalpando, Applicant for Service-connected Disability Retirement:

1. Grant the non-service connected disability retirement of Maria Villalpando on the basis of a specified medical condition, and deny service connection with respect to that medical condition, subject to request for hearing by an interested party; and
2. Refer all issues to hearing with respect to a second medical condition, pursuant to a confidential minute order.

DISCUSSION: Disability Manager Cristal Rodriguez presented the item and responded to questions from the Board. The Applicant Maria de Jesus Villalpando, and her friend Veronica Alvarez, were present. The Applicant addressed the Board.

MOTION: Grant the non-service connected disability retirement of Maria de Jesus Villalpando on the basis of a specified medical condition and deny service connection with respect to that medical condition, and refer all issues with respect to a second medical condition to a hearing.

Motion: Sten
Second: Vidal

Approved by voice vote.

Yes: Benedetti, Hagen, Occiano, Robinson, Sten, Tan, Vidal

Opposed: Cholmondeley

Absent: Lavagnino

D-3. Receive and file Disability Retirement Monthly Status Report

DISCUSSION: Disability Manager Cristal Rodriguez presented the item.

MOTION: Receive and file Disability Retirement Monthly Status Report.

Motion: Vidal
Second: Robinson

Approve by voice vote.

Yes: Benedetti, Cholmondeley, Hagen, Occiano, Robinson, Sten, Tan, Vidal

Absent: Lavagnino

CLOSED SESSION

1. CONFERENCE WITH LEGAL COUNSEL

EXISTING LITIGATION – Gov. Code Section 54956.9(d)(1)

Consolidated Litigation Pertaining to Tribune Company Bankruptcy
Bankruptcy Court, Southern District of New York, Case No. 1-11-CV-09572

Bryan Munana v. UTC Aerospace Systems et al.
Los Angeles Superior Court Case No. BCC 666665

Daniel Desimone v. Retirement Board
Santa Barbara Superior Court Case No. 19CV01709

ANTICIPATED LITIGATION – Gov. Code Section 54956.9(d)(2)
Significant exposure to litigation (one matter)

BOARD

Counsel Blakeboro announced in open session that the Board had met in closed session to discuss Disability and Legal items above. With regard to items D-1 through D-3, the Board took action consistent with staff recommendations. With regard to item 1, the Board took no reportable action.

2. CEO Operations Report—Gregory E. Levin, CPA CEO

Presentation by Gregory Levin, SBCERS CEO on significant operational activities of SBCERS.

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

MOTION: Authorize the SACRS voting proxy to vote for the SACRS Nominating Committee's recommended final ballot.

Motion: Cholmondeley

Second: Hagen

Approve by voice vote.

Yes: Benedetti, Cholmondeley, Hagen, Occiano, Robinson, Sten, Tan, Vidal

Absent: Lavagnino

MOTION: Authorize the SACRS voting proxy to vote to accept the SACRS audited financial statements.

Motion: Vidal

Second: Occiano

Approve by voice vote.

Yes: Benedetti, Cholmondeley, Hagen, Occiano, Robinson, Sten, Tan, Vidal

Absent: Lavagnino

MOTION: Schedule a Regular Board of Retirement meeting for June 5, 2019.

Motion: Robinson

Second: Sten

Approve by voice vote.

Yes: Benedetti, Cholmondeley, Hagen, Occiano, Robinson, Sten, Tan, Vidal

Absent: Lavagnino

MOTION: Take the following actions:

- a. Receive and file the Operations Report and,
- b. authorize the attendance of interested trustees at upcoming training events requiring Board pre-approval, as requested.

Motion: Vidal

Second: Robinson

Approve by voice vote.

Yes: Benedetti, Cholmondeley, Hagen, Occiano, Robinson, Sten, Tan, Vidal

Absent: Lavagnino

3. **CEO Review Policy**—Staff

Presentation from CEO Gregory Levin, CPA on proposed revisions to the CEO Review Policy.

DISCUSSION AND ACTION: Gregory Levin presented the item and responded to questions from the Board.

MOTION: Approve the CEO Review Policy with amendments as recommended by the Board of Retirement Operations Committee.

Motion: Hagen
Second: Robinson

Approve by voice vote.

Yes: Benedetti, Cholmondeley, Hagen, Occiano, Robinson, Sten, Tan, Vidal

Absent: Lavagnino

4. **Employer Records Audit Policy**—Staff

Presentation from Gregory Levin, CEO on proposed revisions to the Employer Records Audit Policy.

DISCUSSION AND ACTION: Gregory Levin presented the item and responded to questions from the Board. Member Services Director Rebekah Bardakos was present and responded to questions from the Board.

MOTION: Approve the Employer Records Audit Policy with amendments as recommended by the Board of Retirement Operations Committee.

Motion: Vidal
Second: Robinson

Approve by voice vote.

Yes: Benedetti, Cholmondeley, Hagen, Occiano, Robinson, Sten, Tan, Vidal

5. **Pension Enhancement Review Policy**—Staff

Presentation from Rebekah Bardakos, Director of Member Services, on proposed revisions to the Pension Enhancement Review Policy.

DISCUSSION AND ACTION: Rebekah Bardakos, Director of Member Services, presented the item and responded to questions from the Board.

MOTION: Approve the Pension Enhancement Review Policy with amendments as recommended by the Board of Retirement Operations Committee.

Motion: Sten
Second: Robinson

Approve by voice vote.

Yes: Benedetti, Cholmondeley, Hagen, Occiano, Robinson, Sten, Tan, Vidal

Absent: Lavagnino

6. **Felony Forfeiture Policy**—Staff

Presentation from Rebekah Bardakos, Director of Member Services, on a Felony Forfeiture Policy.

DISCUSSION AND ACTION: Rebekah Bardakos presented the item and responded to questions from the Board.

MOTION: Approve the Felony Forfeiture Policy as recommended by the Board of Retirement Operations Committee, with a revision to require certified mailing of the initial notice.

Motion: Robinson

Second: Sten

Approve by voice vote.

Yes: Benedetti, Cholmondeley, Hagen, Occiano, Robinson, Sten, Tan, Vidal

Absent: Lavagnino

7. **Market Update and March 31, 2019 Performance Review**—RVK, Inc.

Presentation by Marcia Beard and Matthias Bauer of RVK, Inc. on World Market Activities and March 31, 2019 performance.

DISCUSSION: Marcia Beard and Matthias Bauer of RVK, Inc. presented the item and responded to questions from the Board.

MOTION: Receive and accept March 31, 2019 Market Update and Preliminary Performance report.

Motion: Cholmondeley

Second: Robinson

Approve by voice vote.

Yes: Benedetti, Cholmondeley, Hagen, Occiano, Robinson, Sten, Tan, Vidal

Absent: Lavagnino

8. **Manager Introduction: PIMCO Private Income Fund (PIF)**—RVK, Inc.

Presentation by Amy Hsiang and Austin Head-Jones of RVK, Inc.

DISCUSSION: Austin Head-Jones and Amy Hsiang of RVK, Inc. presented the item and responded to questions from the Board.

MOTION: Receive and accept the presentation from RVK regarding PIMCO Private Income Fund (PIF).

Motion: Hagen

Second: Vidal

Approve by voice vote.

Yes: Cholmondeley, Hagen, Occiano, Robinson, Sten, Tan, Vidal

Absent: Benedetti, Lavagnino

9. **Manager Presentation: PIMCO Private Income Fund (PIF)**— PIMCO Credit Advisors

Presentation by Jason Mandinach, Exec. VP and Alt. Credit Strategist and Kevin Gray, Senior VP regarding PIMCO Private Income Fund (PIF).

DISCUSSION: Jason Mandinach, Exec. VP and Alt. Credit Strategist and Kevin Gray, Senior VP of PIMCO Credit presented the item and responded to questions from the Board.

MOTION: Receive and accept presentation on PIMCO Private Income Fund (PIF).

Motion: Hagen

Second: Vidal

Approve by voice vote.

Yes: Cholmondeley, Hagen, Occiano, Robinson, Sten, Tan, Vidal

Absent: Benedetti, Lavagnino

10. **Manager Selection: PIMCO Private Income Fund (PIF)**—RVK, Inc.

Presentation by Austin Head-Jones, Amy Hsiang, Marcia Beard, and Matthias Bauer of RVK, Inc.

DISCUSSION: Austin Head-Jones, Amy Hsiang, Marcia Beard, and Matthias Bauer of RVK, Inc., presented the item and responded to questions from the Board.

MOTION: Receive and accept the presentation from RVK regarding PIMCO Private Income Fund (PIF), approve the investment of \$20 million to PIMCO Private Income Fund (PIF), and authorize the CEO to negotiate and execute an agreement in writing subject to the completion of a side letter agreement with PIMCO.

Motion: Vidal
Second: Sten

Approved by a roll call vote.
Yes: Occiano, Robinson, Sten, Tan, Vidal
No: Benedetti, Cholmondeley, Hagen
Absent: Lavagnino

The meeting adjourned at 2:55 p.m.

ATTEST:

Clerk

Chair

Secretary