

ATTACHMENT B

April 25, 2018 Minutes of the Board of Retirement

**SANTA BARBARA COUNTY
EMPLOYEES' RETIREMENT SYSTEM**

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



BOARD OF RETIREMENT

Chair- Harry E. Hagen
Vice Chair- Janet Wolf
Secretary- Fredrick Tan
Trent Benedetti
Zandra Cholmondeley
Pancho Occiano II
Laura Robinson
Ted Sten
Michael Vidal
Alternates
Gary Blair
Ryan Sullivan

MINUTES OF THE BOARD OF RETIREMENT

April 25, 2018

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

Roll Call at 9:10 a.m.

Members Present: Benedetti, Cholmondeley, Hagen, Occiano, Robinson, Sten, Tan,
Vidal, Wolf
Alternates Present: Blair
Alternates Absent: Sullivan
Counsel Present: Blakeboro
Clerk Present: Thompson

Trustee Blair left at approximately 2:00pm.

Pledge of Allegiance led by Chair

PUBLIC COMMENT

Receive public comment

MINUTES

A-1. Approve Minutes of March 28, 2018 Regular Board meeting (Retreat).

Motion: Occiano
Second: Wolf

Approved by voice vote.

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

A-2. Approve Minutes of March 29, 2018 Regular Board meeting.

Motion: Robinson

Second: Occiano

Approved by voice vote.

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

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>
	Elsa Arndt	County Administrator	16.83678	0.07343	
D R	John Bacon	Sheriff	6.67784	0.19962	
	Andrea Baez	DRO-B	N/A	N/A	
	Andre Banks	Probation	20.19316	0.05823	
	Steve Chavoya	Parks	15.34852	0.53822	
	Marlene Escalante	Social Services	13.05525	0.01440	
	Johnny Langehennig	Sheriff	28.81302	0.50004	
D	Adela Montejano	ADMHS	6.96862	0.44000	
	Mary Quackenbush	Clerk-Recorder-Assessor	19.70481	0.50014	
Dis.	Rosalva Ramos	Public Health	25.39958	0.00011	
	Christopher Reis	Child Support Services	21.06309	0.71036	
	Douglas Robertson	Public Works	15.97318	0.37178	
	Michele Spencer	District Attorney	17.55880	0.00487	
D R	David Stubchaer	Public Works	17.77923	0.41452	
D	Teresita Villasenor	Public Health	13.29175	0.00256	
D	Adriana Villegas	ADMHS	13.11590	0.22400	
D	Patricia Way	Social Services	9.47592	0.02692	

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>
Barbara Maddock	John Maddock	Transportation	07/01/1999	10/31/2017
Jane Ureste	Gilberto Ureste	Superior Court	11/05/1997	02/04/2018

Motion: Wolf
Second: Cholmondeley

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

DISABILITY RETIREMENT
(Closed session)

D-1. Linda Cohen, Applicant for Service-connected Disability Retirement:
Adopt the proposed Findings of Fact, Conclusions of Law and Decision granting Linda Cohen a service-connected disability retirement.

DISCUSSION: Disability Manager Cristal Rodriguez presented the item and responded to questions from the Board.

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

Motion: Benedetti
Second: Occiano

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

D-2. Scott Jopes, Applicant for Service-connected Disability Retirement:
Grant the application of Scott Jopes for service-connected disability retirement pursuant to the presumption of Government Code §31720.6 that the member's condition arose from his County employment, subject to timely requested hearing by an interested party.

DISCUSSION: Disability Manager Cristal Rodriguez presented the item and responded to questions from the Board.

MOTION: Grant the application of Scott Jopes for service-connected disability retirement pursuant to the presumption of Government Code §31720.6 that the member's condition arose from his County employment, subject to timely requested hearing by an interested party.

Motion: Tan
Second: Occiano

Approved by voice vote.

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

- D-3. Daniel DeSimone, Applicant for Service-connected Disability Retirement:
Grant the application of Daniel DeSimone for non-service-connected disability retirement, subject to timely requested hearing by an interested party, and refer the issue of service-connection to an evidentiary hearing.

DISCUSSION: Disability Manager Cristal Rodriguez presented the item and responded to questions from the Board.

MOTION: Grant the application of Daniel DeSimone for non-service-connected disability retirement, subject to timely requested hearing by an interested party, and refer the issue of service-connection to an evidentiary hearing.

Motion: Wolf

Second: Occiano

Approved by voice vote.

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

- D-4. Janey Angleton, Applicant for Service-connected Disability Retirement:
Adopt the proposed Findings of Fact, Conclusions of Law and Decision denying Janey Angleton a service-connected disability retirement.

DISCUSSION: Disability Manager Cristal Rodriguez presented the item and responded to questions from the Board.

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

Motion: Occiano

Second: Robinson

Approved by voice vote.

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

- D-5. Receive and file Disability Retirement Monthly Status Report

DISCUSSION: Disability Manager Cristal Rodriguez presented the item and responded to questions from the Board.

MOTION: Receive and file Disability Retirement Monthly Status Report

Motion: Cholmondeley
Second: Occiano

Approved by voice vote.

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

BOARD

1. **1099-R Voluntary Closing Agreement**—Gregory E. Levin, CPA
Presentation of the Voluntary Closing Agreement executed with the Internal Revenue Service concerning the 2016 1099-R filing.

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

MOTION: Receive and accept the presentation on the IRS voluntary closing agreement.

Motion: Vidal
Second: Occiano

Approved by voice vote.

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

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

Presentation by Gregory Levin on significant operational activities of SBCERS.

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

MOTION: Select Trustee Cholmondeley as the SACRS voting delegate and Trustee Hagen as the voting alternate for the May 18, 2018 SACRS business meeting.

Motion: Robinson
Second: Occiano

Approved by voice vote.

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

MOTION: Direct the SACRS voting delegate to vote “yes” on the SACRS Nominating Committee slate of recommended candidates and in support of SB 1270 at the May business meeting

Motion: Cholmondeley
Second: Robinson

Approved by voice vote.

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

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.

Motion: Occiano
Second: Robinson

Approved by voice vote.

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

3. **Quarterly Cash Flow**—Staff

Presentation by Katie Roth, CPA and Nick Prince on the Cash Flow Report for the quarter ending March 31, 2018.

DISCUSSION: Katie Roth, CPA and Nick Prince presented the item and responded to questions from the Board.

MOTION: Receive and accept the quarter ending March 31, 2018 Cash Flow Report.

Motion: Occiano
Second: Robinson

Approved by voice vote.

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

INVESTMENTS

4. **Market Update and March 31, 2018 Performance Review**—RVK, Inc.

Presentation by Marcia Beard and Matthias Bauer of RVK, Inc. on World Market Activities and March 31, 2018 performance.

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

MOTION: Receive and accept the March 31, 2018 Market Update and Preliminary Performance report presented by Marcia Beard and Matthias Bauer of RVK, Inc.

Motion: Occiano
Second: Robinson

Approved by voice vote.

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

5. **Direct Lending Program Overview**—RVK, Inc. and Staff

Presentation by Marcia Beard and Matthias Bauer of RVK, Inc. and Investment Officer Lauren Thompson on the implementation of the SBCERS Direct Lending program.

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

MOTION: Receive and accept the presentation on direct lending.

Motion: Robinson
Second: Occiano

Approved by voice vote.

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

6. **International Equity Structure Review**—RVK, Inc. and Staff

Presentation by Marcia Beard and Matthias Bauer of RVK, Inc. on the International Equity Structure Review and proposed changes in portfolio structure.

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

MOTION: Receive and accept the presentation on International Equity Structure Review, terminate SSgA MSCI World (ex. US Index) and approve the recommended structure (potential portfolio 1 in the presentation).

Motion: Cholmondeley
Second: Tan

Approved by roll call.

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

No: Benedetti, Wolf

7. **Placement Agent Policy Report**—RVK, Inc. and Staff

Presentation by Marcia Beard, Principal, and Matthias Bauer, Principal of RVK, Inc. and Lauren Thompson on the annual Placement Agent Policy Report.

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

MOTION: Receive and accept the Placement Agent Policy Report.

Motion: Occiano
Second: Robinson

Approved by voice vote.

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

8. **CEO Review Policy** – Staff

Presentation by CEO Gregory Levin, CPA and the Operations Committee on the CEO Review policy the purpose of which is to establish the process by which the Board of Retirement reviews the performance of the CEO annually.

DISCUSSION: Gregory Levin, CPA and the Operations Committee presented the item and responded to questions from the Board.

MOTION: That the Board of Retirement adopt the recommendation of the Operations Committee to approve the CEO Review Policy, as amended, with additional grammatical modifications as discussed.

Motion: Benedetti
Second: Vidal

Approved by voice vote.

Yes: Benedetti, Cholmondeley, Hagen, Robinson, Sten, Tan, Vidal, Wolf
No: Occiano

9. **Meeting Materials Distribution Policy** – Staff

Presentation by CEO Greg Levin, CPA and the Operations Committee on the Meeting Materials Distribution Policy (formerly iPad Policy) the purpose of which is to establish the process by which the Board of Retirement agenda materials are distributed and maintained.

DISCUSSION: Gregory Levin, CPA and the Operations Committee presented the item and responded to questions from the Board.

MOTION: Adopt the recommendation of the Operations Committee to approve the Meeting Materials Distribution Policy, as amended.

Motion: Wolf
Second: Sten

Approved by voice vote.

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

10. **Conflict of Interest Code** – Staff

Presentation by CEO Gregory Levin, CPA, General Counsel Alan Blakeboro and the Operations Committee on the Conflict of Interest Code the purpose of which is to establish the process by which compliance with Political Reform Act of 1974 is maintained.

DISCUSSION: Gregory Levin, CPA and General Counsel Alan Blakeboro presented the item and responded to questions from the Board

MOTION: Adopt the recommendation of the Operations Committee to approve the Conflict of Interest Code, as amended.

Motion: Wolf
Second: Cholmondeley

Approved by voice vote.

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

11. **Education Policy** – Staff

12. Presentation by CEO Gregory Levin, CPA, General Counsel Alan Blakeboro and the Operations Committee on the Education Policy and proposed additions to the policy pertaining to sexual harassment prevention training.

DISCUSSION: Gregory Levin, CPA and General Counsel Alan Blakeboro presented the item and responded to questions from the Board

MOTION: Adopt the recommendation of the Operations Committee to approve the Education Policy, as amended.

Motion: Robinson
Second: Sten

Approved by voice vote.

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

The meeting adjourned at 2:35 pm

ATTEST:

Clerk

Chair

Secretary