

**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- Frederick Tan
Vice Chair- Vacant
Secretary- Vacant
Harry E. Hagen
Trent Benedetti
Zandra Cholmondeley
Steve Lavagnino
Rob Adam Perry
Xiaoli Zhang-King
Ted Sten
Michael Vidal
Alternates
Gary Blair
Ryan Sullivan

AGENDA OF THE BOARD OF RETIREMENT

January 22, 2020

**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 805-568-2940.

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 December 11, 2019 Regular Board meeting.

BOARD

B-1. Oath of Office

- B-2. Election of Officers:
- a. Chair
 - b. Vice Chair
 - c. Secretary

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>
D R	Christine Clarke	Behavioral Wellness	10.31024	0.00273	
	Maria Evita Conajares	DRO-B	N/A	N/A	
	Peter Favela	Parks	38.26521	0.99859	
	Maria G. Guzman	Social Services	28.63576	0.00181	
D R	Mary Lopez	District Attorney	39.03842	0.14663	
D R	Zuinda Martinez	Probation	6.65955	0.00023	
	Jane Miller	DRO-A	5.08704	0.00000	
	Irma Pardo	Probation	26.61094	0.00181	
	Erlinda Santana	Social Services	12.33154	0.00121	
	Michael Struven	Auditor-Controller	31.35899	1.00000	
D	Richard Whirty	Social Services	9.27849	0.09185	

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>
Lynda Iniguez	John Iniguez	Sheriff	Active Member	11/03/2019
Alfred Leroux	Gail Leroux	Child Support Services	07/01/2006	07/15/2019

C-2. **Trustee Training Opportunities**—Authorize the attendance of interested trustees at upcoming training events requiring Board pre-approval, as requested.

C-3. **Quarterly Cash Flow**—Cash Flow Report for the quarter ending December 31, 2019.

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.

- D-1. Laurence Zepeda, Applicant for Service-connected Disability Retirement:
Adopt the proposed Findings of Fact, Conclusions of Law and Decision granting Laurence Zepeda a service-connected disability retirement.
- D-2. Fred Espinosa, Applicant for Service-connected Disability Retirement:
Adopt the proposed Findings of Fact, Conclusions of Law and Decision granting Fred Espinosa a service-connected disability retirement.
- D-3. Michael Schlags, Applicant for Service-connected Disability Retirement:
Adopt the proposed Findings of Fact, Conclusions of Law and Decision granting Michael Schlags a service-connected disability retirement.
- D-4. Brandon Jebens, Applicant for Service-connected Disability Retirement:
Grant the application of Brandon Jebens for non-service-connected disability retirement, subject to timely requested hearing by an interested party.
- D-5. Erin Ayala, Applicant for Service-Connected Disability Retirement:
Grant the application of Erin Ayala for non-service-connected disability retirement, and deny service-connection, subject to timely requested hearing by an interested party.
- D-6. Receive and file Disability Retirement Monthly Status Report

BOARD

- 1. **Revised June 30, 2019 Actuarial Valuation and Actuarial Experience Study—**
Cheiron

Presentation by Anne Harper and Heather Fantz of Cheiron, Inc. on the SBCERS June 30, 2019 Actuarial Valuation and SBCERS Triennial Actuarial Experience Study for the period of July 1, 2016 – June 30, 2019.

DISCUSSION AND ACTION

RECOMMENDATION: That the Board of Retirement:

- A) Adopt the revised June 30, 2019 Actuarial Valuation and recommend rates of contribution contained therein for approval by the Santa Barbara County Board of Supervisors in accordance with California Government Code section 31453; and
- B) Receive and adopt the revised triennial experience study for the period of July 1, 2016 – June 30, 2019 in accordance with Government Code section 31453.

2. **June 30, 2019 Other Post-Employment Benefits (OPEB) Valuation**—Cheiron

Presentation by Heather Fantz of Cheiron on the valuation results for the Other Post-Employment Benefit Plan Actuarial Valuation as of June 30, 2019.

DISCUSSION

RECOMMENDATION: That the Board of Retirement receive and accept the presentation from Consulting Actuaries Anne Harper and Heather Fantz of Cheiron on the valuation results and accept the report on Other Post-Employment Benefit Plan Actuarial Valuation as of June 30, 2019.

3. **Earnings Code Review**—Staff

Presentation from Member Services Director, Rebekah Bardakos and General Counsel, Alan Blakeboro on the Earnings Code Schedule and consideration of classification of certain plan sponsor Earnings Codes.

DISCUSSION AND ACTION

RECOMMENDATION: That the Board of Retirement:

- (a) Accept the SBCERS staff recommendation that newly created County of Santa Barbara earnings code NSS be excluded as an item of compensation earnable pursuant to Government Code Section 31461, and excluded as an item of pensionable compensation pursuant to Government Code Section 7522.34.
- (b) Approve an updated resolution consisting of all codes, previously certified as excluded from compensation earnable and pensionable compensations, those certified at the May 23, 2018 and June 13, 2018 meetings, as well as a table of all codes excluded from both compensation earnable pursuant to Government Code Section 31461 and

pensionable compensation pursuant to Government Code Section 7522.34.

4. **June 30, 2019 Comprehensive Annual Financial Report**

—Brown Armstrong Accountancy Corporation

Presentation by Brown Armstrong Partner Rosalva Flores, CPA and Alaina Sanchez, CPA of the Comprehensive Annual Financial Report for Fiscal Year June 30, 2019 (“CAFR”) to the Board.

DISCUSSION

RECOMMENDATION: The Board receive and file the CAFR for Fiscal Year ending June 30, 2019 and the independent auditor’s report thereon.

INVESTMENTS

5. **Market Update and November 30, 2019 and December 31, 2019 Performance Review**—RVK, Inc.

Presentation by Principals Marcia Beard and Matthias Bauer of RVK, Inc. on World Market Activities and November 30, 2019 and December 31, 2019 performance.

DISCUSSION

RECOMMENDATION: That the Board of Retirement receive and accept the November 30th and December 31st, 2019 Market Update and Preliminary Performance report presented by Marcia Beard and Matthias Bauer of RVK, Inc.

6. **Rebalancing Study**—RVK, Inc.

Presentation by Principals Marcia Beard and Matthias Bauer of RVK, Inc. on an RVK study of how rebalancing affects long-term portfolio returns. The study will look at the frequency of rebalancing and types of rebalancing.

DISCUSSION

RECOMMENDATION: That the Board of Retirement receive and accept the Rebalancing Study presentation by Marcia Beard and Matthias Bauer of RVK, Inc.

BOARD

7. **Fiscal Year Ending June 30, 2020 Mid-Year Budget Review**—Staff

Presentation by Gregory Levin on the System’s Mid-Year Budget Review for Fiscal Year 2019-2020.

DISCUSSION

RECOMMENDATION: That the Board of Retirement receive and file the mid-year budget report for the period ending December 31, 2019.

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

Presentation by Gregory Levin on significant operational activities of SBCERS.

DISCUSSION

RECOMMENDATION: That the Board of Retirement receive and file the Operations Report.

Next regular meeting date is February 26, 2020.
