

**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
Trent Benedetti
Zandra Cholmondeley
Steve Lavagnino
Ted Sten
Michael Vidal

Alternates
Gary Blair
Ryan Sullivan

**MINUTES OF THE BOARD OF RETIREMENT
October 23, 2019
Coastal Room at Employees' University
267 Camino del Remedio
Santa Barbara, California**

Roll Call at 9:09 a.m.

Members Present: Cholmondeley, Hagen, Lavagnino, Sten, Tan

Members Absent: Benedetti, Vidal

Alternates Present: Blair, Sullivan

Counsel Present: Blakeboro

Clerk Present: Couture

Alternate Trustee Sullivan is filling the vacant 3rd General Member position until a successor is elected. Alternate Trustee Sullivan departed at 1:28 p.m. Trustee Lavagnino and Trustee Hagen departed at 1:45 p.m.

Pledge of Allegiance led by Chair.

PUBLIC COMMENT

CEO Gregory Levin acknowledged Rob Adam Perry, whose term for 2nd General Member begins January 2020.

MINUTES

A. Approve Minutes of September 25, 2019 Regular Board meeting.

MOTION: Approve Minutes of September 25, 2019 Regular Board meeting.

Motion: Lavagnino

Second: Cholmondeley

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

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>
	Sonia Alcantar Lariba	Probation	24.66739	0.79726	
D R	Gary Amelio	SBCERS	2.18880	0.13956	
	Lisa Conn	Behavioral Wellness	20.08234	0.18832	
D	Kevin Duffy	District Attorney	14.48658	0.42234	
	Edward Foster	CSFPD	15.68439	0.44457	
D R	Katy Graham	Superior Court	6.02866	0.03440	
	Terry Johnson	Probation	28.31284	0.18292	
	Mary Landsberg	Public Health	10.49185	0.02777	
	Rolf Larsen	CSFPD	2.22136	0.02108	
	Yolanda Lemp	Auditor Controller	37.21067	0.11545	
	Ernest Lopez	Public Works	10.60243	0.11535	
D R	Stephen Macintosh	Public Works	3.43398	0.06838	
	Valerie Monte	Public Health	10.50304	0.29149	
D R	Eric Nesby	Probation	14.70274	0.32453	
	John Peca	Social Services	4.34848	0.17024	
D	Elizabeth Reyes-Velazquez	Probation	10.50464	0.00808	
	Deborah Sanchez	Clerk-Recorder-Assessor	19.79572	0.10928	
D	David Stone	Planning & Development	9.57565	0.27826	

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>
Susan Manata	Gerald Manata	Social Services	05/29/2004	07/28/2019
Marlene Roberts	David Roberts	Fire	03/28/1996	08/30/2019

C-2. Quarterly Cash Flow – Cash Flow Report for the quarter ending September 30, 2019.

MOTION: Approve Consent Items C-1 and C-2.

Motion: Sullivan

Second: Sten

Approved by voice vote.

Yes: Cholmondeley, Hagen, Lavagnino, Sten, Sullivan, Tan

Absent: Benedetti, Vidal

DISABILITY RETIREMENT

D-2. Juan Hernandez, Applicant for Service-Connected Disability Retirement:

Grant the application of Juan Hernandez for service-connected disability retirement with respect to a specific medical condition, subject to timely requested hearing by an interested party.

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

MOTION: Grant the application of Juan Hernandez for service-connected disability retirement with respect to a specific medical condition, subject to timely requested hearing by an interested party.

Motion: Sullivan

Second: Tan

Approved by voice vote.

Yes: Cholmondeley, Hagen, Lavagnino, Sten, Sullivan, Tan

Absent: Benedetti, Vidal

D-1. Charles Baker, Applicant for Service-Connected Disability Retirement:

Consider the Findings of Fact and Recommendation of Referee Catherine Harris, along with any timely filed objections, and approve and adopt the recommendation to deny the application for service-connected disability retirement of Charles Baker.

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

MOTION: Approve and adopt the Findings of Fact and Recommendation of Referee Catherine Harris to deny the application for service-connected disability retirement of Charles Baker.

Motion: Hagen

Second: Lavagnino

Approved by voice vote.

Yes: Cholmondeley, Hagen, Lavagnino, Sten, Sullivan, Tan

Absent: Benedetti, Vidal

D-3. Genaro Gomez, Applicant for Service-Connected Disability Retirement:

Grant the application of Genaro Gomez for service-connected disability, 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 Genaro Gomez for service-connected disability, subject to timely requested hearing by an interested party.

Motion: Sullivan

Second: Sten

Approved by voice vote.

Yes: Cholmondeley, Hagen, Lavagnino, Sten, Sullivan, Tan

Absent: Benedetti, Vidal

D-4. Yvonne Miranda, Applicant for Service-Connected Disability Retirement:

Adopt the proposed Findings of Fact, Conclusions of Law and Decision denying Yvonne Miranda a service-connected disability retirement due to lack of evidence to support service-connection; and denying a non-service-connected disability retirement due to lack of permanence.

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 Yvonne Miranda a service-connected disability retirement due to lack of evidence to support service-connection; and denying a non-service-connected disability retirement due to lack of permanence.

Motion: Lavagnino

Second: Sullivan

Approved by voice vote.

Yes: Cholmondeley, Hagen, Lavagnino, Sten, Sullivan, Tan

Absent: Benedetti, Vidal

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

MOTION: Receive and file Disability Retirement Monthly Status Report.

Motion: Hagen
Second: Sullivan

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

CLOSED SESSION

BOARD

1. **CONFERENCE WITH LEGAL COUNSEL**

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

OPEN SESSION

Counsel Blakeboro announced the Board met in closed session to discuss Items D-1 through D-5 and took action consistent with staff recommendations. The Board also discussed Item 1 and 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 presented the item and responded to questions from the Board.

MOTION: Take the following actions:

- a. Receive and file the Operations Report and,
- b. Appoint Trustee Lavagnino as voting proxy and Trustee Hagen as an alternate for the SACRS business meeting to be held November 15, 2019.
- c. Direct the SBCERS Board of Retirement Operations Committee to develop a policy on declining employer payrolls.

- d. Direct the SACRS voting proxy to vote “yes” on the SACRS 2020 CERL Omnibus bill.
- e. Direct the SACRS voting proxy to vote “yes” on the LACERA bill modifying the standards for an award of a non-service connected disability retirement.
- f. Authorize the attendance of interested trustees at upcoming training events requiring Board pre-approval, as requested.

Motion: Cholmondeley
Second: Sten

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

3. **Preliminary Results of Actuarial Valuation and Triennial Actuarial Experience Study**—Cheiron

Presentation by Graham Schmidt and Anne Harper of Cheiron, Inc. on the preliminary results of the SBCERS June 30, 2019 Actuarial Valuation and the Triennial Actuarial Experience Study for the period of June 30, 2016 through June 30, 2019 and recommended changes in demographic and economic assumptions.

DISCUSSION: Graham Schmidt and Anne Harper presented the item and responded to questions from the Board.

MOTION: Accept the report and approve economic assumptions to be used in preparation of the June 30, 2019 Actuarial Valuation.

Motion: Lavagnino
Second: Cholmondeley

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

INVESTMENTS

4. **Market Update and September 30, 2019 Performance Review**—RVK, Inc.

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

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

MOTION: Receive and accept the September 30, 2019 Market Update and Preliminary Performance report presented by Marcia Beard and Matthias Bauer of RVK, Inc.

Motion: Sullivan
Second: Sten

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

5. **Asset Allocation**—RVK, Inc.

Presentation by Principals Marcia Beard and Matthias Bauer of RVK, Inc. on SBCERS' Asset Allocation.

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

MOTION: Receive and accept the Asset Allocation presented by Marcia Beard and Matthias Bauer of RVK, Inc., or provide direction for further study on additional policy options.

Motion: Lavagnino
Second: Sten

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

6. **Consultant Oversight Report**—Staff

Presentation by ACEO Lauren Thompson and Investment Associate Nick Prince on the Consultant Oversight Report.

DISCUSSION: Lauren Thompson and Nick Prince presented the item and responded to questions from the Board.

Due to lack of a quorum at the conclusion of the item, the Board took no reportable action to receive and accept the report.

The meeting adjourned at 1:48 p.m.

ATTEST:

Clerk

Chair

Secretary