

**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

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**MINUTES OF THE BOARD OF RETIREMENT  
December 11, 2019  
Coastal Room at Employees' University  
267 Camino del Remedio  
Santa Barbara, California**

**Roll Call at 9:03 a.m.**

Members Present: Benedetti, Cholmondeley, Lavagnino, Sten, Vidal

Members Absent: Hagan, Tan

Alternates Present: Blair, Sullivan

Counsel Present: Blakeboro

Clerk Present: Couture

Alternate Trustee Sullivan is filling the vacant 3<sup>rd</sup> General Member position until a successor is elected. Alternate Trustee Blair is voting in place of the vacant 2<sup>nd</sup> General Member and Trustee Tan. Trustee Vidal arrived at 9:05 a.m.

Pledge of Allegiance led by CEO.

CEO Gregory Levin addressed the Board regarding a vacant Chair, Vice Chair, and Secretary for the December 11, 2019 meeting. Trustee Cholmondeley volunteered to Chair the meeting.

Motion: Sten

Second: Lavagnino

Approved by voice vote.

Yes: Benedetti, Blair, Cholmondeley, Lavagnino, Sten, Sullivan, Vidal

Absent: Hagen, Tan

**PUBLIC COMMENT**

No public comment.

**MINUTES**

A. Approve Minutes of October 23, 2019 Regular Board meeting.

**MOTION:** Approve Minutes of October 23, 2019 Regular Board meeting.

Motion: Lavagnino

Second: Vidal

Approved by voice vote.

Yes: Blair, Cholmondeley, Lavagnino, Sten, Sullivan, Vidal

Abstain: Benedetti

Absent: Hagen, Tan

**CONSENT**

C-1. **Adopt Retirement Report**

**October onboarded for November 1, 2019 Benefit Payment:**

	<b><u>Name</u></b>	<b><u>Department</u></b>	<b><u>Total Service Credit</u></b>	<b><u>Sick Leave Credit (incl. in Total)</u></b>	<b><u>ARC</u></b>
R	Suzanne Allen De Sanchez	Social Services	8.45172	0.08613	
	David Carter	Probation	14.04665	0.00537	
	Roberto Derobles	Probation	29.70470	0.33236	
	Brian Dickey	Sheriff	33.86674	1.00000	
	John Fajardo	Public Defender	23.29728	0.14437	
	Deborah Fox	District Attorney	15.43583	0.27274	
D R	Arlene Grant-Holcomb	Public Health	3.46530	0.07412	
D Dis.	Ronald Husted	CSFPD	24.16770	0.00000	
	Roxanne Husted	DRO-A	4.72734	0.01001	
Dis.	Karen Jones	Behavioral Wellness	8.19135	0.00011	
D R	Nancy Lapolla	Public Health	23.05956	0.47573	2.66666
	Elena Mendoza	Public Works	37.73726	0.05754	
	Charles Rocha	Sheriff	5.37899	0.00908	
	Linda Rodriguez	Social Services	39.26168	0.62318	
	Lesly Shuffield	Probation	10.99113	0.00057	

D R	Sharon Westcott	Behavioral Wellness	2.05513	0.08100
R	Tina Wooton	Behavioral Wellness	9.47274	0.00011
D	Connie Yanez	Public Health	9.13017	0.00566

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>
Thomas Doolittle	Loretta Lesage	District Attorney	01/31/2013	08/26/2019
Merrill Oaks	Don Oaks	Fire	01/08/2001	08/12/2019
Christine Simms	William Simms	Social Services	03/20/2000	09/16/2019
Mary Wilder	Burton Wilder	Public Works	03/24/1985	08/28/2019

**November onboarded for December 1, 2019 Benefit Payment:**

<u>Name</u>	<u>Department</u>	<u>Total Service Credit</u>	<u>Sick Leave Credit (incl. in Total)</u>	<u>ARC</u>
Mario Almada Sr.	Public Works	15.77204	0.00042	
Lee Carter	District Attorney	33.23751	1.00000	
Randall Jr. Deasee	Public Works	20.74026	0.00232	
D James Dollar	Sheriff	13.65388	0.58251	
D Heyl Harrison	General Services	9.42767	0.07751	
Christine Horn	Public Health	16.30009	0.03533	
D Brian Larson	Clerk-Recorder-Assessor	11.19932	0.06348	
Mark Matson	Planning & Development	16.87608	0.66138	5.00000
Philip Sheehan	APCD	30.56082	0.04811	
Wendy Stanley	Probation	30.64060	0.10891	
D R Paul Wendt	Public Works	1.51179	0.05515	

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<u>Beneficiary on Payroll</u>	<u>Decedent Retiree</u>	<u>Department</u>	<u>Retirement Date</u>	<u>Date of Death</u>
Raul Fierro	Carmen Fierro	Public Health	01/03/1996	11/09/2019
Alfred Garcia	Rachel Garcia	Superior Court	01/17/2005	07/28/2019

Jennie Garnica	Robert Garnica	Probation	04/30/2009	10/18/2019
Edward Gonzalez	Dolores Gonzalez	Public Health	10/23/1995	10/29/2019
Phyllis Rodenberger	Ronald Rodenberger	Fire	01/22/1989	10/18/2019

- C-2. **Trustee Training Opportunities**—Authorize the attendance of interested trustees at upcoming training events requiring Board pre-approval, as requested.
- C-3. **Quarterly OPEB Report**—Report for the quarter ending September 30, 2019 on the investment results, contributions and expenditures of the County of Santa Barbara 401(h) Retiree Healthcare Subsidy fund.
- C-4. **Market Update and October 31, 2019 Performance Review**—Report by RVK, Inc. on World Market Activities and October 31, 2019 performance.

**MOTION:** Approve items C-1 through C-4.

Motion: Vidal  
 Second: Sten

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

**DISABILITY RETIREMENT**

- D-6. Michael Schlags, Applicant for Service-Connected Disability Retirement:  
 Grant the application of Michael Schlags 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. Jane Oatman, counsel for applicant, was present.

**MOTION:** Grant the application of Michael Schlags for service-connected disability, subject to timely requested hearing by an interested party.

Motion: Lavagnino  
 Second: Sten

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

- D-5. Maria Villalpando, Applicant for Service-Connected Disability Retirement:  
Consider the Findings of Fact and Recommendation of Referee Deborah Wissley, along with any timely filed objections, and approve and adopt the recommendation to deny the application for service-connected disability retirement of Maria Villalpando.

**DISCUSSION:** Disability Manager Cristal Rodriguez presented the item. Russell R. Ghitterman, counsel for applicant, was present and addressed the Board. Philip I. Moncharsh, counsel for SBCERS, was also present and addressed the Board.

**MOTION:** Approve and adopt the Findings of Fact and Recommendation of Referee Wissley to deny the application for service-connected disability retirement of Maria Villalpando.

Motion: Lavagnino

Second: Sten

Approved by voice vote.

Yes: Benedetti, Blair, Cholmondeley, Lavagnino, Sten, Sullivan, Vidal

Absent: Hagen, Tan

- D-4. Fred Espinosa, Applicant for Service-Connected Disability Retirement:  
Grant the application of Fred Espinosa 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. The applicant's counsel Russel R. Ghitterman was present.

**MOTION:** Grant the application of Fred Espinosa for service-connected disability, subject to timely requested hearing by an interested party.

Motion: Vidal

Second: Blair

Approved by voice vote.

Yes: Benedetti, Blair, Cholmondeley, Lavagnino, Sten, Sullivan, Vidal

Absent: Hagen, Tan

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

**DISCUSSION:** Disability Manager Cristal Rodriguez presented the item.

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

Motion: Sullivan  
Second: Vidal

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

D-2. Juan Hernandez, Applicant for Service-Connected Disability Retirement:  
Adopt the proposed Findings of Fact, Conclusions of Law and Decision granting Juan Hernandez a service-connected disability retirement.

**DISCUSSION:** Disability Manager Cristal Rodriguez presented the item.

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

Motion: Vidal  
Second: Sullivan

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

D-3. Laurence Zepeda, Applicant for Service-Connected Disability Retirement:  
Grant the application of Laurence Zepeda for service-connected disability, subject to timely requested hearing by an interested party.

**DISCUSSION:** Disability Manager Cristal Rodriguez presented the item.

**MOTION:** Grant the application of Fred Espinosa for service-connected disability, subject to timely requested hearing by an interested party.

Motion: Sullivan  
Second: Lavagnino

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

D-7. 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: Sten

Approved by voice vote.

Yes: Benedetti, Blair, Cholmondeley, Lavagnino, Sten, Sullivan, Vidal

Absent: Hagen, Tan

## **CLOSED SESSION**

### **BOARD**

#### 1. **CONFERENCE WITH LEGAL COUNSEL**

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

and

#### **CONFERENCE WITH REAL PROPERTY NEGOTIATOR**

Pursuant to Government Code Sections 54956.8, 54956.81

Property: Assessor's Parcel Number: 073-050-015  
130 – 132 Robin Hill Road. Goleta, CA

Agency Negotiators: Gregory Levin, SBCERS CEO  
Steve Brown, Radius Group  
Jim Turner, Radius Group

Under Negotiation: Price and Terms of Lease Agreement

## OPEN SESSION

Counsel Blakeboro announced the Board had met in closed session to discuss Disability Items D-1 through D-7 and took actions consistent to staff recommendations. The Board also discussed Item 1 and took no reportable action.

## BOARD

2. **June 30, 2019 Actuarial Valuation and Triennial 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:** Anne Harper and Heather Fantz of Cheiron, Inc. presented the item and responded to questions from the Board. Santa Barbara County Assistant CEO Jeff Frapwell addressed the Board expressing concern about the Partial Hours Member Load and asked the Board not include it when adopting the actuarially determined rates for the upcoming fiscal year.

**MOTION:** Direct staff to continue to work with the consulting actuary to study the issue of Partial Hours Members Load and make recommendations regarding the most appropriate way to transmit information and values for members who are working less than full time in a modified valuation at the January 22, 2020 Board of Retirement meeting.

Motion: Lavagnino  
Second: Sten

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

## INVESTMENTS

3. **Quarterly Private Real Estate Portfolio Review**—ORG Portfolio Management

Presentation by Principal Ed Schwartz of ORG Portfolio Management on the status and activity of the Fund's Private Real Estate portfolio for the quarter ended June 30, 2019.



**DISCUSSION:** Principal Ed Schwartz presented the item and responded to questions from the Board.

**MOTION:** Receive and accept the quarter ended June 30, 2019 Real Estate Portfolio Summary presented by Ed Schwartz of ORG Portfolio Management.

Motion: Benedetti  
Second: Vidal

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

4. **Quarterly Private Equity and Private Real Return Review**—Hamilton Lane

Presentation by Managing Director Paul Yett and Natalie Fitch of Hamilton Lane on the status and activity of the Fund’s Private Equity and Private Real Return portfolios for the quarter ended June 30, 2019.

**DISCUSSION:** Managing Director Paul Yett and Natalie Fitch presented the item and responded to questions from the Board.

**MOTION:** Receive and accept the quarter ended June 30, 2019 Private Equity and Private Real Return performance updates presented by Paul Yett and Natalie Fitch of Hamilton Lane.

Motion: Benedetti  
Second: Vidal

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

6. **Emerging Market Debt Manager Selection**

Presentation by Amy Hsiang of RVK, Inc. on the Emerging Market Debt Manager selection process, followed by a presentation from Jim Valone, Portfolio Manager, Darren Capeloto Investment Director, and Akin Greville, Business Development from Wellington Management on Wellington Management’s emerging market debt strategy.

**DISCUSSION:** Amy Hsiang of RVK, Inc. and Jim Valone, Darren Capeloto, and Akin Greville of Wellington Management presented the item and responded to questions from the Board.

**MOTION:** Receive and accept the presentation from RVK regarding Wellington Management Emerging Market Debt Funds and authorize the CEO to negotiate and execute an agreement in writing with Wellington Management to manage the Emerging Market Debt allocation.

Motion: Blair

Second: Sten

Approved by voice vote.

Yes: Benedetti, Blair, Cholmondeley, Lavagnino, Sten, Sullivan, Vidal

Absent: Hagen, Tan

5. **Quarterly Public Markets Portfolio Review**—RVK, Inc.

Presentation by Principals Marcia Beard and Matthias Bauer of RVK, Inc. on the quarter ending September 30, 2019.

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

**MOTION:** Receive and accept the quarter ended September 30, 2019 Quarterly Review report presented by Marcia Beard and Matthias Bauer of RVK, Inc.

Motion: Vidal

Second: Sten

Approved by voice vote.

Yes: Benedetti, Blair, Cholmondeley, Lavagnino, Sten, Sullivan, Vidal

Absent: Hagen, Tan

## **BOARD**

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

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

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

No action taken.

The meeting adjourned at 2:08 p.m.

ATTEST:

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Clerk

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Chair

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Secretary