MINUTES OF THE BOARD OF RETIREMENT
January 22, 2020
Coastal Room at Employees’ University
267 Camino del Remedio
Santa Barbara, California

Roll Call at 9:03 a.m.
Members Present: Cholmondeley, Hagen, Perry, Sten, Tan, Zhang-King
Members Absent: Benedetti, Lavagnino, Vidal
Alternates Present: Blair, Sullivan
Counsel Present: Blakeboro
Clerk Present: Couture

Trustee Vidal arrived at 9:05 a.m. Trustee Hagen departed at 2:30.

Pledge of Allegiance led by Chair.

PUBLIC COMMENT
No public comment.

MINUTES
A. Approve Minutes of December 11, 2019 Regular Board meeting.

MOTION: Approve Minutes of December 11, 2019 Regular Board meeting.

Motion: Hagen
Second: Cholmondeley
Approved by voice vote.
Yes: Cholmondeley, Hagen, Perry, Sten, Tan, Vidal, Zhang-King
Absent: Benedetti, Lavagnino

BOARD

B-1. Oath of Office
Trustee Hagen swore in 2nd General Member Rob Adam Perry, 3rd General Member Xiaoli Zhang-King, 5th Appointed Member Michael Vidal, 7th Safety Member Frederick Tan, and 7th Alternate Safety Member Ryan Sullivan.

B-2. Election of Officers:

a. Chair

MOTION: Nominate Trustee Tan as the Chair of the Board of Retirement

Motion: Hagen
Second: Cholmondeley

Approved by voice vote.
Yes: Cholmondeley, Hagen, Perry, Sten, Tan, Vidal, Zhang-King
Absent: Benedetti, Lavagnino

b. Vice Chair

MOTION: Nominate Trustee Hagen as the Vice Chair of the Board of Retirement.

Motion: Tan
Second: Cholmondeley

Approved by voice vote.
Yes: Cholmondeley, Hagen, Perry, Sten, Tan, Vidal, Zhang-King
Absent: Benedetti, Lavagnino

c. Secretary

MOTION: Nominate Trustee Vidal as the Secretary of the Board of Retirement.

Motion: Hagen
Second: Sten
Approved by voice vote.
Yes: Cholmondeley, Hagen, Perry, Sten, Tan, Vidal, Zhang-King
Absent: Benedetti, Lavagnino

CONSENT

C-1. **Adopt Retirement Report**

<table>
<thead>
<tr>
<th>Name</th>
<th>Department</th>
<th>Total Service Credit</th>
<th>Sick Leave Credit (incl. in Total)</th>
<th>ARC</th>
</tr>
</thead>
<tbody>
<tr>
<td>D R Christine Clarke</td>
<td>Behavioral Wellness</td>
<td>10.31024</td>
<td>0.00273</td>
<td></td>
</tr>
<tr>
<td>Maria Evita Conajares</td>
<td>DRO-B</td>
<td>N/A</td>
<td>N/A</td>
<td></td>
</tr>
<tr>
<td>Peter Favela</td>
<td>Parks</td>
<td>38.26521</td>
<td>0.99859</td>
<td></td>
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<tr>
<td>Maria G. Guzman</td>
<td>Social Services</td>
<td>28.63576</td>
<td>0.00181</td>
<td></td>
</tr>
<tr>
<td>D R Mary Lopez</td>
<td>District Attorney</td>
<td>39.03842</td>
<td>0.14663</td>
<td></td>
</tr>
<tr>
<td>D R Zuinda Martinez</td>
<td>Probation</td>
<td>6.65955</td>
<td>0.00023</td>
<td></td>
</tr>
<tr>
<td>Jane Miller</td>
<td>DRO-A</td>
<td>5.08704</td>
<td>0.00000</td>
<td></td>
</tr>
<tr>
<td>Irma Pardo</td>
<td>Probation</td>
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<td>0.00181</td>
<td></td>
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<tr>
<td>Erlinda Santana</td>
<td>Social Services</td>
<td>12.33154</td>
<td>0.00121</td>
<td></td>
</tr>
<tr>
<td>Michael Struven</td>
<td>Auditor-Controller</td>
<td>31.35899</td>
<td>1.00000</td>
<td></td>
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<tr>
<td>D Richard Whirty</td>
<td>Social Services</td>
<td>9.27849</td>
<td>0.09185</td>
<td></td>
</tr>
</tbody>
</table>

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

<table>
<thead>
<tr>
<th>Beneficiary on Payroll</th>
<th>Decedent Retiree</th>
<th>Department</th>
<th>Retirement Date</th>
<th>Date of Death</th>
</tr>
</thead>
<tbody>
<tr>
<td>Lynda Iniguez</td>
<td>John Iniguez</td>
<td>Sheriff</td>
<td>Active Member</td>
<td>11/03/2019</td>
</tr>
<tr>
<td>Alfred Leroux</td>
<td>Gail Leroux</td>
<td>Child Support Services</td>
<td>07/01/2006</td>
<td>07/15/2019</td>
</tr>
</tbody>
</table>

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


**MOTION:** Approve Items C1 – C3.
Motion: Hagen
Second: Cholmondeley

Approved by voice vote.
Yes: Cholmondeley, Hagen, Perry, Sten, Tan, Vidal, Zhang-King
Absent: Benedetti, Lavagnino

**DISABILITY RETIREMENT**

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.

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

**MOTION:** 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.

Motion: Hagen
Second: Sten

Approved by voice vote.
Yes: Cholmondeley, Hagen, Perry, Sten, Tan, Vidal, Zhang-King
Abstain: Cholmondeley
Absent: Benedetti, Lavagnino

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.

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

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

Alternate Trustee Sullivan voted in place of Trustee Tan.

Motion: Sullivan
Second: Sten
Approved by voice vote.
Yes: Cholmondeley, Hagen, Perry, Sten, Sullivan, Vidal, Zhang-King
Absent: Benedetti, Lavagnino

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.

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 Fred Espinosa a service-connected disability retirement.

Motion: Hagen
Second: Sten

Approved by voice vote.
Yes: Cholmondeley, Hagen, Perry, Sten, Tan, Vidal, Zhang-King
Absent: Benedetti, Lavagnino

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.

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 Michael Schlags a service-connected disability retirement.

Motion: Hagen
Second: Perry

Approved by voice vote.
Yes: Cholmondeley, Hagen, Perry, Sten, Tan, Vidal, Zhang-King
Absent: Benedetti, Lavagnino

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

**MOTION:** Grant the application of Brandon Jebens for non-service-connected disability retirement, subject to timely requested hearing by an interested party.

Motion: Hagen  
Second: Zhang-King

Approved by voice vote.  
Yes: Cholmondeley, Hagen, Perry, Sten, Tan, Vidal, Zhang-King  
Absent: Benedetti, Lavagnino

D-6. 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: Perry

Approved by voice vote.  
Yes: Cholmondeley, Hagen, Perry, Sten, Tan, Vidal, Zhang-King  
Absent: Benedetti, Lavagnino

**OPEN SESSION**

Counsel Blakeboro announced the Board had met in closed session to discuss Disability Items D-1 through D-6 and took actions consistent with staff recommendations.

**BOARD**

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


MOTION: 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.

Motion: Cholmondeley
Second: Sten

Approved by voice vote.
Yes: Cholmondeley, Hagen, Perry, Sten, Tan, Vidal, Zhang-King
Absent: Benedetti, Lavagnino

MOTION: 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.

Motion: Sten
Second: Perry

Approved by voice vote.
Yes: Cholmondeley, Hagen, Perry, Sten, Tan, Vidal, Zhang-King
Absent: Benedetti, Lavagnino

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: Anne Harper and Heather Fantz presented the item and responded to questions from the Board.

MOTION: 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.

Motion: Cholmondeley
Second: Hagen

Approved by voice vote.
Yes: Cholmondeley, Hagen, Perry, Sten, Tan, Vidal, Zhang-King
Absent: Benedetti, Lavagnino
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:** Rebekah Bardakos and Alan Blakeboro presented the item and responded to questions from the Board.

**MOTION:** 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, and approve an updated resolution identifying all earnings codes previously certified as excluded from compensation earnable and pensionable compensation.

Motion: Cholmondeley
Second: Hagen

Approved by voice vote.
Yes: Cholmondeley, Hagen, Perry, Sten, Tan, Vidal, Zhang-King
Absent: Benedetti, Lavagnino


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

**DISCUSSION:** Rosalva Flores, CPA presented the item and responded to questions from the Board.

**MOTION:** Receive and file the CAFR for Fiscal Year ending June 30, 2019 and the independent auditor’s report thereon.

Motion: Sten
Second: Vidal

Approved by voice vote.
Yes: Cholmondeley, Hagen, Perry, Sten, Tan, Vidal, Zhang-King
Absent: Benedetti, Lavagnino
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:** Marcia Beard and Matthias Bauer of RVK, Inc. presented the item and responded to question from the Board.

   **MOTION:** 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.

   Motion: Hagen
   Second: Vidal

   Approved by voice vote.
   Yes: Cholmondeley, Hagen, Perry, Sten, Tan, Vidal, Zhang-King
   Absent: Benedetti, Lavagnino

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.

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

   **MOTION:** Receive and accept the Rebalancing Study presentation by Marcia Beard and Matthias Bauer of RVK, Inc.

   Motion: Vidal
   Second: Cholmondeley

   Approved by voice vote.
   Yes: Cholmondeley, Hagen, Perry, Sten, Tan, Vidal, Zhang-King
   Absent: Benedetti, Lavagnino
7. **Fiscal Year Ending June 30, 2020 Mid-Year Budget Review**—Staff


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

**MOTION:** Authorize the budget be amended to increase appropriations for a transfer of $637,533 to the SBCERS capital projects fund in order to close out the Pension Gold project and pay the remaining balances due to vendors; and, request staff to supply more information regarding the proposed amendment to increase the services and supplies object level by $150,000 to fund insurance costs at an upcoming Board of Retirement meeting.

Motion: Vidal  
Second: Cholmondeley

Approved by voice vote.  
Yes: Cholmondeley, Hagen, Perry, Sten, Tan, Vidal, Zhang-King  
Absent: Benedetti, Lavagnino

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

Presentation by Gregory Levin on significant operational activities of SBCERS.

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

**MOTION:** Receive and file the Operations Report.

Motion: Vidal  
Second: Sten

Approved by voice vote.  
Yes: Cholmondeley, Perry, Sten, Tan, Vidal, Zhang-King  
Absent: Benedetti, Hagen, Lavagnino
The meeting adjourned at 2:52 p.m.

ATTEST:

___________________________________
Clerk

___________________________________
Chair

___________________________________
Secretary