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**October 25, 2023 Board of Retirement
Regular Meeting**

SBCERS Board Room, 130 Robin Hill Road, Goleta, CA 93117

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.*

If you wish to make a general public comment or to comment on a specific agenda item, the following methods are available:

- a. **Attend the physical meeting site:** Those desiring to speak on any matter must complete and deliver a completed public comment form to the Clerk of the Board. The form is available at the conference room entrance prior to the meeting.
- b. **Read comment into the record at the meeting:** Submit your comment to the Clerk of the Board via email prior to the close of an agenda item at clerkoftheboard@sbcers.org. Please state in your email that you would like your statement "read into the record." Every effort will be made to read your comment. Comments received after an agenda item will be placed into record and distributed appropriately.
- c. **By Zoom or Phone:** If you would like to make a comment via Zoom or phone, please email clerkoftheboard@sbcers.org with your name and which item you would like to speak on. Matters not listed on the agenda may be addressed at the public comment period.

Disability Access

The SBCERS Board Room is located on the ground floor of 130 Robin Hill Road, Goleta, CA 93117. The Board Room is wheelchair accessible. Accessible public parking is available at the building.

American Sign Language interpreters, Spanish language interpretation and sound enhancement equipment may be arranged by contacting the Clerk of the Board of Retirement by 4:00 p.m. on Friday before the Board meeting. For information about these services please contact the Clerk of the Board of Retirement by emailing clerkoftheboard@sbcers.org or calling 1-877-568-2940.

Agenda

Times shown are for informational purposes only and are subject to change. Additionally, items are sometimes taken out of order as the meeting progresses in order to avoid downtime, and manage around time-certain items.

Roll Call at 9:00 a.m.

9:00 AM

Public Comment

Receive public comment.

Minutes

Approve Minutes of the September 27, 2023 Regular Board meeting.

1. Consent

1.1. Adopt Retirement Report

Approve Retirement Report.

1.2. Trustee Training Opportunities

Authorize the attendance of interested trustees at upcoming training events requiring Board pre-approval, as requested.

1.3. Quarterly Cash Flow Report

Cash Flow Report for the quarter ending September 30, 2023.

1.4. Market Update and September 30, 2023 Performance Analysis

Report on World Market Activities and September 30, 2023 performance.

2. Disability Retirement – Closed Hearing

9:05 AM

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.

2.1. Elizabeth Wilson, Applicant for Service-connected Disability Retirement.

Presenter: Katrina Peña, Disability Retirement Analyst

DISCUSSION AND ACTION

RECOMMENDATION: Deny the application of Elizabeth Wilson for service-connected disability retirement, subject to timely requested hearing by an interested party.

2.2. Tanya Martinez, Applicant for Service-connected Disability Retirement.

Presenter: Danielle Azoury, Disability Retirement Analyst

DISCUSSION AND ACTION

RECOMMENDATION: Adopt the proposed Findings of Fact, Conclusions of Law, and Decision denying Tanya Martinez a service-connected disability retirement.

2.3. Receive and file the Monthly Disability Retirement Status Report.

Presenter: Katrina Peña, Disability Retirement Analyst

DISCUSSION

RECOMMENDATION: Receive and file the Monthly Disability Retirement Status Report.

3. Closed Session

3.1. CONFERENCE WITH REAL PROPERTY NEGOTIATOR 9:25 AM

Pursuant to Government Code Section 54956.8

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

Agency Negotiators: Gregory Levin, SBCERS CEO; Miles Waters, Radius Commercial; Steve Brown, Radius Commercial

Negotiating Parties: Cornerstone Medical Associates

Under Negotiation: Price, Tenant Improvements, and Terms of Lease Agreement

3.2. KKR Private Credit 9:55 AM

(Government Code Section 54956.81).

(KKR US Direct Lending Evergreen Unlevered).

Break 10:40 AM

4. Open Session

4.1. Transaction Cost Analysis 10:50 AM

Presenter: Rebecca M. Valdez, SBCERS Investments Officer

Presentation by Rebecca M. Valdez, SBCERS Investment Officer, on the Transaction Cost Analysis reports from Klarity FX (foreign currency) and Abel Noser (US and International Equity).

DISCUSSION

RECOMMENDATION: That the Board of Retirement receive and file the Equity Trading Transaction Cost Analysis and Foreign Currency Exchange Transaction Cost Analysis for the year ending June 30, 2023.

4.2. RFP for Custodian Services 11:05 AM

Presenters: Rico Pardo, Controller, Rebecca Valdez, Investment Officer

Presentation by SBCERS Controller Rico Pardo and Investment Officer Rebecca M. Valdez on custodian services.

DISCUSSION AND ACTION

RECOMMENDATION: That the Board of Retirement:

1. Authorize the issuance of a Request for Proposal ("RFP") for Custodian Services and engage RVK Inc to assist with the search; and
2. Establish the Custodian Services RFP Ad-hoc Committee pursuant to SBCERS Bylaw 706; and
3. That the Chair of the Board of Retirement appointment members to the Custodian Services RFP Ad-hoc Committee pursuant to SBCERS Bylaw 701.

4.3. ISS - Proxy Voting

11:20 AM

Presenter: ISS

Presentation by Richard Clark, Vice President of ISS on Shareholder Proxy Voting.

DISCUSSION

RECOMMENDATION: That the Board of Retirement receive and file the educational material on Proxy Voting presented by Richard Clark, Vice President of ISS.

4.4. China Equity Discussion with Insights on Divestment

11:50 AM

Presenter: RVK, Inc.

Presentation by RVK, Inc. Principals and Co-Lead Consultants Marcia Beard and Matthias Bauer on China Equity and insights on divestment.

DISCUSSION AND ACTION

RECOMMENDATION: That the Board of Retirement receive the presentation by Principals and Co-Lead Consultants Marcia Beard and Matthias Bauer, CFA of RVK, Inc. and SBCERS Investment Officer Rebecca M. Valdez regarding the potential process to divest the SBCERS portfolio from investments with exposure to China; and approve the recommendation to maintain the current investment mandate with all active managers.

Lunch

12:35 PM

Board

4.5. Preliminary Results of Actuarial Valuation

12:55 PM

Presenter: Cheiron, Inc.

Presentation by Graham Schmidt and Anne Harper of Cheiron, Inc. on the preliminary results of the SBCERS June 30, 2023 Actuarial Valuation.

DISCUSSION

RECOMMENDATION: That the Board of Retirement receive and file the report on the June 30, 2023 preliminary actuarial valuation results and provide direction to Cheiron, Inc. as appropriate, on the preparation of the final actuarial valuation for consideration at the Board of Retirement's December 13, 2023 meeting.

4.6. Funding Policy Education

1:40 PM

Presenter: Cheiron, Inc.

Presentation by Graham Schmidt and Anne Harper of Cheiron, Inc. on Funding Policy Education as provide by Cheiron, Inc.

DISCUSSION

RECOMMENDATION: That the Board of Retirement receive and file the report on Funding Policy Education as provided by Cheiron, Inc.

4.7. CEO Operations Report

2:00 PM

Presenter: Gregory E. Levin, CPA CEO

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

DISCUSSION AND ACTION

RECOMMENDATION: That the Board of Retirement:

1. Receive and file the Operations Report,
2. Appoint a voting proxy and an alternate for the SACRS business meeting to be held November 10, 2023 and,
3. Direct the voting proxy to vote yes on the following items at the SACRS Board Meeting on November 10, 2023: A. Secretary's Report – Spring 2023 SACRS Business Meeting Minutes and, B. Treasurer's Report – July - August 2023 Financials and, C. SACRS Legislative Committee Update - 2024 Legislative Proposals.

Meeting Concludes

2:20 PM