
January 24, 2024 Board of Retirement Regular Meeting

SBCERS Board Room, 130 Robin Hill Road, Suite 100, 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.*

Minutes

Roll Call at 9:05 a.m.

Members Present: Cholmondeley, Daly, Hagen, Lavagnino, Lee, Sten, Vidal

Members Absent: Benedetti, Uhl

Alternate Present: Blair

Alternate Absent: Tan

Clerk: Couture

Counsel: Blakeboro, Rodriguez

Trustee Tan arrived at 9:21 a.m. and voted in place of Safety Trustee Uhl.

Pledge of Allegiance

Public Comment

No public comment.

Oath of Office

Trustee Hagen swore in Trustees Lee, Cholmondeley, and Blair for 3-year terms ending on December 31, 2026.

Election of Officers

1. Chair
2. Vice Chair
3. Secretary

MOTION: Nominate Trustee Lavagnino as Chair of the Board.

Motion moved by Hagen and seconded by Cholmondeley. Approved by voice vote.
Yes: Cholmondeley, Daly, Hagen, Lavagnino, Lee, Sten, Vidal.
Absent: Benedetti, Uhl.

MOTION: Nominate Trustee Daly as Vice Chair of the Board.

Motion moved by Hagen and seconded by Lee. Approved by voice vote.
Yes: Cholmondeley, Hagen, Lavagnino, Lee, Sten, Vidal.
Abstain: Daly.
Absent: Benedetti, Uhl.

MOTION: Nominate Trustee Hagen as Secretary of the Board.

Motion moved by Vidal and seconded by Hagen. Approved by voice vote.
Yes: Cholmondeley, Daly, Hagen, Lavagnino, Lee, Sten, Vidal.
Absent: Benedetti, Uhl.

Minutes

Approve Minutes of the December 13, 2023 Regular Meeting.

MOTION: Approve Minutes of the December 13, 2023 Regular Meeting.

Motion moved by Sten and seconded by Daly. Approved by voice vote.
Yes: Cholmondeley, Daly, Hagen, Lavagnino, Lee, Sten, Vidal.
Absent: Benedetti, Uhl.

1. Consent

1.1. Retirement Report

Adopt 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 December 31, 2023.

1.4. Market Update and November 30, 2023 Performance Review

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

1.5. Extension of Referee Jurisdiction — Elizabeth Wilson

Grant Referee Catherine Harris’ request for extension of her jurisdiction to March 18, 2024, to accommodate an agreed upon hearing of March 18, 2024.

DISCUSSION: With regard to item 1.3, Trustee Cholmondeley requested to attend CII’S Spring Conference. Trustees Hagen, Lavagnino, and Blair requested to attend SACRS Spring Conference.

MOTION: Approve items 1.1 through 1.5 with amendments to 1.3.

Motion moved by Lee and seconded by Cholmondeley. Approved by voice vote.

Yes: Cholmondeley, Daly, Hagen, Lavagnino, Lee, Sten, Vidal.

Absent: Benedetti, Uhl.

2. Closed Session - Disability Retirement

2.1. Luke Uhrig, Applicant for Service-connected Disability Retirement

Adopt the proposed Findings of Fact, Conclusions of Law, and Decision granting Luke Uhrig a service-connected disability retirement.

DISCUSSION: Katrina Peña, Disability Retirement Analyst, presented the item. The Applicant was present.

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

Motion moved by Cholmondeley and seconded by Hagen. Approved by voice vote.

Yes: Cholmondeley, Daly, Hagen, Lavagnino, Lee, Sten, Vidal.

Absent: Benedetti, Uhl.

2.2. Receive and file Disability Retirement Monthly Status Report.

Receive and file the monthly Disability Status report.

The Board took no action.

3. Open Session

Deputy General Counsel announced the Board met in Closed Session to discuss items 2.1 and 2.2. With regard to item 2.1, the Board took action consistent with staff recommendation. The Board took no action on item 2.2.

Board

3.1. CEO Operations Report

Presentation by Gregory Levin on significant operational activities of SBCERS.

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

The Board took no action.

Investments

3.2. Board Education: Russell 1000 HEDI Index

Educational presentation on the High Efficiency Defensive Index (HEDI) by Director of Product Management Catherine Yoshimoto and Head of U.S. Consultant Relations Matthew C. Stone of FTSE Russell, an LSEG Business.

DISCUSSION: SBCERS Investments Officer Rebecca Valdez introduced the item. Catherine Yoshimoto presented the item and responded to questions from the Board.

The Board took no action.

3.3. Market Update and December 31, 2023 Performance Review

Presentation by Principals Marcia Beard and Matthias Bauer of RVK, Inc. on World Market Activities and December 31, 2023 performance.

DISCUSSION: Marcia Beard and Matthias Bauer presented the item and along with CEO Greg Levin and Investment Officer Rebecca Valdez, responded to questions from the Board.

The Board took no action.

3.4. U.S. Equity Structure Study

Presentation by RVK, Inc. Principals and Co-Lead Consultants Marcia Beard and Matthias Bauer on the U.S. Equity Structure Study.

DISCUSSION: Marcia Beard and Matthias Bauer presented the item and responded to questions from the Board. SBCERS Investment Officer Rebecca Valdez also responded to questions from the Board.

MOTION: Approve the restructuring of the Public U.S. Equity portion of the portfolio to terminate the Rice Hall James Small Cap Opportunities (SA) and Dimensional U.S. Small Cap Value (CF) allocations and reallocate the balances of approximately \$69 million into DFA U.S. Small Cap Portfolio Institutional Class (DFSTX).

Motion moved by Vidal and seconded by Daly. Approved by voice vote.

Yes: Cholmondeley, Daly, Hagen, Lavagnino, Lee, Sten, Tan, Vidal.

Absent: Benedetti, Uhl.

Board

3.5. Fiscal Year Ending June 30, 2024 Mid-Year Budget Review

Presentation by Rico Pardo, SBCERS Controller, on the System’s Mid-Year Budget Review for Fiscal Year 2023-2024.

DISCUSSION: Rico Pardo presented the item and responded to questions from the Board. SBCERS CEO Greg Levin also responded to questions from the Board.

MOTION: Receive and file the mid-year budget report for the period beginning July 1, 2023 and ending December 31, 2023 and approve a budget rebalancing for the period beginning January 1, 2024 and ending June 30, 2024.

Motion moved by Cholmondeley and seconded by Sten. Approved by voice vote.

Yes: Cholmondeley, Hagen, Lavagnino, Lee, Sten, Tan, Vidal.

No: Daly.

Absent: Benedetti, Uhl.

3.6. June 30, 2023 Other Post-Employment Benefits (OPEB) Valuation

Presentation by Anne Harper and Graham Schmidt of Cheiron, Inc. on the valuation results for the Other Post-Employment Benefit Plan Actuarial Valuation as of June 30, 2023.

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

The Board took no action.

Meeting adjourned at 11:34 a.m.

Clerk

Chair

Secretary