

**SANTA BARBARA COUNTY
EMPLOYEES' RETIREMENT SYSTEM**

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Gregory E. Levin, CPA
Chief Executive Officer



BOARD OF RETIREMENT

Chair - Michael Vidal
Vice Chair - Steve Lavagnino
Secretary - Michael Daly
Harry E. Hagen
Trent Benedetti
Zandra Cholmondeley
Ted Sten
Frederick Tan

Alternates

Gary Blair
Ryan Sullivan

MINUTES OF THE BOARD OF RETIREMENT

June 22, 2022

**Shepard Hall, Santa Maria Public Library
421 S. McClelland Street, Santa Maria, CA 93454**

Roll Call at 9:11 a.m.

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

Members Absent: Daly, Tan, Sullivan (filling the General 2d member seat)

Alternates Present: Blair

Counsel Present: Blakeboro, Rodriguez

Clerk Present: Couture

Alternate trustee Blair voted in the absence of trustees Tan, Sullivan and Daly.

Pledge of Allegiance led by Chair.

PUBLIC COMMENT

No public comment.

MINUTES

A-1. Approve Minutes of May 25, 2022 Regular Board meeting.

MOTION: Approve Minutes of May 25, 2022 Regular Board meeting.

Motion: Sten

Second: Hagen

Approved by voice vote.

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

Absent: Daly, Sullivan, Tan

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> |
|-------------|-------------------|-----------------------------|---|------------|
|-------------|-------------------|-----------------------------|---|------------|

(intentionally left blank, no retirees onboarded for June 1, 2022)

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> |
|-------------------------------|-------------------------|-------------------|------------------------|----------------------|
| Richard Chrisman | Joyce Chrisman | Social Services | 01/04/2012 | 04/30/2022 |
| Lois Garcia | Jose Garcia | Public Works | 10/26/1992 | 04/30/2022 |
| Joaquin Lozano | Luis Lozano | Superior Court | 12/27/2008 | 08/09/2021 |
| Christina Miller | Keith Miller | Public Works | 11/29/1997 | 12/20/2021 |
| William Morris | Catherine Morris | Probation | 10/07/2017 | 03/11/2022 |
| Lynn Thomas | Ralph Thomas | District Attorney | 06/16/1986 | 03/18/2022 |

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

C-3. Market Update and May 31, 2022 Performance Review—Report on World Market Activities and May 31, 2022 performance.

C-4. May 2022 Portfolio Rebalance Memorandum—Memo on portfolio rebalance executed by RVK and Staff in accordance with the Investment Policy Statement.

Motion: Lavagnino

Second: Benedetti

Approved by voice vote.

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

Absent: Daly, Sullivan, Tan

DISABILITY RETIREMENT

D-1. Martha E. Torres, Applicant for Service-Connected Disability Retirement:
Adopt the proposed Findings of Fact, Confusions of Law, and Decision granting Martha E. Torres a service-connection disability retirement.

DISCUSSION: Disability Retirement Specialist Danielle Azoury presented the item. The Applicant's Counsel Jane Oatman was present.

MOTION: Adopt the proposed Findings of Fact, Confusions of Law, and Decision granting Martha E. Torres a service-connection disability retirement.

Motion: Hagen
Second: Sten

Approved by voice vote.

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

Absent: Daly, Sullivan, Tan

- D-2. Jenny De La Cerda, Applicant for Service-Connected Disability Retirement:
Consider the Findings of Fact and Recommendation of Referee Irene Ayala, along with any timely filed objections, and approve and adopt the recommendation to deny the application for disability retirement of Jenny De La Cerda.

DISCUSSION: Disability Retirement Specialist Danielle Azoury presented the item.

MOTION: Approve and adopt the recommendation to deny the application for disability retirement of Jenny De La Cerda.

Motion: Hagen
Second: Sten

Approved by voice vote.

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

Absent: Daly, Sullivan, Tan

- D-3. Receive and file Disability Retirement Monthly Status Report.

The Board took no action.

CLOSED SESSION

1. **ANNUAL EVALUATION OF PERFORMANCE**—CEO

Pursuant to Government Code Section 54957(b)(1)

OPEN SESSION

CEO Gregory Levin reported the Board met in Closed Session to discuss items D-1 through D-3 and item 1. With regard to items D-1 and D-2, the Board took actions consistent with staff recommendations. The Board took no action on item D-3. With regard to item 1, the Board took actions to finalize the Chief Executive Officer's annual performance review.

BOARD

2. **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.

The Board took no action.

3. **Fiscal Year Ending June 30, 2023 Budget Second Reading**—Staff

Presentation of the SBCERS Budget for the Fiscal Year Ending June 30, 2023 by Chief Executive Officer Gregory Levin.

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

MOTION:

- A) Approve the budget for the fiscal year beginning July 1, 2022 and,
- B) Approve Resolution 2022-03 establishing the administrative budget of the System and,
- C) Approve Resolution 2022-04 authorizing position allocation for the System and,
- D) Approve Resolution 2022-05 setting compensation for the System CEO for the fiscal year ending June 30, 2023.

Motion: Sten

Second: Lavagnino

Approved by voice vote.

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

Absent: Daly, Hagen. Sullivan, Tan

INVESTMENTS

4. **General Investment Consultant Strategic Plan**—RVK, Inc.

Presentation from Principals and Co-Lead Consultants Marcia Beard and Matthias Bauer on RVK's Strategic Plan for the fiscal year ending June 30, 2023.

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

The Board took no action.

5. **Fixed Income Structure Study**—RVK, Inc.

Presentation from Principals and Co-Lead Consultants Marcia Beard and Matthias Bauer on RVK's Core Fixed Income Review.

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

MOTION: Receive and accept the presentation and approve the restructuring of the Core Fixed Income portion of the portfolio to remove the passive investment of BNY Mellon US Aggregate Bond – NL (CF) and reallocate the proceeds into Garcia Hamilton Core Income (SA). The final new target allocation of Core Fixed Income would reflect 60% Garcia Hamilton Core Fixed Income (SA) and 40% PGIM Core Plus Fixed Income (CF).

Motion: Cholmondeley

Second: Lavagnino

Approved by voice vote.

Yes: Benedetti, Cholmondeley, Hagen, Lavagnino, Sten, Vidal

Absent: Daly, Sullivan, Tan

CLOSED SESSION

6. **CONFERENCE WITH STAFF, CONSULTANTS, AND INVESTMENT
MANAGER ANGELO GORDON TO CONSIDER PURCHASE OF
PARTICULAR SPECIFIC FUND INVESTMENTS**

(Government Code Section 54956.81).

(Angelo Gordon Direct Lending Evergreen Fund).

DISCUSSION: CEO Greg Levin, Marcia Beard, Matthias Bauer, and Joe Ledgerwood of RVK, Inc., and Sharone BenEzra and Trevor Clark of Angelo Gordon presented the item and responded to questions from the Board.

MOTION: Approve the investment of \$20 million to Angelo Gordon Direct Lending Fund Evergreen and authorize the CEO to negotiate and execute an agreement in writing with Angelo Gordon.

Motion: Hagen

Second: Benedetti

Approved by voice vote.

Yes: Benedetti, Cholmondeley, Hagen, Lavagnino, Sten, Vidal

Absent: Daly, Sullivan, Tan

OPEN SESSION

Chair Vidal reported that the Board met in Closed Session to discuss item 6 and took the action set forth above.

The meeting adjourned at 12:50 p.m.

ATTEST:

Clerk

Chair

Secretary