

SAN BERNARDINO COUNTY EMPLOYEES' RETIREMENT ASSOCIATION

The regular meeting of the San Bernardino County Employees' Retirement Board was held November 5, 2009, in the Board of Retirement Board Room, 348 West Hospitality Lane, First Floor, San Bernardino, California.

Those present were:

ELLEN WEISSER, Appointed Member (Chairman)
 DAWN STAFFORD, General Member (Vice Chairman)
 ANNETTE KERBER, Assistant Treasurer
 CHRISTOPHER LEGGIO, Appointed Member
 MARVIN REITER, Appointed Member
 PAUL RUSS, Appointed Member
 DAVID WILLIAMS, Safety Member
 BRET HENRY, Alternate Member

Also present were:

TIMOTHY BARRETT, Executive Director/CIO
 LANCE KJELDGAARD, Chief Counsel
 MARK JOLICOEUR, Chief Information Services
 MICHAEL O'KELLY, Chief Fiscal Services
 CHRISTIE PORTER, Chief Member Services
 CAROL FENN, Recorder

Not present were:

ROBERT MCDONALD, Retired Member
 DON NEELY, General Member

1. Chairman Weisser called the meeting to order at 9:04 a.m.

Chairman Weisser requested item #6d be moved to Closed Session.

CONSENT :

Russ moved, Stafford seconded, to approve the consent items as follows:

2. Approve minutes of regular meeting of October 1, 2009.
3. Approve minutes of special meeting of October 13, 2009.

4. Service Retirements:	<u>Effective Date</u>
ACEVEDO, Alice	ARMC (Def) 11/10/09
ALLEN, Tony D.	Sheriff 11/21/09
BEIGHTLER, Mark D.	Fleet Management (Def) 10/13/09
BOGDANOFF, Michael	SCAQMD 11/13/09
CATES, William	Sheriff 10/24/09
FARJALLA, Maria	Mental Health (Def) 12/04/09
GRAY, Hobart	Sheriff 11/21/09
HANNA, Refaat K.M.	SCAQMD 11/18/09
HARRIS, Debra	Public Defender (Def) 11/14/09
HARRIS, Sharon A.	Probation 10/10/09
MAIORINO, Paul	Human Services 11/07/09
NORMAN, Christine	Superior Court 11/21/09
O'LOUGHLIN, Michael	Preschool Services (Def) 10/15/09
O'NEILL, Sharon J.	Board Governed CSA 70 (Def) 09/24/09
ORTIZ, Mary L.	SBCERA 01/02/10
REID, Thyra	Probation 10/24/09
SACHS, Edith S.	ARMC (Def) 10/05/09
SASSEEN, Scott B.	Sheriff 11/07/09
SHAMBURG, Beth S.	ARMC (Def) 10/14/09
SOLIZ, Rosie	Probation (Def) 12/01/09
VICK, Lynne	City of Big Bear Lake 10/22/09
WEST, Barbara J.	Human Services 11/21/09

5. Staff Travel:

- a. Ratify the attendance of Nicole Dailey to a Pre-Retirement Seminar in Needles, CA on November 5, 2009.

6. Disability Applications - Initial Decision:

a. BERGENDAHL, James

To approve staff recommendation that:

1. Mr. Bergendahl is permanently incapacitated for the performance of duties and disability retirement be granted.
2. Mr. Bergendahl's disability is service-connected based on his back and neck injuries.
3. No medical review is necessary as specified by the medical advisor.
4. Staff shall initiate disability benefit payments with an effective date of November 7, 2009, the

day after the last date compensated.

b. CANDELAS, Miguel Luna

To approve staff recommendation that:

1. Mr. Candelas is permanently incapacitated for the performance of duties and disability retirement be granted.
2. Mr. Candelas' disability is service-connected based on right shoulder rotator cuff injury.
3. No medical review is necessary as specified by the medical advisor.
4. Staff shall initiate disability benefit payments with an effective date of April 14, 2007, the day after the last date compensated.

c. LUJAN, Julie

To approve staff recommendation that:

1. Ms. Lujan is permanently incapacitated for the performance of duties and disability retirement be granted.
2. Ms. Lujan's disability is nonservice-connected based on major depression and chronic anxiety.
3. Ms. Lujan is not capable of gainful employment.
4. No medical review is necessary as specified by the medical advisor.
5. Staff shall initiate disability benefit payments with an effective date of January 17, 2009, the day after the last date compensated.

Motion carried.

CLOSED SESSION

DISABILITY APPLICATIONS - [Article 1, Section 1, California Constitution (Right to Privacy) and California Government Code Section 54957]:

6. Initial Decision:

d. PENROD, Gary S.

Russ moved, Reiter seconded, to approve staff recommendation that:

1. Mr. Penrod is permanently incapacitated for the performance of duties and disability retirement be granted.
2. Mr. Penrod's disability is service-connected

based on lumbar spondylosis.

3. No medical review is necessary as specified by the medical advisor.
4. Staff shall initiate disability benefit payments with an effective date of January 31, 2009, the day after the last date compensated.

Motion carried.

7. Initial Decision:

a. BENNETT, Thomas L.

Leggio moved, Reiter seconded, to approve staff recommendation that:

1. Mr. Bennett is permanently incapacitated for the performance of duties and disability retirement be granted.
2. Mr. Bennett's disability is nonservice-connected based on depression.
3. Mr. Bennett is not capable of gainful employment.
4. No medical review is necessary as specified by the medical advisor.
5. Staff shall initiate disability benefit payments with an effective date of March 15, 2008, the day after the last date compensated, provided applicant requests the benefit in writing.

Motion carried.

b. NOVINS, Louis

Leggio moved, Reiter seconded, to approve staff recommendation that:

1. Mr. Novins is not permanently incapacitated for the performance of duties based on his heart condition.
2. Disability retirement be denied.
3. If a disability retirement is determined at a future hearing stage, the effective date will be July 22, 2008, the date of application.

Motion carried. (Henry, Russ and Williams voted no.)

8. Reconsideration:

a. MYERS, Linda M.

Russ moved, Reiter seconded, to approve staff recommendation to deny further delay for reconsideration, maintain the initial decision on the

retirement application on the basis of no new evidence, and set the matter for formal hearing. Motion carried.

9. Formal Hearing:

a. SWAIN, Esther

Russ moved, Williams seconded, to approve staff recommendation to approve and adopt the proposed findings and the recommendations of the hearing officer to deny supplemental disability allowance. Motion carried.

The Chairman called a recess at 9:40 a.m. The meeting resumed at 9:45 a.m.

CONFERENCE WITH LEGAL COUNSEL

10. Anticipated Litigation: Government Code Section 54956.9(c) - One Case

OPEN SESSION

Russ left the meeting at 10:23 a.m.

11. Allan Martin, New England Pension Consultants, reviewed their Quarterly Investment Performance Review for the period ending September 30, 2009.

Williams left the meeting at 10:56 a.m.

12. Kjeldgaard reviewed the initial implementation of SB11. Leggio moved, Kerber seconded, to approve the initial implementation of SB11. Motion carried.

13. Kjeldgaard reviewed AB 1584.

Leggio left the meeting at 11:11 a.m.

14. Barrett reviewed the SACRS voting items: a)Nomination Committee's request for amendments to the SACRS Bylaws; and b) the SACRS Legislative Proposal - Tulare #1. Henry moved, Reiter seconded, to instruct SBCERA's voting delegate to vote "no" on Nomination Committee's request for amendments to the SACRS Bylaws, and "yes" on SACRS Legislative Proposal - Tulare #1. Motion carried.

15. Chairman Weisser appointed Marvin Reiter, Dawn Stafford and Ellen Weisser to the Ad Hoc Committee for the Hearing Officer panel for 2010.

16. Administrative Committee report and actions on recommendations contained therein:
 - a. Weisser reported on the meeting conducted October 19, 2009.
 - b. Reiter moved, Henry seconded, to approve amendment to Spencer Lewis Contract. Motion carried.
 - c. Jolicoeur reviewed Board Packet Administration Software Package. Weisser moved, Reiter seconded, to approve the purchase of new Board Packet Administration Software Package. Motion carried.
 - d. Stafford moved, Reiter seconded, to grant authority to the Executive Director/Chief Investment Officer to develop pension reform considerations for plan sponsors, including engaging the actuary to estimate cost savings related to structure or benefit formula changes, with a caveat that the plan sponsor pay for actuarial costs. Motion carried.

17. Benefits & Compensation Committee report and actions on recommendations contained therein:
 - a. Reiter reported on the meeting conducted October 19, 2009.
 - b. Kjeldgaard reviewed the SBCERA Cell Phone Policy. Reiter moved, Henry seconded, to approve SBCERA Cell Phone Policy and portable communication device allowance for SBCERA separate district employees. Motion carried.
 - c. Kjeldgaard reviewed the SBCERA Laptop Policy. Reiter moved, Henry seconded, to approve SBCERA Laptop Policy and laptop allowance for SBCERA separate district employees. Motion carried.

- d. Barrett reviewed the implementation of AB1406. Reiter moved, Henry seconded, to implement AB 1406 SBCERA separate district employee legislation and approve the hiring of Watson Wyatt for compensation survey and advisory services. Motion carried.
18. Audit Committee report and actions on recommendations contained therein:
 - a. Reiter reported on the meeting conducted October 27, 2009.
 - b. Reiter moved, Stafford seconded, to approve the extension of Kreisler Miller services to include pre-hire on-site visits. Motion carried.
 - c. Reiter moved, Stafford seconded, to approve the selection of KPMG to perform the services of a Tax Agent in the Country of Taiwan. Motion carried.
 19. Weisser moved, Kerber seconded, to approve the attendance of Reiter and Stafford to Opal Financial Group's Alternative Investment Summit, to be held in Laguna Niguel, CA on December 6 - 8, 2009. Motion carried.
 20. Weisser and Reiter reported their attendance at the Milken Institute's Alternative Energy: Opportunities and Obstacles for Institutional Investors, held in Scottsdale, AZ on November 3, 2009.
 21. Staff Reports:
 - a. Barrett discussed items on his written report covering significant administrative events during October.
 - b. Kjeldgaard presented the Legislative Update.
 - c. O'Kelly presented the Administrative Expenses - First Quarter Budget vs. Actual for Fiscal Year 2009/2010.
 23. Henry moved, Stafford seconded, to ratify the attendance of Marvin Reiter and Ellen Weisser to the Milken Institute Alternative Energy: Opportunities and Obstacles for Institutional Investors, held in Scottsdale, AZ on November 3, 2009. Motion carried.

22. The Chairman invited Public Comment. No Public Comment was provided.

There being no further business, the meeting adjourned at 12:00 p.m.

Respectfully submitted,

ELLEN WEISSER, Chairman

TIMOTHY BARRETT, Secretary

DATED _____