

SAN BERNARDINO COUNTY EMPLOYEES' RETIREMENT ASSOCIATION

The regular meeting of the San Bernardino County Employees' Retirement Board was held December 3, 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
 ROBERT MCDONALD, Retired Member
 DON NEELY, General 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
 CHRISTIE PORTER, Chief Member Services
 JAMES PERRY, Investment Officer
 DONALD PIERCE, Investment Officer
 MARY ORTIZ, Benefits Officer
 NICOLE DAILEY, Communications Officer
 CAROL FENN, Recorder

1. Chairman Weisser called the meeting to order at 9:00 a.m.
2. Weisser presented a Resolution to Mary Ortiz, Benefits Officer, upon her retirement after 31 years of service to the County of San Bernardino and SBCERA.

Reiter requested that item #4 be pulled from the consent calendar.

CONSENT:

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

3. Approve minutes of regular meeting of November 5, 2009.

| 5. Service Retirements: | | Effective Date |
|-------------------------|----------------------------|-------------------|
| ATAIAN, Bijan | SCAQMD | 12/12/09 |
| BOWERS, Patricia D. | Superior Court | 12/19/09 |
| CRAWFORD, Douglas A. | County Fire | 12/19/09 |
| GILLIAM, James L. | Public Works (Def) | 12/14/09 |
| GOLDER, David | Crest Forest Fire Protect. | 12/31/09 |
| HUGHES, John C. | Treas/Tax Collector (Def) | 11/21/09 |
| JAIN, Desh B. | SCAQMD | 12/07/09 |
| JONES, Paula M. | Sheriff | 11/07/09 |
| LALIBERTE, Steve | TAD (Def) | 11/19/09 |
| MCKINLEY, Theresa | Behavioral Health (Def) | 12/05/09 |
| MOLINA, Frank | Public Works | 01/02/10 |
| PARTOVI, Patricia L. | Library (Def) | 11/09/09 |
| ROWE, Edward | Children's Services (Def) | 01/01/10 |
| SHEEHAN, Ellen | Public Health (Def) | 11/20/09 |
| SOOS, Elizabeth | Probation (Def) | 12/31/09 |
| STALNAKER, James D. | Sheriff | 11/21/09 |
| STONE, Bill L. | Water & Sanitation | 12/19/09 |
| TEWELL, Vickie | Behavioral Health | 12/05/09 |

6. Staff Travel:

- a. Approve the attendance of James Perry as a speaker to GAIM USA 2010 Investors' Summit, to be held in Boca Raton, FL on January 19 - 21, 2010.

7. Disability Applications - Initial Decision:

- a. ANDERSON, Douglas S.

To approve staff recommendation that:

1. Mr. Anderson is permanently incapacitated for the performance of duties and disability retirement be granted.
2. Mr. Anderson's disability is service-connected based on lumbar disc disease.
3. No medical review is necessary as specified by the medical advisor.
4. Staff shall initiate disability benefit payments with an effective date of December 22, 2007, the day after the last date compensated.

b. SORENSEN, Bret

To approve staff recommendation that:

1. Mr. Sorensen is permanently incapacitated for the performance of duties and disability retirement be granted.
2. Mr. Sorensen's disability is nonservice-connected based on NASH cirrhosis.
3. Mr. Sorensen 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 October 11, 2008, 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]:

8. Initial Decision:

a. DOHERTY, Shawn C.

Russ moved, Reiter seconded, to continue to the March Board meeting. Motion carried. (Neely voted no.)

9. Formal Hearing:

a. KILLEEN, Michael

Stafford moved, Reiter seconded, to approve staff recommendation to approve and adopt the proposed findings and the recommendations of the hearing officer to grant service-connected disability retirement with an effective date of January 20, 2007. Motion carried.

OPEN SESSION

4. Russ moved McDonald seconded, to approve minutes of special meeting of November 16, 2009, with a revision to item #2 to state that the actuarial value of assets earned a return of .1% due to five year smoothing of market gains and losses. Motion carried.

10. Allan Martin, New England Pension Consultants, and James Perry reviewed the guideline modification for the Goldentree Separate Account. Frank Jordan and Joe Naggar, Goldentree Asset Management, presented their CLO Debt Separate Account Investment Opportunity.

11. Leggio moved, Reiter seconded, to approve the guideline modification for the Goldentree Separate Account, with a revision to allow staff to consider financing facilities up to two times leverage, a 3x portfolio, with approval by the Board Chairman, Board Vice Chairman and the Investment Committee Chairman. Motion carried.

The Chairman called a recess at 10:17 a.m. The meeting resumed at 10:25 a.m.

12. Barrett reviewed the contract with HedgeMark to conduct a feasibility study for an investment management platform. Russ moved, Reiter seconded, to approve granting the Executive Director/Chief Investment Officer the authority to contract with HedgeMark to conduct a feasibility study for an investment management platform, with clarification that cost is limited to \$30,000 plus travel. Motion carried.

13. Dailey reviewed the recommendation to hire Wilson Research Strategies (WRS) to research and develop marketing strategies related to the OPEB fund. McDonald moved, Russ seconded, to approve the hiring of Wilson Research Strategies (WRS) to research and develop marketing strategies related to the OPEB fund at a cost not to exceed \$25,000. Motion carried.

14. Audit Committee Report.

- a. Reiter reviewed the report of the meeting conducted November 23, 2009.
- b. Reiter moved, Williams seconded, to approve the FY 2008-09 Financial Statements. Motion carried.
- c. Reiter moved, Williams seconded, to approve the FY 2008-09 Financial Statement Independent Auditor's Report and other required communications from the auditors, Macias, Gini and O'Connell. Motion carried.

15. Neely reported on his attendance at GoldenTree Asset Management, LP's Sixth Annual Investor Meeting, held in New York, NY on November 5, 2009, and the SACRS Fall Conference, held in Costa Mesa, CA.

16. Staff Reports:

- a. Barrett discussed items on his written report covering significant administrative events during November.
- b. Kjeldgaard presented the Legislative Update.
- c. Pierce presented the monthly Investment Performance Report.

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

The Chairman called a recess at 11:14 a.m. The meeting resumed at 11:43 a.m.

The Chairman recognized those in attendance.

18. Chairman Weisser presented a Resolution to Senator Gloria Negrete-McLeod in recognition of her authorship of Senate Bill 11. Senator Negrete-McLeod thanked the Board.

19. Chairman Weisser presented a Resolution to Assemblyman Bill Emmerson in recognition of his authorship of Assembly Bill 1406. Assemblyman Emmerson thanked the Board.

4087

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

Respectfully submitted,

ELLEN WEISSER, Chairman

TIMOTHY BARRETT, Secretary

DATED _____