

SAN BERNARDINO COUNTY EMPLOYEES' RETIREMENT ASSOCIATION

The regular meeting of the San Bernardino County Employees' Retirement Board was held July 2, 2009, in the Board of Retirement Board Room, 348 West Hospitality Lane, First Floor, San Bernardino, California.

Those present were:

RICHARD LARSEN, Treasurer (Chairman)
 ELLEN WEISSER, Appointed Member (Vice Chairman)
 CHRISTOPHER LEGGIO, Appointed Member
 DON NEELY, General Member
 MARVIN REITER, Appointed Member
 PAUL RUSS, Appointed Member
 DAWN STAFFORD, General 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
 MICHAEL O'KELLY, Chief Fiscal Services
 DON PIERCE, Investment Officer
 CAROL FENN, Recorder

Not present was:

ROBERT MCDONALD, Retired Member

1. Chairman Larsen called the meeting to order at 9:00 a.m.

Larsen requested that items #3 and 4 be moved to the end of the meeting.

CONSENT:

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

5. Approve minutes of special meeting of June 8, 2009.

6. Service Retirements:

| | | <u>Effective Date</u> |
|-------------------|-------------------------|---------------------------|
| ABELA, Charles L. | Special Districts | 08/01/09 |
| ALLEN, Steven W. | Public Works | 06/20/09 |
| ALVAREZ, Lorraine | Public Health | 06/20/09 |
| AVILA, Mary S. | Auditor/Controller-Rec. | 06/20/09 |

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| BABINO, Myrtle C. | Public Works | 06/30/09 |
| BAGLEY, Linda A. | Behavioral Health | 06/30/09 |
| BATDORF, Jacqueline | ARMC | 06/20/09 |
| BELL, Rachell | TAD | 06/20/09 |
| BENNETT, Michele M. | Human Services | 06/27/09 |
| BERG, Penny | TAD | 06/30/09 |
| BETTERS, Beverly A. | TAD | 06/30/09 |
| BETTERS, Ruth J. | Public Health | 06/29/09 |
| BIBBS-WORTHAM, Carol | Child Support Services | 06/20/09 |
| BRANTLEY, Janet L. | Public Health | 06/20/09 |
| BRIGMAN, Stephen | TAD | 06/20/09 |
| BROOKS, Robert E. | Information Services | 06/20/09 |
| BRUINGTON, Charles D. | Children's Services | 06/27/09 |
| BRYANT, Pagan G. | Library | 06/21/09 |
| BURR, Jessie Marie | Human Services | 06/26/09 |
| BUSH, Lois R. | Human Services | 06/30/09 |
| CAMPBELL, Adgie L. | Behavioral Health | 06/30/09 |
| CARBAJAL, Gloria G. | Aging & Adult Services | 06/30/09 |
| CARTER, Linda L. | TAD | 06/20/09 |
| CASEY, Lorraine M. | Public Defender | 06/30/09 |
| CLARKE, Nancy Jane | Auditor/Controller-Rec. | 06/30/09 |
| COOPER, Sylvia | Assessor | 06/20/09 |
| CRUZ, Elisa C. | Probation | 06/20/09 |
| DELA ROSA, Mary T. | Child Support Services | 06/20/09 |
| DETER, Paula D. | Human Services | 06/20/09 |
| DIAZ, Dena | TAD | 06/30/09 |
| DUPUIS, Sharon B. | District Attorney | 06/20/09 |
| FARLOW, Jesse | TAD | 06/20/09 |
| FELIX, Sharon F. | Sheriff | 06/20/09 |
| FLAHERTY, Carol T. | ARMC | 06/20/09 |
| FLORES, Anthony G. | Public Works | 06/30/09 |
| FORREST, Linda C. | Public Defender | 06/30/09 |
| FOUCHER, Harriet A. | Library | 06/20/09 |
| GARCIA, Sally | ARMC | 06/20/09 |
| GARDNER, Barbara | TAD | 06/20/09 |
| GASMEN, Filomeno | Public Health | 06/20/09 |
| GATLIN, Lawrence W. | Information Services | 06/20/09 |
| GIBSON, Connie J. | TAD | 06/20/09 |
| GILBERT, Ronald H. | Information Services | 06/27/09 |
| GLOCK, M. Anne | Probation | 06/30/09 |
| GRINYER, Janet | Public Health (Def) | 07/30/09 |
| HAMILTON, Patricia | Preschool Services | 06/20/09 |
| HARRISON, Lisa C. | TAD | 06/30/09 |
| HARVEY, Joan L. | Library | 06/20/09 |
| HENRIKSEN, Rhonda F. | Public Authority - IHSS | 06/20/09 |
| HENRY, Brenda | Behavioral Health | 06/30/09 |
| HILFER, Raymond J. | Sheriff | 06/20/09 |
| HLEBO, Debra S. | Superior Court (Def) | 06/18/09 |
| JACOBO, Paula R. | Public Health | 06/20/09 |
| JEFFERSON, Kenneth J. | Children's Services | 06/20/09 |
| JEFFERSON, Linda M. | Auditor/Controller-Rec. | 06/30/09 |
| JIMENEZ, Margarita | Public Health | 06/20/09 |
| JOCKS, Robert L. | County Counsel | 06/30/09 |
| JOHNSON, William G. | Children's Services | 06/30/09 |

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| JORDAN, Carolyn A. | Human Services | 06/20/09 |
| KELLAS, Marlen J. | Children's Services | 06/20/09 |
| KELLEY, James B. | Sheriff | 06/20/09 |
| KIRKHOFFER, Kathleen C. | Auditor/Controller-Rec. | 06/27/09 |
| LENIHAN, Michael D. | Sheriff | 07/04/09 |
| LLANES, Esperanza | ARMC (Def) | 07/11/09 |
| LOVATO, Renee M. | Library | 06/20/09 |
| LUTHER, John W. | Behavioral Health | 06/30/09 |
| MACIAS, Victoria L. | Child Support Services | 06/20/09 |
| MADRIL, Shirley A. | Sheriff | 06/20/09 |
| MAHER, James H. | Behavioral Health | 06/30/09 |
| MARCIL, Karen S. | ARMC | 06/20/09 |
| MARTINEZ, Lucy S. | Auditor/Controller-Rec. | 06/30/09 |
| MAYFIELD, Mary A. | Child Support Services | 06/20/09 |
| MCMURRAY, Robert L. | Treasurer/Tax Collector | 06/27/09 |
| MEIS, David G. | TAD | 06/27/09 |
| MELLENDEZ, James A. | Public Works | 06/20/09 |
| MICALLEF, Joyce D. | Human Services | 06/30/09 |
| MILLS, Eula T. | Public Health | 06/30/09 |
| MOCK, Terrance A. | Behavioral Health | 06/27/09 |
| MONTOYA, Eli D. | Architecture & Engineering | 06/30/09 |
| MORA, Rosemarie | ARMC | 06/20/09 |
| MUELLER, Patsy J. | Public Defender | 06/30/09 |
| NICHOLLS, Edward | City of Chino Hills (Def) | 07/05/09 |
| ORTIZ, Joseph T. | Auditor/Controller-Rec. | 06/20/09 |
| PETERS, Valerie | Sheriff | 06/06/09 |
| PETTY, Alice M. | ARMC | 06/20/09 |
| POTTER, Cynthia A. | Preschool Services | 06/20/09 |
| POWELL, Bryan | Facilities Management | 06/20/09 |
| PRESTIDGE, Linda | Public Health | 06/20/09 |
| QUIROZ, Rosemarie | Facilities Management | 06/13/09 |
| RAEF, Anna Marie | LAFCO | 08/01/09 |
| RANSON, Fred M. | Aging & Adult Services | 06/20/09 |
| RAYMUNDO, Remedios S. | Behavioral Health | 06/30/09 |
| REYNOLDS, Robert E. | Museum (Def) | 06/02/09 |
| ROBINSON, John E. | Probation | 06/20/09 |
| ROZEMA, Helen | County Fire (Def) | 07/16/09 |
| SANCHEZ, Maria | ARMC | 06/29/09 |
| SAPRONG, Edmund | First Five | 06/06/09 |
| SCARLETTA, Patrick | Sheriff | 06/30/09 |
| SCOGGINS-HERNANDEZ, June | Treasurer/Tax Collector | 06/20/09 |
| SUMMERS, Robert | TAD | 06/20/09 |
| SWANK, Deborah S. | Aging & Adult Services | 06/30/09 |
| TABBERT, Katherine | Sheriff | 06/20/09 |
| TAPPER, Pamela L. | Child Support Services | 06/20/09 |
| TOLENTINO, Edwin | ARMC (Def) | 05/28/09 |
| TUTHILL, Michael B. | ARMC | 06/30/09 |
| WALKER, Steven R. | Land Use Services (Def) | 07/01/09 |
| WELLMAN, Thom | County Fire | 07/22/09 |
| WHITTAKER, Denicio R. | Information Services | 06/30/09 |
| WILLIAMS, Brenda L. | Purchasing | 06/30/09 |
| WILLIAMS, Lynda D. | Public Health | 06/20/09 |
| WILKINSON, Angela | Sheriff (Def) | 07/05/09 |
| WILSON, Vernon R. | Facilities Management | 06/20/09 |

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| YEAGER, Mary K. | Ag/Weights & Measures | 06/20/09 |
| YOUNG, Deborah | Children's Services | 06/30/09 |

7. Staff Travel:

- a. Approve the attendance of James Perry and Don Pierce for due diligence on International Convertibles, Direct Lending, Long-Short Equity Managers and current credit managers in New York, NY on July 26 - 31, 2009.

8. Disability Applications - Initial Decision:

- a. GERMOND, Scott D.

To approve staff recommendation that:

1. Mr. Germond is permanently incapacitated for the performance of duties and disability retirement be granted.
2. Mr. Germond's disability is service-connected based on hypothyroidism syndrome.
3. No medical review is necessary as specified by the medical advisor.
4. Staff shall initiate disability benefit payments with an effective date of July 4, 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]:

7. Initial Decision:

- a. HARPER, Pauline D.

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

1. Ms. Harper is not permanently incapacitated for the performance of duties based on cervical spondylosis and right shoulder impingement syndrome and depression.
2. Disability retirement is denied.
3. If a disability retirement is determined at a future hearing stage, the effective date will be May 23, 2005, the day after the last date compensated.

Motion carried.

b. KELLY, Patricia A.

Weisser moved, Henry seconded, to approve staff recommendation that:

1. Ms. Kelly is permanently incapacitated for the performance of duties and disability retirement be granted.
2. Ms. Kelly's disability is service-connected based on neck, right shoulder and left hip 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 October 25, 2008, the day after the last date compensated.

Motion carried. (Leggio voted no.)

Weisser moved, Henry seconded, to approve that:

1. Ms. Kelly is not capable of gainful employment.

Motion carried. (Leggio and Russ voted no.)

CONFERENCE WITH LEGAL COUNSEL - PUBLIC PENSION PLAN INVESTMENT
(Government Code Section 54956.81):

10. Marathon Asset Management.

OPEN SESSION

The Chairman called a recess at 10:07 a.m. The meeting resumed at 10:14 a.m.

11. Dick Brown and Heather Fernstrom, The Townsend Group, presented their Real Estate Performance Measurement Report for the First Quarter ending March 31, 2009, and their Market Overview.

12. Kjeldgaard reviewed General Policy No. 013 - Legal Representation of Trustees and Employees of SBCERA. Russ moved, Leggio seconded, to approve. Motion carried.

13. Ad Hoc Travel Expense Committee Report.

- a. Barrett and Larsen reported on the meeting conducted June 8, 2009. Recommendations will be brought back to the Board at a later time.

14. Weisser moved, Russ seconded, to approve the attendance of Dick Larsen and Timothy Barrett to Washington D.C. on June 24 - 26, 2009 in support of federal legislative initiative regarding IRS Tax Code changes. Motion carried.

15. Russ reported on his on-site due diligence in London, England to Alcentra, Marathon, Citi, Blue Bay, Ashmore, King Street and Cairin; and Zug, Switzerland to Partners Group, on June 15 - 19, 2009.

16. Staff Reports:

a. Barrett discussed items on his written report covering significant administrative events during May.

b. Kjeldgaard presented the Legislative Update.

c. Pierce presented the monthly investment performance review.

3. Stafford moved, Reiter seconded, to appoint Ellen Weisser as Chairman to the Board of Retirement for the remainder of the 2009 term. Motion carried. (Henry, Larsen, Leggio and Russ voted no.)

Reiter moved, Neely seconded, to appoint Dawn Stafford as Vice-Chairman to the Board of Retirement for the remainder of the 2009 term. Motion carried.

4. Chairman Weisser appointed Christopher Leggio to the Investment Committee for the remainder of the 2009 term.

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

There being no further business, the meeting adjourned at 12:02 p.m.

Respectfully submitted,

ELLEN WEISSER, Chairman

TIMOTHY BARRETT, Secretary

DATED _____