



**MINUTES
BOARD OF RETIREMENT
May 6, 2010
BOARD ROOM
348 WEST HOSPITALITY LANE, FIRST FLOOR
SAN BERNARDINO, CA**

Trustees Present:

ELLEN WEISSER, Appointed Member (Chairman)
DAWN STAFFORD, General Member (Vice Chairman)
CHRISTOPHER LEGGIO, Appointed Member
ROBERT MCDONALD, Retired Member
DONALD NEELY, General Member
PAUL RUSS, Appointed Member
LARRY WALKER, Treasurer
DAVID WILLIAMS, Elected Member

Others Present:

TIMOTHY BARRETT, Executive Director / CIO
ANDREW KJELDGAARD, Chief Counsel
JAMES PERRY, Investment Officer
BRIAN LONG, Investment Officer
DAWN PETERSON, Disability Benefits Officer
JULIE UNDERWOOD, Supervising Accountant
CAROL FENN, Recorder

Not Present:

BRET HENRY, Alternate Member

1. Call meeting to order.

Chairman Weisser called the meeting to order at 9:03 a.m.

CONSENT:

Russ moved, Neely seconded, to Amend Item 5 by moving to Closed Session.
Motion Passed.

Russ moved, McDonald seconded, to Approve the Consent Calendar as amended.
Motion Passed.

2. Approve minutes of regular meeting of April 1, 2010.

3. Service Retirements:		Effective Date
ANDERSON, Alice Lakes	Human Services (Def)	03/24/10
ARMSTRONG, Marie H.	Human Services	04/01/10
ASSEGUED, Guenet	Public Health	04/01/10
BARCLAY, Elizabeth	Childrens Services (Def)	05/04/10
BEAUDET, Wilberta	CSAC	05/23/10
BERNAL, Christine	Sheriff	04/01/10
BROWNING, Chas H.	Probation	06/05/10
BUSH, Michael	Human Services	03/31/10
CAMARGO, Rita	Public Health	04/01/10
CAMARILLO, Isabel	Human Services	04/01/10
CARSON, Robert E.	Sheriff	04/01/10
CARTER, Ambre D.	Public Health	03/27/10
CLAUS, Lori Lee	Child Support Services (Def)	05/20/10
CREW, Michael	District Attorney	04/01/10
CUTTER, Bonita	Public Defender	04/01/10
FLEMING, Eloise F.	Child Support Services	04/01/10
GRAVES, Mike	CSAC (Def)	04/15/10
GRINDLE, Frederick	Agriculture Weight & Measures	04/01/10
HANLEY, Victoria A.	Behavioral Health (Def)	04/01/10
HEMKEN, Larry F.	ARMC	05/22/10
HERZOG, Marguerite	Regional Parks	04/01/10
HOLST, Lisa G.	Special Districts Fire Administration	04/01/10
HURTADO, Lorenzo M.	Superior Court (Def)	04/16/10
JACKSON, Doris	Aging and Adult Services	03/27/10
JOHNSON, Laoretta C.	ARMC (Def)	04/12/10
JOHNSON, Martina	Aging and Adult Services	04/01/10
KOZA, Kim A.	Child Support Services	03/31/10
LACEY, Susan G.	Childrens Services	04/01/10
LANDIN, Delores	Behavioral Health (Def)	05/05/10
LIHME, Becky	Hesperia Parks & Recreation (Def)	05/01/10
MADDUX, Shirley A.	Superior Court	03/27/10
MANNING, Demeter	Information Services (Def)	04/22/10
MARQUEZ, Claudia M.	Probation	04/01/10
MASSINGILL, Illeana	ARMC	04/01/10
MEARES-CONRAD, Paula	Public Health	04/10/10
MORERA, Ligia I.	Assessor	03/30/10
NUNEZ, David P.	San Bernardino County Fire	05/08/10
OWEN, Bonnie L.	Special Districts Fire Administration	04/01/10
PATTON, Rebecca	Probation	04/01/10
PERZ, Gail	District Attorney (Def)	04/09/10
REED, Ann	Public Health	04/01/10
RUIZ-NICHOLAS, Mary B.	Human Resources	03/27/10
RUSSELL, Craig R.	Special Districts	03/30/10

SNYDER, Gerred G.	Sheriff	04/01/10
TEAL, Bryan	Flood Control (Def)	04/01/10
THOMAS, Eleanor M.	Probation	03/27/10
VARDEN, Margot	Behavioral Health	04/24/10
WELSH, Terry J.	San Bernardino County Fire	04/01/10
WULFMAN, Peter H.	Public Works	04/24/10
YABUNO, Robert G.	District Attorney	04/20/10

4. Staff Travel:

- a. Approve the attendance of Brian Long to the 2010 Annual Meeting of the Apollo Private Equity Funds and Apollo European Principal Finance Fund, to be held in New York, NY on May 12 - 13, 2010.
- b. Approve attendance of Nicole Dailey to PRSA's 2010 Leadership Rally to be held in New York, NY on June 4 - 5, 2010.
- c. Approve the attendance of Andrew L. Kjeldgaard to NAPPA - 2010 Legal Education Conference, to be held in Asheville, North Carolina on June 22 - 25, 2010.

5. Disability Applications - Initial Decision:

- a. SNYDER, Gerred G.

Leggio moved, McDonald seconded, to Approve staff recommendation that:

1. Mr. Snyder is permanently incapacitated for the performance of duties and disability retirement be granted.
 2. Mr. Snyder's disability is service-connected based on left knee 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 1, 2010, the day after the last date compensated.
- Motion Passed.

- b. KEEN, Edward W.

Russ moved, Leggio seconded, to Continue to June Board meeting.
Motion Passed.

6. Disability Applications - Change Effective Date.

- a. SCRUGGS, Joshua - Change effective date from 4/24/09 to 4/25/09.

Correction: Effective Date change should be from 1/21/09 to 4/25/09.

CLOSED SESSION:

7. Initial Decision:

a. HOLLAND, Sharon

Walker stated that he has not had any conversation regarding this item.

Russ moved, Neely seconded, to Continue to July Board meeting.

Recused: Walker

Motion Passed.

b. MARTIN, Patricia

Stafford moved, Williams seconded, to Approve that:

1. Ms. Martin is permanently incapacitated for the performance of duties and disability retirement be granted.

2. Ms. Martin's disability is nonservice-connected based on psychological, visual, chronic migraines, lupus, rheumatoid arthritis and chronic fatigue.

3. Ms. Martin 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 1, 2008, the day after the last date compensated, provided benefit is requested in writing.

Motion Passed.

c. MCDANIEL, Yolanda

McDonald moved, Stafford seconded, to Approve that:

1. Ms. McDaniel is permanently incapacitated for the performance of duties and disability retirement be granted.

Motion Passed.

McDonald moved, Russ seconded, to Approve that:

2. Ms. McDaniel's disability is service-connected based on injury to her neck, left shoulder and low back.

Motion Passed.

Russ moved, Stafford seconded, to Approve that:

3. Ms. McDaniel is capable of gainful employment.

4. No medical review is necessary as specified by the medical advisor.

Motion Passed.

Russ moved, Walker seconded, to Approve that:

5. Staff shall initiate disability benefit payments with an effective date of March 13, 2009, the date of application.

Motion Passed.

d. PICKENS, Kimberly

Russ moved, McDonald seconded, to Approve that:

1. Ms. Pickens is permanently incapacitated for the performance of duties and disability retirement be granted.
2. Ms. Pickens' disability is service-connected based on right upper extremity injuries.
3. Ms. Pickens is capable of gainful employment.
4. No medical review is necessary as specified by the medical advisor.
5. Staff shall initiate disability benefit payments effective the day after the last date compensated.

Against: Leggio
Motion Passed.

e. YORK, Roberta

Neely moved, Leggio seconded, to Approve that:

1. Ms. York is not permanently incapacitated for the performance of duties based on allergic bronchopulmonary aspergillosis.
2. Disability retirement be denied.
3. If a disability retirement is determined at a future hearing stage, the effective date will be April 9, 2009, the date of application.

Against: McDonald
Motion Passed.

The Chairman called a recess at 10:30 a.m. The meeting resumed at 10:35 a.m.

OPEN SESSION:

8. Presentation by New England Pension Consultants of their Quarterly Investment Performance Review for the period ending March 31, 2010.

Allan Martin, New England Pensions Consultants, presented.

The Chairman called a lunch recess at 11:30 a.m. The meeting resumed at 11:57 a.m.

9. Presentation by New England Pension Consultants of their Asset Allocation Study.

Allan Martin, New England Pension Consultants, presented their Asset Allocation Study. He reviewed SBCERA's current policy and recommendation to revise the current policy to the following Asset Allocation targets.

	Equities	Bonds	Alternatives	Cash
Recommended Allocation	22%	35%	41%	2%
Current Policy	20%	34%	44%	2%

10. Approve New England Pension Consultants' Asset Allocation Study.

Russ moved, Leggio seconded, to Approve New England Pension Consultants' Asset Allocation Study and recommended 2010 Asset Allocation Targets.
Motion Passed.

11. Presentation by New England Pension Consultants and Staff regarding Declaration and Goldentree.

Allan Martin, NEPC, and James Perry presented.

12. Presentation by Declaration Management & Research on their Opportunistic Fixed Income Alternative Strategy.

Greg Casey, Jim Shelcross & John Pluta, Declaration Management and Research, and Depak Narula, Metacapital, presented.

13. Approve an allocation to Declaration Management & Research on their Opportunistic Fixed Income Alternative Strategy.

Russ moved, Neely seconded, to Approve an allocation of \$35 million to a separate account managed by Declaration-Metacapital.
Motion Passed.

14. Presentation by Goldentree Asset Management on their Distressed Debt Fund.

Frank Jordan, Goldentree Asset Management presented.

15. Approve an allocation to Goldentree Asset Management on their Distressed Debt Fund.

Russ moved, Stafford seconded, to Approve an allocation of \$25 million to the Goldentree Asset Management Distressed Debt Fund as part of the plan's overall credit allocation.
Motion Passed.

16. Approve SBCERA's filing of a tax determination letter with the IRS.

Kjeldgaard presented.

Walker moved, McDonald seconded, to Approve SBCERA's filing of a tax determination letter with the IRS.
Motion Passed.

17. Approve recommendation to offer separate district employment to County employees who work in SBCERA positions and come within Government Code section 31522.7.

Barrett presented.

Stafford moved, McDonald seconded, to Approve recommendation to offer separate district employment to County employees who work in SBCERA positions and come within Government Code section 31522.7.

Motion Passed.

18. Approve amendment to Declaration of Trust for SBCERA Retiree Health Reimbursement Plan.

Kjeldgaard presented.

Leggio moved, McDonald seconded, to Approve an amendment to Declaration of Trust for SBCERA Retiree Health Reimbursement Plan.

Motion Passed.

19. Administrative Committee Report.

Williams reviewed.

- a. Approve the Declaration of Trust for the San Bernardino County Employees' Retirement Association.

Walker moved, Neely seconded, to Approve the Declaration of Trust for the San Bernardino County Employees' Retirement Association.

Motion Passed.

- b. Approve amendments to SBCERA's Procedures for Disability Retirement Applications and Formal Hearings.

Leggio moved, McDonald seconded, to Approve amendments to SBCERA's Procedures for Disability Retirement Applications and Formal Hearings.

Motion Passed.

- c. Approve annual resolution approving employer pay codes for employee compensation included in compensation earnable.

McDonald moved, Leggio seconded, to Approve annual resolution approving employer pay codes for employee compensation included in compensation earnable.

Motion Passed.

- d. Approve annual resolution approving actuarial assumptions used to calculate member benefits and mortality factors.

Russ moved, Neely seconded, to Approve annual resolution approving actuarial assumptions used to calculate member benefits and mortality factors.

Motion Passed.

20. Approve a recommendation to the SACRS Voting Delegate on items to be voted on at the May 14, 2010 SACRS Business meeting.

Russ moved, Williams seconded, to Approve a recommendation to the SACRS Voting Delegate on items to be voted on at the May 14, 2010 SACRS Business meeting.

Motion Passed.

21. Authorize Brian Long to participate on the Advisory Board for the Apollo European Principal Finance Fund.

Russ moved, Leggio seconded, to Approve Brian Long to participate on the Advisory Board for the Apollo European Principal Finance Fund.

Motion Passed.

22. Approve the attendance of Brian Long and up to three trustees to the Siguler Guff 2010 Annual Conference, to be held in New York, NY on May 19 - 20, 2010.

Russ moved, Leggio seconded, to Approve the attendance of Brian Long and up to three trustees to the Siguler Guff 2010 Annual Conference, to be held in New York, NY on May 19 - 20, 2010.

Motion Passed.

23. Approve rescheduling and changing the June 2010 Investment Committee meeting to a Special Board meeting on Monday, June 7, 2010 at 9 a.m.

Russ moved, Leggio seconded, to Approve rescheduling and changing the June 2010 Investment Committee meeting to a Special Board meeting on Monday, June 7, 2010 at 9 a.m.

Motion Passed.

24. Staff Reports:

- a. Executive Director's Report – Barrett presented.

- b. Legislative Update – Kjeldgaard presented.

- c. Administrative Expenses - Third Quarter Budget vs. Actual for Fiscal Year 2009/2010 – Underwood presented.
- d. 3rd Quarter 2009 Performance Report on Private Alternative Investments – Long presented.

25. Public Comment.

No Public Comment was provided.

Respectfully submitted,

ELLEN WEISSER, Chairman

TIMOTHY BARRETT, Secretary

DATED _____