



**MINUTES  
BOARD OF RETIREMENT  
September 2, 2010  
BOARD ROOM  
348 WEST HOSPITALITY LANE, FIRST FLOOR  
SAN BERNARDINO, CA**

Trustees Present:

DAWN STAFFORD, General Member (Vice Chairman)  
CHRISTOPHER LEGGIO, Appointed Member  
DONALD NEELY, General Member  
PAUL RUSS, Appointed Member  
LARRY WALKER, Treasurer  
BRET HENRY, Alternate Safety Member

Others Present:

TIMOTHY BARRETT, Executive Director / CIO  
ANDREW KJELDGAARD, Chief Counsel  
CHRISTIE PORTER, Chief Member Services  
DONALD PIERCE, Senior Investment Officer  
CAROL FENN, Recorder

Not Present:

ELLEN WEISSER, Appointed Member (Chairman)  
ROBERT MCDONALD, Retired Member  
GARY OVITT, Appointed Member  
DAVID WILLIAMS, Safety Member

1. Call meeting to order.

Vice Chairman Stafford called the meeting to order at 9:00 a.m.

**CONSENT:**

Russ moved, Neely seconded, to Approve Consent Calendar.  
Absent: Weisser, McDonald, Ovitt, Walker, Williams  
Motion Passed.

2. Approve minutes of regular meeting of August 5, 2010.
3. Approve minutes of special board meeting of August 9, 2010.

4. Service Retirements:

Antone, Laverne	Finance & Administration	09/25/10
Arden, Richard J.	Probation	10/09/10
Bailey, Gary	District Attorney	09/25/10
Birdsall, Samuel R.	Human Services	08/28/10
Browne, Kathleen	Waste System Division (Def)	08/03/10
Cink, John A.	Probation	10/09/10
Coe, Anne M.	Auditor/Controller-Recorder (Def)	08/20/10
Crandall, Donald L.	Probation	08/28/10
Dunbar, Charles A.	Human Services	10/23/10
Engelbrecht, Harriet	Human Services	08/14/10
Fisher, Richard N.	Probation	09/11/10
Gilman, Jonathan	Human Services (Def)	08/26/10
Gray, Charles H.	ARMC	07/31/10
Gunther, Donna	Human Services	09/25/10
Hernandez, Benjamin M.	ARMC	07/27/10
Hubbard, Tracy	ARMC	08/14/10
Hutchinson, Linda A.	Probation	08/28/10
Jackson, Kathryn A.	Registrar of Voters	9/25/10
Jorski, Robert A.	Probation	09/25/10
Kiyasu, Peter	Public Defender	08/28/10
Morris, Eve	Human Services	09/25/10
Mueller, Ruth E.	Economic Development Agency	09/11/10
Pankey, Pamela	District Attorney	09/06/10
Portz, Sharon	Child Support Services (Def)	09/09/10
Smith, Fred	Human Services	08/10/10
Stull, Victor R.	District Attorney	09/25/10
Taylor, Robert K.	Sheriff (Def)	09/19/10
Van Gilder, Lynn A.	Behavioral Health (Def)	08/07/10
Vessup, Vassar J.	Human Services	08/28/10
Wells, Nancy	District Attorney (Def)	09/07/10

5. Service Retirement - Change Effective Date:

a. Saini, Parem K. Human Services (from 8/28/10) 09/25/10

6. Rescind Retirement Application:

a. Alvarado, Kathleen District Attorney 08/28/10  
b. Negrette, Anthony Guy Probation (Def) 08/24/10

7. Staff Travel:

a. Approve attendance of Hugo Alvarez to Elite Prolaw User Conference scheduled for October 25, 2010 through October 28, 2010 in Albuquerque, New Mexico.

8. Disability Applications - Initial Decision:

- a. Flethez, Frank M.
  - 1. Mr. Flethez is permanently incapacitated for the performance of duties and disability retirement be granted.
  - 2. Mr. Flethez' disability is service-connected based on cervical and lumbar spine injuries.
  - 3. Mr. Flethez 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 June 12, 2008.
  
- b. Gutierrez, Arthur B.
  - 1. Mr. Gutierrez is permanently incapacitated for the performance of duties and disability retirement be granted.
  - 2. Mr. Gutierrez' disability is service-connected based on cervical spine and post traumatic stress disorder.
  - 3. Mr. Gutierrez 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 2, 2010, the day after the last date compensated.
  
- c. Jarvis, Carolyn
  - 1. Ms. Jarvis is permanently incapacitated for the performance of duties and disability retirement be granted.
  - 2. Ms. Jarvis' disability is nonservice-connected based on thoracic lumbar degenerative disc disease, severe asthma and chronic hepatitis C.
  - 3. Ms. Jarvis is not capable of gainful employment.
  - 4. Staff shall initiate disability benefit payments with an effective date of October 29, 2009, the date of application.
  
- d. Ryan, Shirley
  - 1. Ms. Ryan is permanently incapacitated for the performance of duties and disability retirement be granted.
  - 2. Ms. Ryan's disability is nonservice-connected based on amyotrophic lateral sclerosis.
  - 3. Ms. Ryan is not capable of gainful employment.
  - 4. No medical review is necessary as specified by the medical advisor.
  - 5. Upon approval of the disability retirement, the staff shall initiate disability benefit payments with an effective date of June 5, 2010, the day after last date compensated.

- e. Tuthill, Michael B.
  - 1. Mr. Tuthill is permanently incapacitated for the performance of duties and disability retirement be granted.
  - 2. Mr. Tuthill's disability is service-connected based on right shoulder rotator cuff tendinopathy and right biceps tenodesis.
  - 3. No medical review is necessary as specified by the medical advisor.
  - 4. Staff shall initiate disability benefit payments with an effective date of August 12, 2009, the date of application.

**CLOSED SESSION:**

9. Initial Decision:

a. DeFrench, Pamela

Russ moved, Walker seconded, to Approve Staff Recommendation that:

- 1. Ms. DeFrench is not permanently incapacitated for the performance of duties based on cervical discogenic disc disease, radiculopathy, and spondylosis of lumbar spine.
- 2. Disability retirement be denied.
- 3. If a disability retirement is determined at a future hearing stage, the effective date will be November 13, 2009, the date of application.

Absent: Weisser, McDonald, Ovitt, Williams  
Motion Passed.

b. Vick, Lynne

Henry moved, Russ seconded, to Approve Staff Recommendation that:

- 1. Ms. Vick is permanently incapacitated for the performance of duties and disability retirement be granted.
- 2. Ms. Vick's disability is service-connected based on right shoulder and rotator cuff injury.
- 3. Ms. Vick is 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 December 21, 2009, the date of application, provided the benefit is requested in writing.

Absent: Weisser, McDonald, Ovitt, Williams  
Motion Passed.

c. Kanaly, Michael P.

Russ moved, Leggio seconded, to Continue to the October Board meeting.

Absent: Weisser, McDonald, Ovitt, Williams  
Motion Passed.

10. Benefits and Compensation Committee:  
PUBLIC EMPLOYEE PERFORMANCE EVALUATION:  
(Government Code Section 54957)

Title: Executive Director/Chief Investment Officer  
Investment Officer (3)  
Chief Counsel  
Chief Member Services  
Chief Information Services  
Disability Benefits Officer  
Retirement Staff Attorney  
Communications Officer  
Executive Assistant

**OPEN SESSION:**

Kjeldgaard announced that in Closed Session the Board voted unanimously to continue item #10 to a Special Board Meeting or to the October Board meeting at the latest.

11. Benefits and Compensation Committee Report.

Russ moved, Walker seconded, to Continue item #11 to a Special Board meeting or to the October Board meeting at the latest.

Against: Neely; Absent: Weisser, McDonald, Ovitt, Williams

Motion Passed.

- a. Report of the meeting conducted August 16, 2010.
- b. Approve the proposed Customer Service Activities for Fiscal Year 2010-2011.
- c. Approve Incentive Compensation Weights for new SBCERA Special District positions, and amendment to Incentive Compensation Weights for existing SBCERA Special District positions.
- d. Approve Base Compensation Adjustments for the following SBCERA Special District positions:
  - Senior Investment Officers
  - Chief of Information Services
  - Staff Attorney
  - Executive Assistant

12. Administrative Committee Report.

- a. Report of the meeting conducted August 16, 2010.

- b. Approve Administration Policy No. 010 -- Proper Handling and Security of SBCERA Electronic Correspondence and Board and Committee Agenda Materials.

Russ moved, Walker seconded, to Approve Administration Policy No. 010 -- Proper Handling and Security of SBCERA Electronic Correspondence and Board and Committee Agenda Materials.

Absent: Weisser, McDonald, Ovitt, Williams

Motion Passed.

- c. Approve the amendments to the Medical Consulting Agreements with the SBCERA Medical Advisors to extend the terms of the agreements to December 31, 2010.

Neely moved, Russ seconded, to Approve the amendments to the Medical Consulting Agreements with the SBCERA Medical Advisors to extend the terms of the agreements to December 31, 2010.

Absent: Weisser, McDonald, Ovitt, Williams

Motion Passed.

- d. Approve issuance of an RFP for an executive recruiting firm for technical position recruitments and job description development, as determined by the Executive Director/Chief Investment Officer.

Neely moved, Russ seconded, to Approve issuance of an RFP for an executive recruiting firm for technical position recruitments and job description development, as determined by the Executive Director/Chief Investment Officer.

Absent: Weisser, McDonald, Ovitt, Williams

Motion Passed.

- 13. Approve Amendment to the SBCERA Profit Sharing Replacement Benefits Plan.

Barrett reviewed the amendment to the SBCERA Profit Sharing Replacement Benefits Plan amendment, which removes the original intent which was to tie the Replacement Benefits Plan's performance to SBCERA performance. This has the impact of potentially creating a liability against the administrative budget. The incentive plan is already tied to the performance of SBCERA through the investment component. The gains and losses of the RBP should be based on the investment, and its respective performance, as selected by the Trustee.

Henry moved, Russ seconded, to Approve Amendment to the SBCERA Profit Sharing Replacement Benefits Plan.

Absent: Weisser, McDonald, Ovitt, Williams

Motion Passed.

14. Approve Timothy Barrett as a representative to the Standard Life ESP 2008 Advisory Board.

Timothy Barrett currently sits on the ESP 2004 Advisory Board. The ESP 2004 and 2008 Advisory Boards meet concurrently.

Russ moved, Leggio seconded, to Approve Timothy Barrett as a representative to the Standard Life ESP 2008 Advisory Board.

Absent: Weisser, McDonald, Ovitt, Williams

Motion Passed.

15. Approve the attendance of trustees and Tim Barrett to the State Association of County Retirement Systems' (SACRS) Fall Conference, to be held in Universal City, CA on November 9-12, 2010.

Leggio moved, Russ seconded, to Approve the attendance of trustees and Tim Barrett to the State Association of County Retirement Systems' (SACRS) Fall Conference, to be held in Universal City, CA on November 9-12, 2010.

Absent: Weisser, McDonald, Ovitt, Williams

Motion Passed.

16. Approve the attendance of up to four trustees to Opal Financial Group's Global Alternative Investing Summit, to be held in Dana Point, CA on December 5-7, 2010.

Leggio moved, Russ seconded, to Approve the attendance of Neely, Stafford & Henry to Opal Financial Group's Alternative Investing Summit, to be held in Dana Point, CA on December 5 - 7, 2010.

Absent: Weisser, McDonald, Ovitt, Williams

Motion Passed.

17. Chairman's appointment of voting delegate and alternate to the State Association of County Retirement Systems' (SACRS) Spring Conference.

The Chairman appointed Neely as delegate and Barrett as alternate to the State Association of County Retirement Systems' (SACRS) Spring Conference.

18. Report by the Trustees concerning conferences attended (as specified by the Trustee Education/Training Policy).

Ovitt submitted a written report on his attendance at the HAAS School of Management at Berkeley. Walker discussed his attendance at the County Recorder's Association Conference and the subject of the transition to electronic media.

19. Staff Reports:

a. Executive Director's Report - Barrett

Barrett reviewed an article that appeared in the press regarding the release of information about our members. Walker mentioned that, contrary to what has been mentioned in the press, we did provide every pension amount paid to our members. We did not provide the names. Leggio encouraged staff to continue to keep members aware of what we are doing to protect their information.

b. Legislative Update - Kjeldgaard

Kjeldgaard reviewed: AB609 and AB1987 have been enrolled and are on the Governor's desk. Walker suggested that we as an organization contribute to the discussion on legislation to eliminate pension spiking.

c. Performance Report - Pierce

Pierce reviewed the monthly Investment Performance Report

d. Review and Discuss 4th Quarter Budget vs. Actual for FY 2009/2010.

Underwood reviewed the Budget vs. Actual.

**PUBLIC COMMENT**

Stafford mentioned the upcoming Investment Forum and Administrative Committee meeting.

No Public Comment was provided.

**ADJOURN**

The meeting adjourned at 10:34 a.m.

Respectfully submitted,

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ELLEN WEISSER, Chairman

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TIMOTHY BARRETT, Secretary

DATED \_\_\_\_\_