



**MINUTES
BOARD OF RETIREMENT
April 7, 2011
BOARD ROOM
348 WEST HOSPITALITY LANE, FIRST FLOOR
SAN BERNARDINO, CA**

Trustees Present:

ELLEN WEISSER, Appointed Member (Chairman)
DAWN STAFFORD, Retired Member (Vice Chairman)
BRENDAN BRANDT, Appointed Member
LOUIS FIORINO, General Member
DONALD NEELY, General Member
JANICE RUTHERFORD, Appointed Member
LARRY WALKER, Treasurer (Managing Trustee)
NEAL WANER, Appointed Member
DAVID WILLIAMS, Safety Member
HARRY HATCH, Alternate Retired Member
BRET HENRY, Alternate Safety Member

Others Present:

ANDREW KJELDGAARD, Counsel
DONALD PIERCE, Interim Chief Investment Officer
CHRISTIE PORTER, Chief Member Services
BARBARA HANNAH, Staff Attorney
CAROL FENN, Recorder

1. Call meeting to order.

Chairman Weisser called the meeting to order at 9:00 a.m.
Weisser welcomed new trustee Brendan Brandt.

CONSENT:

Neely moved, Williams seconded, to Approve the Consent Calendar.
Motion Passed.

Waner moved, Stafford seconded, to Approve hearing item #15 prior to Closed Session.
Motion Passed.

2. Approve minutes of regular meeting of March 3, 2011.

3. Approve minutes of special meeting of March 14, 2010.

4. Service Retirements:		Effective Date
Adams, Virginia C	County Administrative Office	04/01/2011
Alexander, Betty	Purchasing	03/26/2011
Anderson, Thomas A	Community Development & Housing	03/26/2011
Arata, Paul	Superior Court (Def)	04/01/2011
Armstead, Shirley A	Registrar of Voters	04/01/2011
Auld, Beverly J	Human Services	03/26/2011
Avey, Zachary L	Purchasing	03/26/2011
Bailey, Lonnie D	Public Social Services (Def)	04/01/2011
Baker, Kathy A	Children & Family Services	03/26/2011
Benedict, Gary	County Fire	03/26/2011
Bonnet, Robert J	Sheriff	03/26/2011
Brandt, Linda D	Sheriff	03/26/2011
Busby, Lawrence M	County Fire	03/26/2011
Camara, Calvin	Hesperia Recreation & Park District	04/01/2011
Campbell, Mark A	Behavioral Health	03/26/2011
Carlson, Teresa B.	Public Health (Def)	04/01/2011
Chacon, Lynn M	Human Services	04/01/2011
Chrisman, Ronald	Human Services	03/26/2011
Christian, Mary L	Community Development & Housing	03/26/2011
Cook, Patricia A	Human Services	03/26/2011
Cooper, Cynthia	ARMC	04/01/2011
Corbin, Steven C	County Fire	03/26/2011
Crew, Paula A	Probation	03/31/2011
Davis, Linda F	Children & Family Services	04/01/2011
Delbridge, Patricia	City of Big Bear Lake	04/01/2011
Donovan, Michael R	District Attorney	03/26/2011
Dustin, Janis L.	Redevelopment Agency	03/26/2011
Dustin, Thomas E	Real Estate	03/26/2011
Enriquez, Jose A	Hesperia Recreation & Park	03/29/2011
Fagan, Michael L	County Fire	03/26/2011
Farrar, Robert G	Public Works	04/01/2011
Fick, Steven	County Fire	03/26/2011
Follett, Jerry C	Sheriff	03/26/2011
Ford, Teresa	ARMC	02/26/2011
Fox, Michael J	Public Works	03/26/2011
Gilliam, Mike	Sheriff	03/12/2011
Giroir, Joan	ARMC	03/26/2011
Golden, Richard L	District Attorney	03/26/2011
Gonzales, Manuel	Public Works	03/26/2011
Griffin, Geraldine	ARMC	03/12/2011
Griffin, Thor H	Behavioral Health (Def)	03/31/2011
Gruenwald, Joseph F	Sheriff	03/26/2011
Guo, Jau-Min S	SCAQMD	04/01/2011

Hadnot, Doris D	Probation	03/12/2011
Hagen, Jay C	Sheriff	03/26/2011
Harris, Edith	Behavioral Health	03/26/2011
Harvey, Ronald T	Sheriff	03/26/2011
Hernandez, Robert J	Sheriff	03/26/2011
Hockenhull, Virda O	Children & Family Services	03/26/2011
Howell, John K	Sheriff	04/01/2011
Hudson, Sarah L	District Attorney	03/26/2011
Hughes, Stephen J	Sheriff	03/26/2011
Jacobs, David	Public Works (Def)	04/11/2011
Jarecki, Catherine	Child Support Services	03/26/2011
Jefferies, Ronnie W	Human Services	03/26/2011
Jennings, William B	County Fire	03/26/2011
Jovellana, Amelita I	ARMC (Def)	03/24/2011
Judd, Terrie L	Human Services	03/26/2011
Kieczkowski, Edward M	County Library	04/01/2011
Kim, Young	Public Works (Def)	05/10/2011
Kollar, Michael E	Sheriff	03/26/2011
Kowalczyk, Thaddeus	SCAQMD	04/01/2011
Kruger, Steven E	Sheriff	03/26/2011
Lajom, Juan Jr. S	Behavioral Health	03/26/2011
Lindgren, Michael R	CAO	03/26/2011
Lindsey, Linda	ARMC	03/26/2011
Liu, Kay Y	SCAQMD	03/31/2011
McGuckian, John P	Land Use Services	03/26/2011
Means, Richard A	Sheriff	03/26/2011
Moore, Ronald G	District Attorney	03/26/2011
Nazzal, Linda M	CSAC (Def)	04/01/2011
OHara, Susan	Behavioral Health	04/01/2011
Pahia, Lois M	Superior Court	03/26/2011
Paradis, Andre	Child Support Services (Def)	04/27/2011
Parnell, Timothy B	Sheriff	03/26/2011
Roberson, Evi	Superior Court	03/26/2011
Sanchez, Denise	ARMC (Def)	04/01/2011
Savage, Lindel K	Sheriff	03/26/2011
Scamara, Victor	Superior Court	03/26/2011
Schultz, Lowell S	Sheriff	03/26/2011
Schultz, Virginia	Sheriff	03/12/2011
Sellnow, Gwendolyn	Superior Court	03/26/2011
Shorett, Marielena	Economic Development	03/26/2011
Showalter, Catherine L	SCAQMD (Def)	03/12/2011
Smith, Pauline M	Sheriff	03/26/2011
Songco, Salud R	SCAQMD	04/01/2011
Spitz, David D	County Fire	03/26/2011
Squire, James	Land Use Services	03/26/2011
Stanks, Sharon	Superior Court	04/01/2011
Stewart, Gary	Sheriff	03/26/2011
Tatem, Norman E	Probation	02/26/2011

Vicario, Christina	Public Health	03/26/2011
Wagner, Diana J	ARMC	03/26/2011
Watkins, Lee M	Sheriff	03/26/2011
Weinberg, David W	Sheriff	03/26/2011
Wendel, Barbara	Superior Court	03/26/2011
West, M Patricia	Behavioral Health	03/26/2011
White, Charles	ARMC	04/01/2011
Williamson, Herbert E	Public Defender	03/26/2011
Wilson, Hubert W	SCAQMD	03/31/2011
Young, Lorraine D	ARMC	03/25/2011

5. Staff Travel:

- a. Approval of the attendance of Nicole Dailey to the 2011 Public Relations Society of America Western District Conference in Las Vegas, NV, from April 27-29, 2011.

6. Disability Applications - Initial Decision:

- a. Campbell, Brian S.
 1. Mr. Campbell is permanently incapacitated for the performance of duties and disability retirement be granted.
 2. Mr. Campbell's disability is Service-Connected based on meniscus tear – both knees and 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 April 1, 2010, the day after the last date compensated.
- b. Hill, Gregory R.
 1. Mr. Hill is permanently incapacitated for the performance of duties and disability retirement be granted.
 2. Mr. Hill's disability is Service-Connected based on cervical and lumbar herniated discs.
 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 15, 2011, the day after the last date compensated.
- c. Huaman, Isolda
 1. Ms. Huaman is permanently incapacitated for the performance of duties and disability retirement be granted.
 2. Ms. Huaman's disability is Service-Connected based on cervical spine and bilateral shoulder strain, bilateral carpal tunnel syndrome, and major depression.
 3. Ms. Huaman 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 19, 2010, the date of application.

- d. McCarty, Daniel J.
 - 1. Mr. McCarty is permanently incapacitated for the performance of duties and disability retirement be granted.
 - 2. Mr. McCarty's disability is Service-Connected based on hypertension, osteoarthritis of knees and low back pain.
 - 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 3, 2010, the day after the last date compensated.
 - e. Phillips Jr., Bobby R.
 - 1. Mr. Phillips is permanently incapacitated for the performance of duties and disability retirement be granted.
 - 2. Mr. Phillips' disability is Service-Connected based on right shoulder rotator cuff tendinopathy and hypertension.
 - 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 9, 2010, the day after the last date compensated.
 - f. Stevenson, Marilyn
 - 1. Ms. Stevenson is permanently incapacitated for the performance of duties and disability retirement be granted.
 - 2. Ms. Stevenson's disability is Service-Connected based on discectomy for herniated disc, cervical spine spondylosis, fusion for disc herniation, bilateral ulnar nerve transpositions-both elbows, and herniated disc of lumbar spine L-5.
 - 3. Ms. Stevenson 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 November 24, 2006, the day after the last date compensated.
7. Disability Applications - Expedited Administrative Review:
- a. Morgan, Lupita

Approve and adopt the proposed findings and the recommendations of the referee to deny Service-Connected Disability Retirement with Supplemental Disability Retirement Allowance.
8. Disability Applications - Writ of Mandate:
- a. Mathein, Cynthia
 - 1. The Court finds the decision of SBCERA to be supported by the weight of the evidence and the Court finds no deprivation of due process or other procedural rights and therefore, the Petition for Writ of Mandate be denied.
 - 2. Petitioner's claim for Service-Connected Disability is therefore denied.

CLOSED SESSION:

9. Initial Decision:

a. Kanaly, Michael P.

Neely moved, Rutherford seconded, to Approve Staff Recommendation that:

1. Mr. Kanaly is not permanently incapacitated for the performance of duties based on panic disorder and back pain.
 2. Disability retirement be denied.
 3. If a disability retirement is determined at a future hearing stage, the effective date will be July 2, 2009, the date of application.
- Motion Passed.

b. Kearl, Debbie K.

Waner moved, Stafford seconded, to Approve Staff Recommendation that:

1. Ms. Kearl is permanently incapacitated for the performance of duties and disability retirement be granted.
 2. Ms. Kearl's disability is Service-Connected based on multi-level degenerative disc disease and cervical radiculopathy; and cervical and lumbar fusion.
 3. Ms. Kearl 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 March 25, 2010, the date of application, provided the benefit is requested in writing.
- Motion Passed.

10. Formal Hearing:

a. Morales Jr., Mario G.

Stafford moved, Rutherford seconded, to Approve Staff Recommendation to approve and adopt the proposed findings and the recommendations of the referee to deny service-connected disability retirement.

Motion Passed.

11. Reconsideration:

a. Flethez, Frank M.

Neely moved, Stafford seconded, to Approve Staff Recommendation to maintain the initial board decision from September 2, 2010 that member is permanently incapacitated for the performance of duties and the disability is Service-Connected based on cervical and lumbar spine injuries and the member is not capable of gainful employment with an effective date of June 12, 2008.

Motion Passed.

CONFERENCE WITH LEGAL COUNSEL

12. Anticipated Litigation - Government Code Section 54956.9(c): One Case
13. Existing Litigation - Government Code Section 54956.9(a): San Bernardino County Public Attorneys Association v. Board of Retirement of the San Bernardino County Employees' Retirement Association.

Recused: Rutherford

OPEN SESSION:

14. Appeal for additional benefits by Douglas Swafford.

Henry abstained from discussion, participation and action on this item.
Douglas Swafford and Jeff Schwing, representative of Big Bear Lake Fire District, were present.

Stafford moved, Williams seconded, staff recommendation to deny Swafford's appeal to include in his final average compensation earnable for the purpose of calculating his Service Retirement benefit, all hours of General Leave cash-outs, above the 192 hours General Leave cash-outs per fiscal year allowed in his Memorandum of Understanding, that he accrued during the final compensation period preceding his date of retirement.

Absent: Brandt

Motion Passed.

15. Review, discuss and approve actions with regard to the Discretionary Retiree Subsidy - Transfer money from the Discretionary Retiree Subsidy Reserve back into the County Advance Reserve.

Walker reviewed. The following members of the public spoke and read letters from other members against the transfer of money from the Discretionary Retiree Subsidy: Geraldine VanderVeen, Argie Brogdon, Linda Pester, Barbara Zamudo, Raquel Raden, Mildred Henson, Tom Potter, John Michaelson (RESBC), Kathleen McCalmon, Dorothy Lueking, Patricia McGinnis, Sally Lewis, Sue Shuey, Gary Eisenbeisz, Richard Beemer, Marilyn J. Trombetta, John Hagen, William Roberts, Nancy Bartholomew, Esther Hernandez and Clarence J. Williams.

Walker discussed establishing a non-profit 501(c) 3 trust to address the needs discussed at this meeting.

Trustees Stafford, Hatch, Henry, Neely, Williams and Fiorino spoke against the transfer of money from the Discretionary Retiree Subsidy and the duty to participants and beneficiaries. Trustees Waner, Rutherford, Brandt and Walker spoke regarding the unfunded liability of the pension fund, the overall health of the fund and duty to all members and beneficiaries. Walker discussed fiduciary obligation. Weisser spoke regarding her fiduciary duty to the vested benefits of the plan.

Williams moved, Fiorino seconded, to Deny the transfer of money from the Discretionary Retiree Subsidy Reserve back into the County Advance Reserve. Against: Weisser, Brandt, Rutherford, Walker, Waner; No Vote: Hatch, Henry Motion Failed.

Kjeldgaard reviewed the duty of care or prudence.

Stafford moved, Neely seconded, to Continue consideration of this issue to November. Against: Weisser, Brandt, Rutherford, Walker, Waner; No Vote: Hatch, Henry Motion Failed.

Walker moved, Waner seconded, to Approve the transfer of money from the Discretionary Retiree Subsidy Reserve back into the County Advance Reserve. Against: Stafford, Fiorino, Neely, Williams; No Vote: Hatch, Henry Motion Passed.

16. Review, discuss and approve amending Board Actuary & Audit Policy No. 002 -- Interest Crediting Procedures and Excess Earnings Allocation.

Walker reviewed.

Neely moved, Fiorino seconded, to Continue to a later date.
Absent: Brandt
Motion Passed.

17. Presentation by The Townsend Group of their Real Estate Performance Measurement Report for the Fourth Quarter ending December 31, 2010 and market update.

Dick Brown, The Townsend Group, presented.

18. Administrative Committee Report.

- a. Report on the meeting conducted March 21, 2011.

Neely reported on the meeting conducted March 21, 2011.

- b. Review, discuss and approve a recommendation to amend Administration Policy No. 005 (Issue No. 2.0) – Records Retention Policy.

Rutherford moved, Neely seconded, to Approve a recommendation to amend Administration Policy No. 005 (Issue No. 2.0) – Records Retention Policy.
Absent: Brandt
Motion Passed.

19. Chairman's appointment of a member to the Administrative Committee.

Weisser appointed Waner to the Administrative Committee.

20. Audit Committee Report.

- a. Report on the meeting conducted March 21, 2011.

Walker reported on the meeting conducted March 21, 2011.

- b. Approve a one year agreement (with an additional four year renewal option) with KPMG, to provide financial statement audit services for all Gold Coast Capital entities.

Waner moved, Neely seconded, to Approve a one year agreement (with an additional four year renewal option) with KPMG, to provide financial statement audit services for all Gold Coast Capital entities.

Absent: Brandt

Motion Passed.

- c. Approve authorizing Managing Trustee to contract with KPMG for a one year agreement (with an additional four year renewal option) to provide financial statement audit services for all Gold Coast Global entities, and to bring back to the Board for ratification.

Waner moved, Neely seconded, to Approve authorizing Managing Trustee to contract with KPMG for a one year agreement (with an additional four year renewal option) to provide financial statement audit services for all Gold Coast Global entities, and to bring back to the Board for ratification.

Absent: Brandt

Motion Passed.

21. Ratify the attendance of trustees to the State of the County, held in San Bernardino, CA on April 6, 2011.

Rutherford moved, Neely seconded, to Approve ratification of the attendance of Neely and Waner to the State of the County, held in San Bernardino, CA on April 6, 2011.

Absent: Brandt

Motion Passed.

22. Approve the attendance of up to four trustees to the SACRS Public Pension Investment Management Program, to be held in Berkeley, CA on July 11 - 13, 2011.

Stafford moved, Neely seconded, to Approve the attendance of Fiorino, Stafford, Walker and Waner to the SACRS Public Pension Investment Management Program, to be held in Berkeley, CA on July 11 - 13, 2011.

Absent: Brandt,

Motion Passed.

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

Fiorino reported on his attendance at the Stanford Principals of Pension Management Course.

Neely and Walker reported on their attendance at the CALAPRS General Assembly, held in Monterey, CA.

Weisser and Stafford reported on their attendance at the LA Trustees Roundup, held in Los Angeles, CA.

24. Staff Reports:

- a. Managing Trustee's Report

Walker reviewed.

- b. Review California Retirement Legislation for 2011 - 2012.

Kjeldgaard reviewed.

- c. Investment Performance Report.

Pierce reviewed.

CLOSED SESSION

25. Public Employment - Government Code Section 54957:
Title: Chief Executive Officer

OPEN SESSION

26. Discussion and direction regarding Chief Executive Officer recruitment.

Mary Hobson, EFL Associates, provided a status report on the Chief Executive Officer recruitment. She stated position specifications were finalized March 18th. She reviewed the position announcement distribution. An applicant pool has been selected. Candidate interviews will be May 5th and 6th, and second round interviews are scheduled for May 19th and 20th. She may recommend additional candidates be added.

Kjeldgaard stated the Board has directed the candidate interviews will be held at Special Board meetings on the stated dates in Closed Session per Government Code Section 54957 - Public Employment - Title: Chief Executive Officer.

PUBLIC COMMENT

No Public Comment was provided.

ADJOURN

Meeting adjourned at 3:54 p.m.

Respectfully submitted,

ELLEN WEISSER, Chairman

LARRY WALKER, Acting Secretary

DATED _____