



**MINUTES
BOARD OF RETIREMENT
June 2, 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
DONALD NEELY, General Member
NEAL WANER, Appointed Member
DAVID WILLIAMS, Safety Member
HARRY HATCH, Alternate Retired Member

Others Present:

ANDREW KJELDGAARD, Counsel
DONALD PIERCE, Interim Chief Investment Officer
CHRISTIE PORTER, Chief Member Services
BRIAN LONG, Senior Investment Officer
JULIE UNDERWOOD, Chief Fiscal Services
CAROL FENN, Recorder

Not Present:

LARRY WALKER, Treasurer (Managing Trustee)
LOUIS FIORINO, General Member
JANICE RUTHERFORD, Appointed Member
BRET HENRY, Alternate Safety Member

1. Call meeting to order.

Chairman Weisser called the meeting to order at 9:02 a.m. She announced that Norm Ruggles, SBCERA's new CEO, will start in July.

CONSENT:

Stafford moved, Neely seconded, to Approve the Consent Calendar.
Absent: Brandt, Fiorino, Rutherford, Walker, Henry
Motion Passed.

2. Approve minutes of regular meeting of May 5, 2011, as corrected.
3. Approve minutes of special meeting of May 5, 2011.

4. Approve minutes of special meeting of May 6, 2011.
5. Approve minutes of special meeting of May 9, 2011.
6. Approve minutes of special meeting of May 19, 2011.

7. Service Retirements:		Effective Date
Barrier, Beverly J	Public Works (Def)	06/24/2011
Bartell, Tracy	District Attorney (Def)	06/25/2011
Beaumont, Hazel	Behavioral Health	07/12/2011
Carter, Glenn M	Sheriff	06/30/2011
Corral, Diane L	Sheriff	05/21/2011
Davis, Linda C	Human Services	06/18/2011
Dawson, David	Public Works (Def)	06/01/2011
Dolan, Kathleen	District Attorney	06/18/2011
Escobar, Dolores	Pre-School Services	06/18/2011
Figueroa, Miguel A	Probation	05/21/2011
Grosso, Peter J	Probation (Def)	06/29/2011
Hurst, John R	Human Services	06/18/2011
Jay-Moran, Diana Sue	SBCERA	07/02/2011
Jorski, James E	Probation	05/21/2011
Keesler, Mildred	Public Health	05/21/2011
Kentner, Tressa	Superior Court	06/18/2011
Kimball, Marilyn J	District Attorney	05/30/2011
Lavoie, Barry L	Sheriff	06/04/2011
Lawrence, Patricia A	Board of Supervisors	05/21/2011
Lyons, Robert R	County Fire	05/07/2011
Matthey, Denise	Child Support Services	07/08/2011
McConnell, Katherine	Human Services	04/23/2011
McNair, Andrea	Public Health (Def)	07/01/2011
Mickey, Susan	District Attorney	06/18/2011
Moore, Brian C	District Attorney	07/16/2011
Nuss, John M	Sheriff	06/04/2011
Ochi, Howard M	Auditor-Controller/Treas/Tax Coll	06/18/2011
Ona, Diane	Human Services	07/02/2011
Osborne, Lori	DA Child Support (Def)	07/01/2011
Predium, Consuella	Human Resources	06/04/2011
Pyles, Mark	Big Bear Valley Recreation & Park	06/18/2011
Reynolds, Cliff C	Sheriff	06/04/2011
Romeo, Martin F	Inland Valley Development Agency	06/18/2011
Shannon, Olivia	Social Services (Def)	05/01/2011
Stewart, Harold Jr.	Sheriff	06/18/2011
Sweet, Thomas	CSAC	06/25/2011
Thompson, George E	Public Defender	06/18/2011
Wright, Robert B	Auditor-Controller/Treas/Tax Coll(Def)	05/19/2011
Wuebben, Paul D	SCAQMD	05/28/2011

8. Staff Travel:
 - a. Approve the attendance of James Perry for an Emerging Markets Debt Due Diligence in New York, NY on June 23, 2011.
9. Disability Applications - Initial Decision:
 - a. Hammers, Tom
 1. Mr. Hammers is permanently incapacitated for the performance of duties and disability retirement be granted.
 2. Mr. Hammers' disability is Service-Connected based on lumbar fusion.
 3. No medical review is necessary as specified by the medical advisor.
 4. Staff shall initiate disability benefit payments with an effective date of September 11, 2010, the day after the last date compensated.
 - b. Howe, Paul
 1. Mr. Howe is permanently incapacitated for the performance of duties and disability retirement be granted.
 2. Mr. Howe's disability is Service-Connected based on chronic hypertension with Left Ventricular Hypertrophy; Anterior Cruciate Ligament deficient and osteoarthritis of the right knee.
 3. No medical review is necessary.
 4. Staff shall initiate disability benefit payments with an effective date of June 2, 2010, the date of application.
 - c. Martin, Donna A.
 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 metastatic breast cancer.
 3. Ms. Martin is not capable of gainful employment.
 4. No medical review is necessary.
 5. Staff shall initiate disability payments with an effective date of November 8, 2010, the date of application.
 - d. Mibeck, Bryce M.
 1. Mr. Mibeck is permanently incapacitated for the performance of duties and disability retirement be granted.
 2. Mr. Mibeck's disability is Service-Connected based on torn muscle to right shoulder.
 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 22, 2010, the date of application.

CLOSED SESSION:

10. Initial Decision:

a. Wirz, Cheryl K.

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

1. Ms. Wirz is permanently incapacitated for the performance of duties and disability retirement be granted.
2. Ms. Wirz's disability is Service-Connected based on Acromioclavicular joint arthritis of the left shoulder and torn rotator cuffs in both shoulders.
3. Ms. Wirz is capable of gainful employment.
4. No medical review is necessary as specified by the medical advisor.

Abstain: Brandt; Absent: Fiorino, Rutherford, Walker, Henry
Motion Passed.

Stafford moved, Neely seconded, to Approve that Staff shall initiate disability benefit payments with an effective date of November 21, 2009, the day after the last date compensated..

Abstain: Brandt; Absent: Fiorino, Rutherford, Walker, Henry
Motion Passed.

11. Reconsideration:

a. Bromberg, Ronald

Brandt moved, Stafford seconded, to Approve Staff Recommendation to:

1. Maintain the initial board decision from October 7, 2010 that member is permanently incapacitated for the performance of duties based on Bipolar I Disorder and grant a Nonservice-Connected Disability Retirement.
2. Member may proceed to formal hearing provided written request for Service-Connected Disability based on Bipolar I Disorder is submitted.
3. If it is determined that the member is eligible for a Service-Connected Disability based on Bipolar I Disorder at a future hearing stage, the effective date will be September 30, 2009, the date of application.

Absent: Fiorino, Rutherford, Walker, Henry
Motion Passed.

b. Gatlin, Lawrence W.

Waner moved, Williams seconded, to Approve Staff Recommendation to:

1. Maintain the initial board decision from October 7, 2010 that member is not permanently incapacitated and the disability retirement be denied.
2. Member may proceed to formal hearing provided written request for Service-Connected Disability based on cervical discogenic neck pain and not capable of gainful employment is submitted.
3. If it is determined that the member is permanently incapacitated for the

performance of duties based on cervical discogenic neck pain and not capable of gainful employment at a future hearing stage, the effective date will be February 10, 2010, the date of application.

Absent: Fiorino, Rutherford, Walker, Henry

Motion Passed.

CONFERENCE WITH LEGAL COUNSEL

12. Conference with Legal Counsel - Existing Litigation - Government Code Section 54956.9(a)
The Press Enterprise Company v. SBCERA

PUBLIC EMPLOYMENT

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

OPEN SESSION:

14. Presentation by Ares of their Portfolio Review

Greg Margolies, Seth Brufsky and Merritt Hooper, Ares, presented.

15. Presentation by NEPC on the amended contract with a four year extension, expiring on January 1, 2015.

Allan Martin and Sean Gill, NEPC, presented.

16. Approve an amended contract with a four year contract extension with NEPC expiring on January 1, 2015.

Williams moved, Neely seconded, to Approve an amended contract with a four year contract extension with NEPC expiring on January 1, 2015, subject to successful contract negotiations.

Absent: Fiorino, Rutherford, Walker, Henry

Motion Passed.

17. Presentation by NEPC and staff on a new fund commitment of \$25 million to Lexington Capital Partners VII.

Allan Martin and Sean Gill, NEPC, and Brian Long, staff, presented.

18. Presentation by Lexington Capital Partners on their Fund VII.

Tom Newby, Lexington Capital Partners, presented.

19. Approve a commitment of \$25 million to Lexington Capital Partners Fund VII.

Neely moved, Williams seconded, to Approve a commitment of \$25 million to Lexington Capital Partners Fund VII.

Absent: Fiorino, Rutherford, Walker, Hatch, Henry
Motion Passed.

20. Approve annual resolution approving employer pay codes of employee compensation included in compensation earnable.

Underwood reviewed.

Neely moved, Brandt seconded, to Approve annual resolution approving employer pay codes of employee compensation included in compensation earnable.

Absent: Fiorino, Rutherford, Walker, Hatch, Henry
Motion Passed.

21. Amend the contract for legal services with the Law Office of Andrew L. Kjeldgaard.

Porter reviewed.

Neely moved, Waner seconded, to Approve Amendment of the contract for legal services with the Law Office of Andrew L. Kjeldgaard, with a revision to paragraph 6 to state that SBCERA reserves the right to terminate the contract with a vote of 7 out of 9 Board members with 30 days written notice.

Absent: Fiorino, Rutherford, Walker, Hatch, Henry
Motion Passed.

22. Approve the Proposed Administrative Expense Budget and Technology Budget for FY 2011/2012.

Underwood reviewed.

Williams moved, Brandt seconded, to Approve the Proposed Administrative Expense Budget and the Technology Budget for FY 2011/2012.

Absent: Fiorino, Rutherford, Walker, Hatch, Henry
Motion Passed.

23. Investment Committee Report.

- a. Report of the meeting conducted May 9, 2011.

Stafford reported.

- b. Approve the proposal by Roubini Global Economics.

Stafford moved, Neely seconded, to Approve the proposal by Roubini Global Economics.

Absent: Fiorino, Rutherford, Walker, Hatch, Henry

Motion Passed.

- c. Approve the guideline change for GoldenTree Asset Management.

Stafford moved, Neely seconded, to Approve the guideline change for GoldenTree Asset Management.

Absent: Fiorino, Rutherford, Walker, Hatch, Henry

Motion Passed.

- d. Approve the termination of Gottex.

Pierce reviewed.

Stafford moved, Williams seconded, to Approve the termination of Gottex.

Absent: Fiorino, Rutherford, Walker, Hatch, Henry

Motion Passed.

- e. Approve the termination of Mesirow.

Pierce reviewed.

Stafford moved, Waner seconded, to Approve the termination of Mesirow.

Absent: Fiorino, Rutherford, Walker, Hatch, Henry

Motion Passed.

- f. Approve the fee structure change and new share class for Mariner-Tricadia.

Pierce reviewed.

Stafford moved, Waner seconded, to Approve the fee structure change and new share class for Mariner-Tricadia.

Absent: Fiorino, Rutherford, Walker, Hatch, Henry

Motion Passed.

24. Approve the attendance of James Perry and up to four trustees to the Institutional Investor Annual Hedge Fund Industry Awards and Hedge Funds Symposium to be held in New York, NY on June 20 - 22, 2011.

Waner moved, Neely seconded, to Approve the attendance of James Perry, Don Neely and up to three additional trustees to the Institutional Investor Annual Hedge Fund Industry Awards and Hedge Funds Symposium to be held in New York, NY on June 20 - 22, 2011.

Absent: Rutherford, Walker, Hatch, Henry
Motion Passed.

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

None to report.

26. Staff Reports:

a. Managing Trustee's Report

b. Investment Performance Report.

Pierce reviewed.

c. Review California Retirement Legislation for 2011-2012

Kjeldgaard reviewed.

PUBLIC COMMENT

No public comment was provided.

ADJOURN

The meeting adjourned at 12:25 p.m.

Respectfully submitted,

ELLEN WEISSER, Chairman

NORMAN L. RUGGLES, Secretary

DATED _____