



AGENDA  
BOARD OF RETIREMENT  
SAN BERNARDINO COUNTY EMPLOYEES' RETIREMENT ASSOCIATION  
July 11, 2013  
9:00 AM  
Board Room  
348 West Hospitality Lane, First Floor  
San Bernardino, California

**PUBLIC NOTICE**

1. Call meeting to order.

**CONSENT**

2. Action: Approve minutes of regular meeting of June 6, 2013.

3. Service Retirements:

**Effective Date**

Alban, Deborah	ED/PSG Administration (Def)	07/15/2013
Becker, Cynthia L	Transitional Assistance	06/19/2013
Benedicto, Anna	Public Works	07/27/2013
Blankenship, Todd	District Attorney	07/13/2013
Caffee, Dexter	Facilities Management (Def)	07/26/2013
Callaghan, Diane F	Behavioral Health (Def)	07/26/2013
Campos, Yolanda	Children & Family Services	07/15/2013
Chambers, Lynne	City of Big Bear Lake	06/26/2013
Chua, Penny	SBIAA (Def)	06/25/2013
Davis, Beatrice E	ARMC	07/13/2013
Davis, Constance A	Behavioral Health	07/27/2013
Dewey, Ronald S	Lake Arrowhead Fire District (Def)	08/01/2013
Dorrrough, Robert H	Sheriff/Coroner	06/29/2013
Fatland, Robert D	Sheriff/Coroner	06/15/2013
Faulkner, Mark A	County Fire	06/21/2013
Fematt, Kim	Superior Court	07/27/2013
Fogg, Joelene	Economic Development (Def)	06/29/2013
Foulks, Vicky L	Probation	06/29/2013
Garcia, Sandra Flores	Sheriff/Coroner (Def)	06/12/2013
Gheorghe, Viorel	ARMC (Def)	06/24/2013
Govan, Marta L	County Fire	07/27/2013
Guido-Deutsch, Beverly	Human Services (Def)	07/17/2013
Hall, Pamela	Children & Family Services (Def)	05/30/2013
Halsey, Barbara	Workforce Development (Def)	07/04/2013
Hauer, Steven	Board of Supervisors (Def)	07/21/2013
Higgins, Kathleen A	Land Use Services	07/27/2013
Houston, Carolyn J	Transitional Assistance	08/24/2013
Jimenez, Peggy	Superior Court (Def)	07/10/2013

King, Elizabeth	County Fire	07/13/2013
Krelnikov, Alfred P	County Fire	06/01/2013
Lopez, Linda J	Transitional Assistance	06/15/2013
Lott Mary L	Workforce Development	06/29/2013
Lynch, Darlene S	Human Services	07/27/2013
Maclean, Cherylene	Public Health	08/10/2013
Marques, Ruben	Transitional Assistance	06/02/2013
Mesa, Scott R	Sheriff/Coroner	07/27/2013
Moreno, Nancy J	Human Services	06/17/2013
Okeke, Philomena	ARMC (Def)	08/11/2013
Page, Cameron C	District Attorney	06/29/2013
Rangel, Lorraine	District Attorney	07/27/2013
Reimund, Kathleen	ARMC	07/13/2013
Reynolds, Kaye	Auditor-Contr/Treas/Tax Coll (Def)	07/12/2013
Romero, Vicenta F	Human Services	07/27/2013
Rude, Irene	Aging & Adult Services	06/29/2013
Schatz, John	Public Works	07/20/2013
Schumaker, Steven	Information Services	08/10/2013
Shaw, Ronald	Transitional Assistance	07/13/2013
Sheagley, Owen L	Sheriff/Coroner	08/10/2013
Sollano, Betty	Public Health	08/10/2013
Soto, Teresa	Probation	07/27/2013
Torres, Teresa	ARMC	07/27/2013
Tyra, Charlene	Transitional Assistance	07/13/2013
Velazquez, Marta	Transitional Assistance	06/29/2013
Walker, Meri	Sheriff/Coroner	06/29/2013
Wilson, Josephine	Probation	07/27/2013

4. Travel:

- a. Ratify the attendance of Glenn Duncan and Louis Fiorino to Macquarie Infrastructure and Real Assets - Infrastructure in Depth Conference, held in San Francisco, CA on June 25, 2013.
- b. Approve the travel request of Donald Pierce to conduct on-site due diligence for Core Real Estate, held in London, UK tentatively on July 22 – 26, 2013.
- c. Approve the attendance of James Perry to the 2013 Fall PRISA III Advisory Council Meeting, held in Raleigh, NC tentatively on November 18 – 19, 2013.

5. Disability Applications - Initial Decision:

Date of Application

a.	Fryer, Barbara	Child Support Services	4/30/2013
b.	Hagen, Jay C.	Sheriff	10/31/2012
c.	Lo Curto, James J.	Human Services	8/21/2012
d.	Miller, Donald E.	Sheriff	8/9/2012

- |    |                     |                |           |
|----|---------------------|----------------|-----------|
| e. | Ramirez, Cynthia A. | ARMC           | 8/31/2012 |
| f. | Smith, Craig        | County Fire    | 8/6/2012  |
| g. | Thompson, Vickie    | Superior Court | 8/28/2012 |
| h. | Vela, Claudio G.    | Sheriff        | 9/12/2012 |
| i. | Vogel, John         | Sheriff        | 5/1/2012  |

### **CLOSED SESSION**

#### **Disability Applications - [Article 1, Section 1, California Constitution (Right to Privacy) and California Government Code Section 54957]:**

6. Initial Decision:
- |    |                      |                        |           |
|----|----------------------|------------------------|-----------|
| a. | Bracamonte, Georgia  | Superior Court         | 8/7/2012  |
| b. | Carr, Daniel R.      | Human Services         | 3/1/2013  |
| c. | Engelbrecht, Harriet | Aging & Adult Services | 9/14/2012 |
| d. | Stewart, Pamela J.   | Human Services         | 7/27/2012 |
7. Reconsideration:
- |    |                |                |           |
|----|----------------|----------------|-----------|
| a. | Haynes, Denise | Human Services | 3/21/2012 |
|----|----------------|----------------|-----------|
8. Recommend the Board adopt the proposed findings of fact, conclusions of law and disposition, and dismiss Theresa Anderson's disability retirement application with prejudice in accordance with Rule 16(a).

### **OPEN SESSION**

9. Ad Hoc Committee for the Recruitment of Chief Counsel.
- Action: Ratify Professional Services Agreement with Ralph Andersen & Associates for recruiting services for the position of Chief Counsel.
  - Update on Committee activities, ratify actions to date and approve plan for going forward.
10. Investment Committee Report.
- Report on the meeting conducted June 11, 2013.
  - Action: Approve the proposed 2013 Asset Allocation Study.
  - Action: Approve a one or two year engagement for research services with Roubini Global Economics.
  - Action: Approve the proposed change to the 2013 On-site Investment Due

Diligence Schedule.

11. Administrative Committee Report.
  - a. Report on the meeting conducted June 18, 2013.
  - b. Action: Change the scheduling of disability cases and other Closed Session items on Board meeting agendas.
12. Benefits and Compensation Committee Report.
  - a. Report on the meeting conducted June 18, 2013.
13. Report by the Trustees concerning conferences attended (as specified by the Trustee Education/Training Policy).
14. Staff Reports:
  - a. Chief Executive Officer's Report.
  - b. Legislative Report.
  - c. Investment Performance Report.

**PUBLIC COMMENT**

**CLOSED SESSION**

15. Conference with Legal Counsel
  - a. Anticipated Litigation - Government Code Section 54956.9(c) - Two Cases
16. Public Employee Performance Evaluation - Government Code Section 54957
  - a. Chief Executive Officer

**ADJOURN**

**NOTES**

**UPCOMING MEETINGS**

Investment Committee Meeting  
Tuesday, July 16, 2013\*  
2:00 p.m.

Administrative Committee Meeting  
Tuesday, July 23, 2013\*  
2:00 p.m.

Benefits and Compensation Committee Meeting  
Tuesday, July 23, 2013\*  
2:15 p.m.

Board Meeting  
Thursday, August 1, 2013  
9:00 a.m.

\*Meeting dates vary from regular schedule due to holiday.





**MINUTES  
BOARD OF RETIREMENT  
June 6, 2013  
BOARD ROOM  
348 WEST HOSPITALITY LANE, FIRST FLOOR  
SAN BERNARDINO, CA**

Trustees Present:

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

Others Present:

NORM RUGGLES, Chief Executive Officer  
BARBARA HANNAH, Staff Attorney  
DONALD PIERCE, Chief Investment Officer  
CHRISTIE PORTER, Chief Member Services  
JULIE UNDERWOOD, Chief Fiscal Services  
CAROL FENN, Recorder

Not Present:

GLENN DUNCAN, Appointed Member  
BRET HENRY, Alternate Safety Member

1. Call meeting to order.

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

Stafford stated that Dr. Charles Fracchia would no longer be working with SBCERA, and thanked him for his service.

**CONSENT**

Neely moved, Brandt seconded, to Approve the Consent Calendar.

Absent: Duncan, Walker, Henry

Motion Passed.

## Item 2. Page 2

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2. Action: Approve minutes of regular meeting of May 2, 2013.
3. Action: Approve minutes of special meeting of May 10, 2013.

4. Service Retirements:

Effective Date

Adan, Esther	ARMC (Def)	05/10/2013
Alonzo, Daniel A	Sheriff/Coroner	05/18/2013
Antillon, Sophie	Child Support Services	06/01/2013
Cadena, Raymond M	Solid Waste Management (Def)	06/29/2013
Colunga, Virginia L	Workforce Development	05/04/2013
Faulkner, Laurene	ARMC	05/11/2013
Flowers, Bernita	Waste Management (Def)	04/25/2013
Garces, Eleanor	Children & Family Services	05/04/2013
Gotch, Kathleen	City of Chino Hills	07/06/2013
Harmon, William	Regional Parks	06/29/2013
Hauer, Paul	ARMC	06/30/2013
Hickman, Joni K	Sheriff	05/18/2013
Hood, Lauren Sue	County Fire	05/18/2013
Keeler, Katsumi	SCAQMD	05/18/2013
Lake, Quintin	County Museum	06/29/2013
Lassiter, Janice	Probation	05/18/2013
Lopez, Kathylynn	Sheriff/Coroner	04/25/2013
Luke, Fiona	County Counsel (Def)	07/01/2013
Mack, Helen M	Transitional Assistance	06/29/2013
Mackie, Scott D	Behavioral Health	06/01/2013
Mahlum, Heidi	Public Defender	05/18/2013
Mast, Linda	Sheriff	04/23/2013
Meekins-Anderson, Linda	Superior Court	05/04/2013
Perez, Brenda J	Probation	05/18/2013
Powell, Marteniez Lee	Sheriff/Coroner	05/18/2013
Rocha, Doroteo	Public Works (Def)	06/04/2013
Romero, Patricia	Human Services	06/29/2013
Russell, Patricia	Child Support Services	07/13/2013
Seward Hall, Karen E	Human Services (Def)	05/21/2013
Spurgeon, Debra	County Fire	04/22/2013
Straka, Gregory	Sheriff/Coroner	06/29/2013
Tovar, Patricia	Probation (Def)	06/30/2013
Tsegga, Mentesenot	Public Health	05/18/2013
Walker, Jerry	Superior Court	06/29/2013
Williams, Patricia	Behavioral Health	06/29/2013
Wisdom, Stanley	Land Use Services	06/01/2013

5. Staff Travel:

- a. Approve the attendance of Adolph Fuentes to the Information On Demand Conference, to be held in Las Vegas, NV on November 3 - 8, 2013.



6. Disability Applications - Initial Decision:
- a. Abernathy, Bill D.
    - 1. Mr. Abernathy is permanently incapacitated for the performance of duties and disability retirement be granted.
    - 2. Mr. Abernathy's disability is Service-Connected based on hearing loss.
    - 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 16, 2012, the date of application.
  
  - b. Blankenship, Jay W.
    - 1. Mr. Blankenship is permanently incapacitated for the performance of duties and disability retirement be granted.
    - 2. Mr. Blankenship's disability is Service-Connected based on discogenic 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 6, 2012, the date of application.
  
  - c. Delgado, Kathryn M.
    - 1. Ms. Delgado is permanently incapacitated for the performance of duties and disability retirement be granted.
    - 2. Ms. Delgado's disability is Service-Connected based on multi-level degenerative disc disease of the lumbar spine.
    - 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 11, 2012, the day after the last date compensated.
  
  - d. Endsley, Joan
    - 1. Ms. Endsley is permanently incapacitated for the performance of duties and disability retirement be granted.
    - 2. Ms. Endsley's disability is Nonservice-Connected based on congestive heart failure, cardiomyopathy, and hypertension.
    - 3. Ms. Endsley 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 23, 2013, the date of application.
  
  - e. Hebert, Norman
    - 1. Mr. Hebert is permanently incapacitated for the performance of duties and disability retirement be granted.
    - 2. Mr. Hebert's disability is Service-Connected based on degenerative joint disease of both knees.
    - 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 12, 2012, the date of application.

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- f. Logan, Holly E.
  - 1. Ms. Logan is permanently incapacitated for the performance of duties and disability retirement be granted.
  - 2. Ms. Logan's disability is Nonservice-Connected based on chronic schizophrenia.
  - 3. Ms. Logan 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 July 9, 2012, the date of application.
  
- g. Munoz, Donna D.
  - 1. Grant Ms. Munoz' request to withdraw her request for reinstatement to County Service pursuant to Government Code sections §31730 and §31733.
  - 2. Ms. Munoz' status shall remain as Nonservice-Connected Disability retired.
  
- h. Oinas, Robert
  - 1. Mr. Oinas is permanently incapacitated for the performance of duties and disability retirement be granted.
  - 2. Mr. Oinas' disability is Service-Connected based on lumbar 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 November 17, 2012, the day after the last date compensated.
  
- i. Olivarez, Joseph
  - 1. Mr. Olivarez is permanently incapacitated for the performance of duties and disability retirement be granted.
  - 2. Mr. Olivarez' disability is Nonservice-Connected based on corneal disorder and visual disturbance.
  - 3. Mr. Olivarez 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 7, 2012, the date of application.
  
- j. Rawlins, Sheryl L.
  - 1. Ms. Rawlins is permanently incapacitated for the performance of duties and disability retirement be granted.
  - 2. Ms. Rawlins' disability is Service-Connected based on right shoulder 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 December 1, 2012, the day after the last date compensated.
  
- k. Shipley, Janice
  - 1. Ms. Shipley is permanently incapacitated for the performance of duties and disability retirement be granted.
  - 2. Ms. Shipley's disability is Nonservice-Connected based on kidney disease.
  - 3. Ms. Shipley 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 September 24, 2012, the date of application.

- I. Smith, Cynthia
  1. Ms. Smith is permanently incapacitated for the performance of duties and disability retirement be granted.
  2. Ms. Smith's disability is Service-Connected based on cervical radiculopathy.
  3. Ms. Smith 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 July 31, 2012, the date of application.
  
18. Disability Applications - Writ of Mandate:
  - a. Flethez, Frank
    1. Petition for Writ of Mandamus is granted.
    2. Petitioner is granted an earlier effective date of his service-connected disability retirement allowance retroactive to July 15, 2000, the day after the last date he received regular compensation.
    3. The issues of whether interest at the legal rate will be paid on all retroactive amounts and the amount of attorneys fees to be paid by SBCERA will be resolved by further order of the court.

**CLOSED SESSION**

Disability Applications - [Article 1, Section 1, California Constitution (Right to Privacy) and California Government Code Section 54957]:

7. Initial Decision:

Chairman Stafford requested that item #7d be heard next.

- d. Graves, Joseph

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

1. Mr. Graves is permanently incapacitated for the performance of duties and disability retirement be granted.
2. Mr. Graves' disability is Service-Connected based on left knee injury.
3. Mr. Graves 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 June 14, 2012, the date of application, provided benefit is requested in writing.

Absent: Duncan, Walker, Henry

Motion Passed.

## Item 2. Page 6

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a. Beckford, Jeannette

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

1. Ms. Beckford is not permanently incapacitated for the performance of duties based on bilateral carpal tunnel syndrome.
2. Disability retirement be denied.
3. If a disability retirement is determined at a future hearing stage, the effective date will be May 4, 2013, the day after the last date compensated.

Absent: Duncan, Walker, Henry

Motion Passed.

Walker arrived at 9:43 a.m.

b. Brooks, Patricia M.

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

1. Ms. Brooks is not permanently incapacitated for the performance of duties based on ischemic cardiomyopathy and anxiety disorder.
2. Disability retirement be denied.
3. If a disability retirement is determined at a future hearing stage, the effective date will be December 21, 2012, the date of application.

Against: Neely; Absent: Duncan, Henry

Motion Passed.

c. Coulter, Judith L.

Neely moved, Brandt seconded, to Continue in order to review additional documentation.

Absent: Duncan, Henry

Motion Passed.

8. Reconsideration:

a. Harris, Dawn

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

1. Per Board Policy, deny further delay for reconsideration and maintain the initial Board decision from November 1, 2012 that member is permanently incapacitated for the performance of duties and the disability is Service-Connected based on right upper extremity injury. The Board found she was capable of gainful employment and denied the supplemental disability retirement allowance.
2. Member may proceed to formal hearing provided a written request is submitted, understanding that the hearing officer will hear the requested benefits *de novo*, unless otherwise stipulated by the parties.

Absent: Duncan, Henry

Motion Passed.

Conference with Legal Counsel

## 9. Anticipated Litigation - Government Code Section 54956.9(c) - Two Cases

Raymond F. Lynch, Counsel from the Hanson Bridgett firm, presented.

Brandt moved, Williams seconded, to Continue to the July Board meeting.

Recused: Walker; Absent: Duncan, Henry

Motion Passed.

Public Employee Performance Evaluation - Government Code Section 54957

## 10. Chief Executive Officer

Walker left the meeting at 11:05 a.m.

**OPEN SESSION**

## 11. Administrative Committee Report

## a. Report of the meeting conducted May 28, 2013.

Stafford reported.

## b. Action: Approve the Proposed Administrative Expense Budget for FY 2013/2014.

Underwood reviewed.

Brandt moved, Williams seconded, to Approve the Proposed Administrative Expense Budget for FY 2013/2014.

Absent: Duncan, Walker, Henry

Motion Passed.

## c. Action: Approve Revised Benefits Policy No. 005 - Additional Retirement Credit (ARC) under Government Code sections 31658 and 7522.46.

Underwood reviewed.

Rutherford moved, Waner seconded, to Approve Revised Benefits Policy No. 005 - Additional Retirement Credit (ARC) under Government Code sections 31658 and 7522.46.

Absent: Duncan, Walker, Henry

Motion Passed.

## Item 2. Page 8

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- d. Action: Approve technical title change from Human Resources Specialist to Human Resources Manager.

Ruggles reviewed.

Williams moved, Brandt seconded, to Approve technical title change from Human Resources Specialist to Human Resources Manager.

Absent: Duncan, Walker, Henry

Motion Passed.

### 12. Benefits and Compensation Committee Report

- a. Report of the meeting conducted May 28, 2013.

Stafford reported.

- b. Action: Approve Special Assignment Compensation (SAC) of 7 1/2% for Staff Attorney, to expire one month after a Chief Counsel is hired.

Ruggles reviewed.

Brandt moved, Rutherford seconded, to Approve Special Assignment Compensation (SAC) of 7 1/2% for Staff Attorney, to expire one month after a Chief Counsel is hired, and with addition that employee is to report directly to the Board.

Absent: Duncan, Walker, Henry

Motion Passed.

### 13. Action: Appointment of Interim Chief Counsel.

Stafford reviewed. No action was taken. Item will be discussed by the Ad Hoc Committee for the search for Chief Counsel.

### 14. Approve the attendance of James Perry to Institutional Investor Magazine's 11th Annual Hedge Fund Industry Awards, held in New York, NY on June 27, 2013.

Rutherford moved, Neely seconded, to Approve the attendance of James Perry to Institutional Investor Magazine's 11th Annual Hedge Fund Industry Awards, held in New York, NY on June 27, 2013.

Absent: Duncan, Walker, Henry

Motion Passed.

### 15. Approve the attendance of up to four Trustees to Opal Financial Group's Investment Trends Summit, to be held in Santa Barbara, CA, September 25 - 27, 2013.

Rutherford moved, Williams seconded, to Approve the attendance of up to four Trustees to Opal Financial Group's Investment Trends Summit, to be held in Santa Barbara, CA, September 25 - 27, 2013.

Absent: Duncan, Walker, Henry

Motion Passed.

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

Brandt reported on his attendance at the Wharton School. Waner reported on his attendance at the SACRS conference.

17. Staff Reports:

- a. Chief Executive Officer's Report.

Ruggles reported.

- b. Review California Retirement Legislation for 2013-2014.

Hannah reported.

- c. Investment Performance Report.

Pierce reported.

**PUBLIC COMMENT**

No Public Comment was provided.

**ADJOURN**

The meeting adjourned at 11:45 a.m.

Respectfully submitted,

\_\_\_\_\_  
DAWN STAFFORD, Chairman

\_\_\_\_\_  
NORMAN L. RUGGLES, Secretary

DATED \_\_\_\_\_





**REPORT/RECOMMENDATION TO THE BOARD OF TRUSTEES  
OF SAN BERNARDINO COUNTY EMPLOYEES'  
RETIREMENT ASSOCIATION**

**July 11, 2013**

**FROM: NORM RUGGLES**  
Chief Executive Officer

**SUBJECT: TRAVEL REQUEST**

**RECOMMENDATION:** Ratify the attendance of Glenn Duncan and Louis Fiorino to Macquarie Infrastructure and Real Assets - Infrastructure in Depth Conference, held in San Francisco, CA on June 25, 2013.

**BACKGROUND INFORMATION:**

The estimated cost for attendance is listed below:

Travel: Airfare

Lodging & Meals: \$577.00 per person

Registration: n/a

Other: Tips/Taxi

**ATTACHMENT:** Yes

**PRESENTER:** No



# Infra struc ture In Depth

Macquarie Infrastructure and Real Assets



## SESSION INFORMATION

Item	Description
Date	Tuesday, June 25th
Location	Four Seasons San Francisco 757 Market St San Francisco, CA 94103

## AGENDA

### MONDAY, JUNE 24TH (OPTIONAL)

Time	Topic
7:00PM	Welcome Cocktails
7:30 PM	Dinner

### TUESDAY, JUNE 25TH

Time	Topic
8:00AM	Registration / Continental Breakfast
9:00AM	Introduction to Infrastructure
9:15AM	Infrastructure Investment Opportunities
	Break
10:15AM	Active Asset Management
10:45AM	Sector Insights: Waste Management
	Break
11:30AM	Sector Insights: Utilities
	Break – Lunch
12:15PM	U.S. Regulatory Environment

# Item 4.a. Page 4

MACQUARIE INFRASTRUCTURE AND REAL ASSETS – INFRASTRUCTURE IN DEPTH / APRIL 2013

Time	Topic
	Break
1:15PM	Risk Management
1:45PM	Sector Insights: Transportation (Roads & Airports)
	Break
2:45PM	Sector Insights: Midstream Energy
3:15PM	Sector Insights: Communications Infrastructure
3:45PM	Sector Insights: Ports and Marine Terminals
4:15PM	Closing Remarks
5:00 PM	Reception

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**REPORT/RECOMMENDATION TO THE BOARD OF TRUSTEES  
OF SAN BERNARDINO COUNTY EMPLOYEES'  
RETIREMENT ASSOCIATION**

**July 11, 2013**

**FROM: DONALD PIERCE, CFA**  
Chief Investment Officer

**SUBJECT: Travel Request – Education/Training**

**RECOMMENDATION:**

Approve the travel request of Donald Pierce to conduct on-site due diligence for Core Real Estate, held in London, UK tentatively on July 22 – 26, 2013.

**BACKGROUND INFORMATION:**

The estimated cost for this due diligence is listed below:

Travel:	Airfare (roundtrip)/ Mileage reimbursement
Lodging:	TBD
Meals:	Per Diem/Provided
Registration:	N/A
Other:	Tips/Taxi, etc.

**ATTACHMENT:** None

**PRESENTER:** Donald Pierce, Chief Investment Officer



**REPORT/RECOMMENDATION TO THE BOARD OF TRUSTEES  
OF SAN BERNARDINO COUNTY EMPLOYEES'  
RETIREMENT ASSOCIATION**

**July 11, 2013**

**FROM: DONALD PIERCE, CFA**  
Chief Investment Officer

**SUBJECT: Travel Request – Education/Training**

**RECOMMENDATION:**

Approve the attendance of James Perry to the 2013 Fall PRISA III Advisory Council Meeting, held in Raleigh, NC tentatively on November 18 – 19, 2013.

**BACKGROUND INFORMATION:**

The estimated cost for attendance at this conference is listed below:

Travel:	Airfare (roundtrip)/ Mileage reimbursement
Lodging:	TBD
Meals:	Per Diem/Provided
Registration:	N/A
Other:	Tips/Taxi, etc.

**ATTACHMENT:** None

**PRESENTER:** Donald Pierce, Chief Investment Officer







**MINUTES  
ADMINISTRATIVE COMMITTEE  
June 18, 2013  
BOARD ROOM  
348 WEST HOSPITALITY LANE, FIRST FLOOR  
SAN BERNARDINO, CA**

Trustees Present:

DAWN STAFFORD, Committee Chairman  
BRENDAN BRANDT, Committee Member  
LOUIS FIORINO, Committee Member

Others Present:

NORM RUGGLES, Chief Executive Officer  
BARBARA HANNAH, Staff Attorney  
CHRISTIE PORTER, Chief Member Services  
CAROL FENN, Recorder

Not Present:

BRET HENRY, Committee Member

1. Call meeting to order.

Chairman Stafford called the meeting to order at 2:23 p.m.

2. Approve minutes of Administrative Committee meeting of May 28, 2013.

Brandt moved, Fiorino seconded, to Approve minutes of Administrative Committee meeting of May 28, 2013.

Absent: Henry

Motion Passed.

3. Discuss the scheduling of disability cases and other Closed Session items on Board meeting agendas.

Ruggles and Porter reviewed. The Committee discussed and referred this item to the Board.

4. Discuss the placement of all Trustee and staff travel requests on the Board meeting Consent agenda.

Ruggles and Porter reviewed. The Committee discussed and took no action to change the current order of Board meeting agendas.

# Item 11.a. Page 2

Administrative Committee Minutes

June 18, 2013

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## PUBLIC COMMENT

No Public Comment was provided.

## ADJOURN

The meeting adjourned at 2:44 p.m.

Respectfully submitted,

\_\_\_\_\_  
DAWN STAFFORD, Chairman

\_\_\_\_\_  
NORMAN L. RUGGLES, Secretary

DATED \_\_\_\_\_



**MINUTES  
BENEFITS AND COMPENSATION COMMITTEE  
June 18, 2013  
BOARD ROOM  
348 WEST HOSPITALITY LANE, FIRST FLOOR  
SAN BERNARDINO, CA**

Trustees Present:

DAWN STAFFORD, Committee Chairman  
BRENDAN BRANDT, Committee Member  
LOUIS FIORINO, Committee Member

Others Present:

NORM RUGGLES, Chief Executive Officer  
BARBARA HANNAH, Staff Attorney  
ELIZABETH JONAS, Human Resources Specialist  
CAROL FENN, Recorder

Not Present:

BRET HENRY, Committee Member

1. Call meeting to order.

Chairman Stafford called the meeting to order at 2:45 p.m.

2. Approve minutes of Benefits and Compensation Committee of May 28, 2013.

Fiorino moved, Brandt seconded, to Approve minutes of Benefits and Compensation Committee of May 28, 2013.

Absent: Henry

Motion Passed.

**CLOSED SESSION**

**Conference with Labor Negotiators - Government Code Section 54954.5(f)**

3. SBCERA Designated Representative: Norman Ruggles  
Unrepresented Employees:
  - Chief Investment Officer
  - Senior Investment Officer
  - Investment Officer

## Item 12.a. Page 2

Benefits and Compensation Committee Minutes

June 18, 2013

Page 2

### OPEN SESSION

### PUBLIC COMMENT

No Public Comment was provided.

### ADJOURN

The meeting adjourned at 3:35 p.m.

Respectfully submitted,

\_\_\_\_\_  
DAWN STAFFORD, Chairman

\_\_\_\_\_  
NORMAN L. RUGGLES, Secretary

DATED \_\_\_\_\_

**CHIEF EXECUTIVE OFFICER'S REPORT  
July 11, 2013**

**Administration**

As instructed by the Board, the construction of three new offices on the third floor has been completed and new office furniture has been delivered. Two of the offices will be occupied by Eydie Cox and Amit Thanki of the Investment Department. The third is available for future use.

Three Board positions will be up for election in early December: one General Member Trustee, one Retired Member Trustee and one Alternate Retired Member Trustee. These are the positions now held by Louis Fiorino, Dawn Stafford and Harry Hatch, respectively. The new terms of office will commence on January 1, 2014. We will request approval of the election by the Board of Supervisors in August.

**Member Services**

For the month of May, the total number of appointments in Member Services was 113. There were 80 consultations, 4 disability-related appointments and 29 service retirements.

**Communications**

The Mid-career Retirement Planning Seminar series for 2013 began in February. The targeted audience for this type of seminar is members who are 5 to 10 years away from retirement. Since the seminar kicked off in February, 93 members including their guests have attended. The seminars for June, July and August are full and we are accepting only wait-list reservations at this time.

Interviews for the Communications Officer position will be scheduled for the week of July 22. We received 25 applications.

**Fiscal Services**

The May workload for Fiscal Services included:

- a. Normal and lump sum payroll processing of \$32,540,120, made up of 309 checks and 10,091 EFT's.
- b. Receipt, balancing and posting of \$40,869,572 of employee/employer contributions.
- c. 63 service purchase calculations.
- d. 169 member account audits.

Thirty-two (32) representatives from our plan sponsors, including their external auditors, attended the SBCERA GASB 67/68 workshop on June 20, 2013. The workshop focused on the Governmental Accounting Standards Board (GASB) new reporting standards under GASB Statements No. 67 & 68. These new standards will have a significant impact on our plan sponsor's pension reporting for their financial statements beginning in FY 2014/2015. SBCERA will continue to keep our employers informed as new guidance becomes available related to these new standards. Speakers at the workshop included auditors Jim Godsey and Amy Chiang from Macias Gini and O'Connell, actuaries Paul Angelo and John Monroe from the Segal Company, and Fiscal Services Chief Julie Underwood.

## Item 14.a. Page 2

We received 56 applications for our Accounting Technician recruitment. Interviews took place the week of June 24 and we hope to select an applicant soon.

Rim of the World Recreation and Park District is withdrawing from SBCERA. They no longer have any employees and stopped reporting contributions on May 4. Segal is in the process of calculating their liability owed to SBCERA.

*Harry Hatch, Consultant*

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*June 28, 2013*

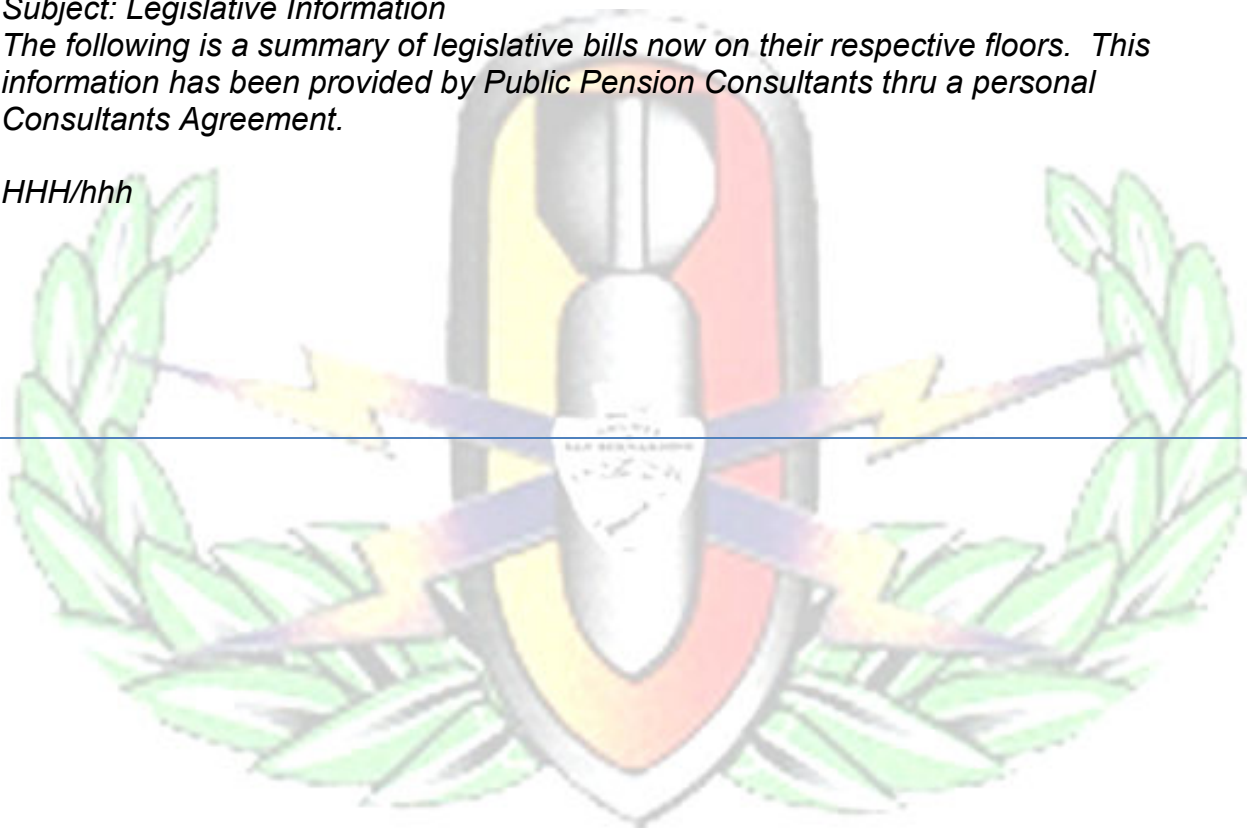
*To: SBCERA Board*

*From: H. H. Hatch*

*Subject: Legislative Information*

*The following is a summary of legislative bills now on their respective floors. This information has been provided by Public Pension Consultants thru a personal Consultants Agreement.*

*HHH/hhh*



**NEW LEGISLATION**

**AB 160, Alejo.** PEPRA: exceptions.

*Re: Exceptions to Employee Groups Covered by PEPRA.*

Status: Re-referred to APPR.

**AB 205, Pan.** Public employees' retirement: pension fund management.

*Re: CERL Board of Retirement to prioritize investment in an in-state infrastructure project.*

Status: In Senate. Com. PUBLIC EMPLOYMENT AND RETIREMENT.

**AB 382, Mullin.** State and local government: alternative investments: public access.

*Re: More alternative investment exceptions to the Public Records Act and the Brown Act.*

Status: Re-referred to Com. on GOV & F.

**AB 696, Mansoor.** Public employment: pensions.

*Re: More technical changes to PEPRA.*

Status: From Printer.

**AB 822, Hall.** Local government retirement plans.

*Re: Local ballot measures on public pension plans must include actuarial impact.*

Status: In Senate. Com. on GOV & F.

**AB 1248, Cooley.** Controller: internal control guidelines applicable to local agencies

*Re: Controller to develop internal control guidelines applicable to local agencies.*

Status: In Senate. Com. G.O

**AB 1333, Hernandez, Roger.** Local government: contracts.

*Re: Local government must review upcoming contracts to make sure contractor is pay prevailing wage.*



NEW LEGISLATION

Status: In Senate. Com. on GOV & F.

**AB 1380**, Com. on P.E., R. & S.S. County employees' retirement.

*Re: Amended – now SACRS bill to clean up CalPEPRA*

Status: SEN PUBLIC EMPLOYMENT AND RETIREMENT

**SB 13**, Beall. Public employees' retirement benefits.

*Re: Corrective Clean-up Legislation for PEPRA.*

Status: In Assembly. Referred to Com. on P.E., R. & S.S.

**SB 24**, Walters. Public employees' retirement: benefit plans.

*Re: New lower cost DB plans after PEPRA can be approved by local agency.*

Status: Referred to Com. on P.E. & R.

**SB 481**, Huff. California Public Employees' Reform Act of 2013.

*Re: More nonsubstantive changes to PEPRA.*

Status: Referred to Com. on RLS.

**SB 570**, DeSaulnier. Public records: copy charges: retrieval.

*Re: Public agency cannot charge for PRA request available in digital form*

Status: In Assembly. Com. APPR

**SB 647**, Wolk. County retirement.

*Re: Can't be a member of two county retirement systems.*

Status: Referred to Com. on RLS.

**SB 751**, Yee. Meetings: publication of action taken.

*Re: Board must report out the vote of every Board member on every motion.*

Status: Assembly. COM. LOCAL GOVERNMENT

**NEW LEGISLATION**

**Federal Legislation**

**HR 567, Nunes.** Public Employee Transparency Act. Introduced 2/9/2011

*Re: IRS penalties on public bonds for non-compliance on pension transparency.*

Status: Referred to the House Committee on Ways and Means.

**HR 2934, Sanchez.** To amend the Internal Revenue Code of 1986 to clarify the treatment of certain retirement plan contributions picked up by governmental employers. Introduced 9/14/11

*Re: Pre-tax payroll deduction for employer contributions to retirement plan.*

**NEW LEGISLATION**

**AB 160, Alejo.** PEPRA: exceptions.

*Re: Exceptions to Employee Groups Covered by PEPRA.*

Status: Re-referred to APPR.

This makes exceptions to employee groups covered by PEPRA. The term “public retirement system” in PEPRA would not include: multiemployer plan authorized by Section 302(c)(5) of the Taft-Hartley Act (29 U.S.C. Sec. 186(c)(5)) if the public employer began participation in that plan prior to January 1, 2013, and that plan is regulated by the Employee Retirement Income Security Act of 1974 (29 U.S.C. Sec. 1001 et seq.) or a retirement plan for public employees whose collective bargaining rights are protected by Section 5333(b) of Title 49 of the United States Code and the agreements entered pursuant to that provision.

This bill would also exclude a supplemental defined benefit plan, as defined in federal law, pursuant to a collective bargaining or similar agreement.

This bill would declare that it is to take effect immediately as an urgency statute.

**AB 205, Pan.** Public employees' retirement: pension fund management.

*Re: CERL Board of Retirement to prioritize investment in an in-state infrastructure project.*

Status: In Senate. Com. PUBLIC EMPLOYMENT AND RETIREMENT.

Consistent with their fiduciary duties and the standard for prudent investment, this bill would extend the authorization to prioritize investment in an in-state infrastructure project over a comparable out-of-state infrastructure project to the board of retirement or the board of investments of a retirement system established pursuant to the County Employees Retirement Law of 1937.

**AB 382, Mullin.** State and local government: alternative investments: public access.

*Re: More alternative investment exceptions to the Public Records Act and the Brown Act.*

Status: Re-referred to Com. on GOV & F.

## NEW LEGISLATION

Existing law, the Ralph M. Brown Act, requires the meetings of the legislative body of a local agency to be conducted openly and publicly, with specified exceptions. Existing law authorizes the legislative body of a local agency that invests pension funds to hold a meeting in closed session to consider the purchase or sale of particular, specific pension fund investments.

This bill would include prescribed documents dealing with alternative investments within the exceptions to the requirement for disclosure of documents related to public meetings.

Existing constitutional provisions require that a statute that limits the right of access to the meetings of public bodies or the writings of public officials and agencies be adopted with findings demonstrating the interest protected by the limitation and the need for protecting that interest.

**AB 696, Mansoor.** Public employment: pensions.

*Re: More technical changes to PEPRA.*

Status: From Printer.

This bill would make technical, non-substantive changes to PEPRA.

**AB 822, Hall.** Local government retirement plans.

*Re: Local ballot measures on public pension plans must include actuarial impact.*

Status: In Senate. Com. on GOV & F.

Under existing law, the adoption of a charter or amendment to a charter of a city or city and county may be submitted to the voters at a statewide general, statewide primary, or regularly scheduled municipal election.

This bill would require a charter or charter amendment that proposes to alter, replace, or eliminate the retirement benefit plan of employees of the city or city and county to be submitted to voters at a statewide general election pursuant to existing law.

**AB 1248, Cooley.** Controller: internal control guidelines applicable to local agencies

*Re: Controller to develop internal control guidelines applicable to local agencies.*

**NEW LEGISLATION**

Status: In Senate. Com. G.O.

Existing law requires the Controller to superintend the fiscal concerns of the state, suggest plans for the improvement and management of the public revenues, and at least annually, summon county auditors to discuss problems with, among other things, the reporting of financial transactions of the counties.

This bill would require the Controller, on or before January 1, 2015, to develop internal control guidelines applicable to a local agency, as defined, to prevent and detect financial errors and fraud, based on specified standards and with input from any local agency and organizations representing the interests of local agencies. This bill would require the Controller to, by the same date, post the completed internal control guidelines on the Controller's Internet Web site and update them, as he or she deems necessary, as specified.

**AB 1333, Hernandez, Roger.** Local government: contracts.

*Re: Local government must review upcoming contracts to make sure contractor is pay prevailing wage.*

Status: In Senate. Com. on GOV & F.

This bill would require begin insert, with a specified exception, end insert the legislative body of a city, county, or district to review any contract begin insert or memorandum of understanding (MOU) end insert with a private party, with a total annual value of \$250,000 or more and containing an automatic renewal clause, at least once every three years on or before the annual date by which the contract may be rescinded. This bill would require findings to be made prior to renewal as to, among other things, whether the contract or MOU requires the private party to pay at least the general prevailing rate of per diem wages for work of a similar character in the locality, or a living wage given the locality, whichever is greater, to its employees, and whether contract or MOU requires the retention of employees of the prior contractor or subcontractor for at least 90 days.

**AB 1380, Com. on P.E., R. & S.S.** County employees' retirement.

*Re: Amended – now SACRS bill to clean up CalPEPRA*

Status: SEN PUBLIC EMPLOYMENT AND RETIREMENT

This bill would amend various provisions of CERL to coordinate and subordinate that law with PEPRA. Generally, the bill would specify that certain provisions of CERL do not

## NEW LEGISLATION

apply to members who are currently subject to PEPRA by virtue of being first employed on or after January 1, 2013.

The bill would provide that provisions allowing a new formula for calculation of retirement benefits to be applied to service already performed are inoperative as of January 1, 2013, and would prohibit the purchase of nonqualified service credit, as specified.

The bill would except retirement systems established under CERL from specified provisions of PEPRA concerning the calculation and adjustment of contribution rates.

**SB 13, Beall.** Public employees' retirement benefits.

*Re: Corrective Clean-up Legislation for PEPRA.*

Status: In Assembly. Referred to Com. on P.E., R. & S.S.

This bill makes several technical changes or corrections to the California Public Employees' Pension Reform Act of 2013 (PEPRA).

In addition, this bill would specify that the PEPRA provisions are not to be construed to prohibit an employer from offering a defined contribution plan on or after January 1, 2013, either with or without a defined benefit plan, if the employer did not offer a defined contribution plan prior to that date.

This bill would repeal the new PEPRA statute that authorizes a safety member of a public retirement system who retires for industrial disability to receive a disability retirement equal to the greater of specified benefit amounts.

The bill would clarify the application of PEPRA to employees who were employed prior to January 1, 2013, who have service credit in a different retirement system. The bill would authorize a public retirement system to adopt regulations and resolutions in order to modify its retirement plan or plans to conform with PEPRA.

This bill would specify that PEPRA provisions are not to be construed to prohibit an employer from offering a defined contribution plan on or after January 1, 2013, either with or without a defined benefit plan, if the employer did not offer a defined contribution plan prior to that date.

Begin.

This bill would specify the method by which adjustments to pensionable compensation limits based on the Consumer Price Index are to be made. The bill would revise how limits on an employer's contributions to a defined contribution plan are to be

**NEW LEGISLATION**

determined, as specified, and would specifically authorize a retirement system to limit the pensionable compensation used to calculate contributions for new members in this regard.

The bill would specify, with regard to the definition of normal cost, that a retirement system's actuary may use either of 2 rates of contribution, as may be applicable to the retirement system. The bill would require that, for purposes of calculating the normal cost rate, the actuarial valuation of retirement benefits include any elements that impact the actuarial determination of the normal cost, including, but not limited to, the retirement formula, eligibility and vesting criteria, ancillary benefit provisions, and any automatic cost-of-living adjustments.

This bill would clarify that, for a retiree who is a public safety officer or a firefighter, he or she must be hired to perform a function or functions regularly performed by a safety officer or firefighter in order to avoid the 180 day period of separation between retirement and reemployment.

PEPRA requires that a public employee, including one who is elected or appointed to a public office, who is convicted of any state or federal felony for conduct arising out of, or in the performance of, his or her official duties in pursuit of the office or appointment, or in connection with obtaining salary, disability retirement, service retirement, or other benefits, forfeit rights, and benefits earned or accrued from the earliest date of the commission of the felony to the forfeiture date, as specified. This bill would provide that these provisions supplement the application of specified forfeiture provisions with respect to a judge and, if there is a conflict, the provisions that result in the greatest forfeiture or provide the most stringent procedural requirements shall apply.

This bill would declare that it is to take effect immediately as an urgency statute.

**SB 24, Walters.** Public employees' retirement: benefit plans.

*Re: New lower cost DB plans after PEPRA can be approved by local agency.*

Status: Referred to Com. on P.E. & R.

Under PEPRA a new defined benefit formula must be approved by the Legislature. This bill would eliminate the requirement that the Legislature approve these changes. This bill would also authorize a local agency public employer or public retirement system that offers a defined benefit pension plan to offer a benefit formula with a lower benefit factor at normal retirement age and that results in a lower normal cost than the benefit formulas that are currently required, for purposes of addressing a fiscal necessity.

**NEW LEGISLATION**

**SB 481, Huff.** California Public Employees' Reform Act of 2013.

*Re: More nonsubstantive changes to PEPRA.*

Status: Referred to Com. on RLS.

More nonsubstantive changes to PEPRA.

**SB 570, DeSaulnier.** Public records: copy charges: retrieval.

*Re: Public agency cannot charge for PRA request available in digital form*

Status: In Assembly. Com. APPR.

The California Public Records Act provides that any person may receive a copy of any identifiable public record from any state or local agency upon payment of fees covering direct costs of duplication or a statutory fee if applicable.

This bill would prohibit a public agency from charging for copies of records available in portable digital format (PDF), or for a copy of data that is extracted from a database, if new programming is not required to extract the data.

**SB 647, Wolk.** County retirement.

*Re: Can't be a member of two county retirement systems.*

Status: Referred to Com. on RLS.

Government Code section 31203 provides that if a member of a county retirement system becomes a member of another county retirement system, the membership in the first retirement system ceases.

**SB 751, Yee.** Meetings: publication of action taken.

*Re: Board must report out the vote of every Board member on every motion.*

Status: Assembly. COM. LOCAL GOVERNMENT

The Ralph M. Brown Act requires all meetings of the legislative body of a local agency, as defined, to be open and public and prohibits the legislative body from taking action by secret ballot, whether preliminary or final.



**NEW LEGISLATION**

This bill would additionally require the legislative body of a local agency to publicly report any action taken and the vote or abstention on that action of every member present.

**Federal Legislation**

**HR 567, Nunes.** Public Employee Transparency Act. Introduced 2/9/2011

*Re: IRS penalties on public bonds for non-compliance on pension transparency.*

Status: Referred to the House Committee on Ways and Means.

Public Employee Pension Transparency Act - Amends the Internal Revenue Code to deny tax benefits relating to bonds issued by a state or political subdivision during any period in which such state or political subdivision is noncompliant with specified reporting requirements for state or local government employee pension benefit plans.

Requires plan sponsors of a state or local government employee pension benefit plan to file with the Secretary of the Treasury an annual report setting forth: (1) a schedule of the funding status of the plan; (2) a schedule of contributions by the plan sponsor for the plan year; (3) alternative projections for each of the next 20 plan years relating to the amount of annual contributions, the fair market value of plan assets, current liability, the funding percentage, and other matters specified by the Secretary; (4) a statement of the actuarial assumptions used for the plan year; (5) a statement of the number of plan participants who are retired or separated from service and are either receiving benefits or are entitled to future benefits and those who are active under the plan; (6) a statement of the plan's investment returns; (7) a statement of the degree to which unfunded liabilities are expected to be eliminated; and (8) a statement of the amount of pension obligation bonds outstanding.

Directs the Secretary to develop model reporting statements and create and maintain a public website, with searchable capabilities, for purposes of posting plan information required by this Act.

**HR 2934, Sanchez.** To amend the Internal Revenue Code of 1986 to clarify the treatment of certain retirement plan contributions picked up by governmental employers. Introduced 9/14/11

*Re: Pre-tax payroll deduction for employer contributions to retirement plan.*

Status: Referred to the House Committee on Ways and Means.

**NEW LEGISLATION**

Amends the Internal Revenue Code to permit the treatment of certain employer contributions made to public retirement plans as picked up by an employing unit regardless of whether the participating employee is allowed to make an irrevocable election between the application of two alternative benefit formulas involving the same or different levels of employee contributions.