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ICERS

IMPERIAL COUNTY EMPLOYEES' RETIREMENT SYSTEM

BRIEF MINUTES

REGULAR MEETING OF THE IMPERIAL COUNTY BOARD OF RETIREMENT

December 21, 2011

8:30 A.M.

940 W. Main Street

County Administration Center, Second Floor

El Centro, CA 92243

OPEN SESSION

1. The meeting was called to order by Vice Chairman Bumgart at 8:30 a.m.

A. Roll Call:

MEMBERS PRESENT: VOGEL, McDONALD, TERRAZAS, JAUREGUI, BUMGART, HUSKEY,
RHODES,

MEMBERS ABSENT: Villeneuve, Williams

MEMBERS ARRIVING AFTER ROLL CALL: None

ALTERNATES PRESENT: Pompeyo Tabarez, Jr., Charles L. Jernigan

LEGAL REPRESENTATIVES: Geoffrey P. Holbrook, Senior Deputy
County Counsel

CLERK: Kathleen L. Kubler, Retirement Specialist.

STAFF: David H. Prince, Retirement Administrator; Regina Rodrigues, Assistant
Retirement Administrator, Kayleen Smith, Retirement Specialist

B. Pledge of Allegiance:

The Pledge of Allegiance was led by Vice Chairman Bumgart.

2. Discussion of the Agenda:

- A. Items to be pulled from the Action Calendar: None
- B. Items to be pulled from the Discussion Calendar: None
- C. Items to be pulled from the Consent Agenda: None
- D. Emergency Items to be added: None
- E. Approval of the Agenda:

MOTION by McDonald, Second by Vogel and carried by a unanimous vote of members present, the board approved the Agenda.

- F. Approval of the Consent Agenda:

MOTION by Terrazas, Second by Jauregui and carried by a unanimous vote of members present, the board approved the Consent Agenda.

- 3. Public comments on items that are **NOT** on the Action or Discussion Calendars. Public comments that are on the Action or Discussion Calendars shall only be made during the discussion of these items.

(Breaks: 9:40 – 9:50 a.m., 10:50 – 11:00 a.m.) (Lunch 12:00 – 12:30 p.m.)

ACTION CALENDAR

- 4. Approval of the Minutes of the November 7, 2011 regular adjourned meeting:

MOTION by Jauregui, Second by Terrazas, and carried by a unanimous vote of members present, the Minutes of the November 7, 2011 regular adjourned meeting were approved.

At this time, Mr. Bumgart presented outgoing retiree board member, Terry Huskey, with a plaque inscribed with appreciation, from the board and the retirement system, for her record 22 year tenure as a re-elected retirement board member.

Mrs. Huskey expressed her appreciation for the opportunity to serve and for the confidence she continued to receive by her constituents.

A cake to celebrate the occasion was also offered to all those in attendance at the break.

- 5. Franklin Templeton Institutional: Thomas J. Dickson, Senior Vice President, Institutional Relationship Manager, Institutional Client Service: Annual Review:

Mr. Dickson briefly discussed the firm's continued commitment to provide ICERS with sound and diligent asset management, administered by qualified and experienced personnel. He presented the board with a review of the account activity and performance year to date, and he also discussed the losses suffered due to domestic and global economic trends and events.

6. The Segal Company: Andy Yeung, ASA, MAAA, EA, Vice President & Associate Actuary: Review of Actuarial Report:

Mr. Yeung discussed the preceding year's experience study and the actuarial data used to establish the funding requirements for fiscal year 2012-2013.

MOTION by Tabarez, Jr. Second by Vogel and carried by a unanimous vote of members present, the board accepted the Actuarial Report of June 30, 2011.

MOTION by Huskey, Second by Tabarez, Jr. and carried by a unanimous vote of members present, the board adopted the Employer/Employee contribution rates based on the June 30, 2011 actuarial valuation as a valuation of payroll.

The board gave direction to staff to coordinate a presentation by the actuary, at a board meeting date in April or May, to propose a smoothing period that would recognize the deferred losses, stabilize funding ratios, and level employer and member contribution rates.

7. Request for additional funding for Treasurer's Cash Account and JPMorgan Cash Accounts of \$5,000,000:

MOTION by Vogel, Second by Tabarez, Jr. and carried by a unanimous vote of members present, the board approved the transfer of funds from BlackRock with distribution of \$3,000,000 to the Treasurer's Cash Account and \$2,000,000 to the JPMorgan Cash Account.

Board Member Jauregui requested that an itemized report reflecting payroll and administrative accounts and balances be provided to the board each month. Mr. Prince assured Mrs. Jauregui that the board would begin receiving the reports in their agenda packets in January.

8. Contract for Document Imaging Services with Digital Archive Technology, LLC, with a contract amount not to exceed \$42,781.50:

MOTION by Vogel, Second by Bumgart and carried by a unanimous vote of members present, the board approved the contract for document imaging services with Digital Archives Technology, LLC, with a contract amount not to exceed \$42,781.50.

9. Resolution of the Board of Supervisors of the County of Imperial regarding notification of change of beneficiary, pursuant to Government Code Section 31760.3.:

MOTION by Jauregui, Second by McDonald and carried by the unanimous vote of members present, the board directed staff to request that the Board of Supervisors adopt Government Code Section 31760.3, which requires that members of the retirement system notify the current spouse or domestic partner, of an active member, of the selection of benefits prior to retirement, or prior to a change of beneficiary/ies.

10. Nomination and voting of board officers for 2012:

MOTION by McDonald, Second by Terrazas and carried by the unanimous vote of members present, the board elected Karen Vogel, Imperial County Treasurer/Tax Collector, as the Chairman of the Retirement Board for 2012.

MOTION by McDonald, Second by Vogel and carried by the unanimous vote of members present, the board elected Pompeyo Tabarez, Jr., Safety Member, as the Vice-Chairman of the Retirement Board for 2012.

MOTION by Huskey, Second by Terrazas and carried by the unanimous vote of members present, the board elected Norma K. Jauregui, Appointed Public Member, as the Secretary of the Retirement Board for 2012.

DISCUSSION CALENDAR

11. Reports/Correspondence/Announcements:

A. Retirement Administrator:

1. Market Value Graph of the Retirement System's Assets:

Mr. Prince discussed the market activity as of November 30, 2011, with the board.

2. Book vs. Market Graph – that compares the Market Value of the system assets to the Book Value of Assets:

Mr. Prince reviewed the portfolio value with the board.

3. Update on Pension Administration Computer System (PAS):

Mrs. Rodrigues discussed delays resulting from technical hardware issues. The projected “go live” date is still planned for February 2012.

4. Deutsche Bank Press Release: Deutsche Bank is reviewing the structure of its global Asset Management division, which may include selling the RREEF division:

Mr. Prince advised the board that he had received a telephone call from the RREEF representative who anticipated no impact, from the Asset Management review, to the ICERS portfolio.

5. RV Kuhns & Associates, Inc.: Report as of June 30, 2011:

Mr. Prince reviewed the report for the benefit of the board members who did not attend the State Association of County Retirement Systems (SACRS) conference in November.

6. Appraisal Report of 1221 W. State Street, El Centro, CA:

Mr. Prince discussed the value and changes reflected in the appraisal report conducted November 6, 2011.

7. Retirement Board election results:

Mr. Prince announced the following retirement board election results:

- Retiree Member: Barbara McFetridge
- Safety Member: Pompeyo Tabarez, Jr.
- Alternate Safety Member: Herbert Bumgart
- Alternate Retiree Member: Charles L. Jernigan

B. Board Members:

SACRS 2011 Fall Conference, The Westin South Coast Plaza, Costa Mesa, CA

Mrs. Huskey enjoyed the conference and expressed her gratitude for the opportunity to participate and experience SACRS and its contributions to public pension benefits and education over the years.

Mr. Bumgart commented that it was a very good conference. He discussed the RV Kuhns & Associates, Inc. Report, topics discussed at the business meeting, and the adoption of policies.

Mrs. Jauregui also had favorable comments regarding the RV Kuhns report and made particular reference to the useful information provided at the New Trustee Breakout Session.

Mr. Tabarez, Jr. enjoyed the conference and agreed that the benefits to be gained by attending the breakout sessions, and general discussions offered valuable networking opportunities with other trustees and pension and investment professionals.

C. County Counsel:

SACRS 2011 Fall Conference:

Mr. Holbrook also enjoyed the conference. He highlighted some useful news discussed during the Attorneys' Breakout Session regarding vested rights, the public records act, and reciprocity.

12. Convene to Closed Session:

MOTION by Tabarez, Jr. Second by McDonald and carried with a unanimous vote of members present, the board convened to Closed Session.

CLOSED SESSION

- A. Conference with Legal Counsel – Existing Litigation (Government Code §54956.9(a).) Disability retirement applications relating to the following:
- | | | |
|----------------|----------------|---------------|
| Rosendo Garcia | Blanca Jimenez | David Fimbres |
| Jose Romero | Arnoldo Nunez | |
- B. Government Code §54957 – Public Employee Performance Evaluation; Retirement Administrator:

OPEN SESSION

13. Announcement of Closed Session Action:

Kayleen Smith, Disability Specialist announced the following:

The board discussed but took no action regarding the disability retirement applications of Rosendo Garcia, Blanca Jimenez, David Fimbres, Jose Romero, and Arnoldo Nunez.

The board gave direction to staff regarding the Public Employee Performance Evaluation; Retirement Administrator.

CONSENT AGENDA

14. BUDGET:

Approval of the following claims for the 2011-2012 Retirement Budget, including Board Members in attendance at the 12/21/2011 meeting, and including an Investment Funds Expense Summary, pursuant to Govt. Code Section 31580.2 & 31521:

- A. REGULAR BUDGET:

PERMANENT SALARIES	\$ 22,365.62
EXTRA HELP	5,194.77
BILINGUAL PAY	30.00
OVERTIME	198.68
SOCIAL SECURITY-MEDICARE	396.07
SPECIAL TRAINING	
SACRS Reimb. (A Hardaway)	52.00
SACRS Reimb. (R Rodrigues)	62.00
SACRS Reimb. (G. Holbrook)	246.82
COUNTY CONTR. RETIREMENT	2,811.06
INSURANCE-WORKERS' COMP.	568.08
INSURANCE-UNEMPLOYMENT	186.08
GROUP INSURANCE	2,469.66
INS DENTAL/VISION	100.34
RETIREMENT PENSION BOND	1,302.88
RETIREMENT HEALTH PLAN	1,380.98
INS-VOLUNTARY LIFE	14.58

REGULAR BUDGET (continued)

COMMUNICATIONS-AT&T PHONE CHARGES	274.84
INSURANCE-LIABILITY	182.25
MAINTENANCE-EQUIPMENT	
OCE Copier Maint. November	430.20
OFFICE EXPENSE	
Crawford & Co. Conference Table	722.09
Sparkletts	64.03
County Mail Room Charges October	551.30
Office Depot Supplies	43.29
OFFICE EXPENSE – ICARE	
Junior’s Café-ICARE Thanksgiving Luncheon	456.97
PROFESSIONAL & SPECIAL SERVICES – DATA PROCESSING	
IT Charges-July 2011	8,433.16
OVERHEAD REIMBURSEMENT	
ICERS Corp. Rent, utilities, CR&R	4,713.08
LM Building Maint. Nov. 1-15 Janitorial Services	400.00
LM Building Maint. Nov. 16-30 Janitorial Services	400.00
PROFESSIONAL & SPECIAL SERVICES	
PRO Record Storage	26.00
Berwyn Group-Address Search	85.50
PROFESSIONAL & SPECIAL SERVICES-AUDIT-BROWN ARMSTRONG (PARTIAL)	2,910.15

SUBTOTAL: \$ 57,072.48

DISABILITY

PROFESSIONAL & SPECIAL SERVICES	
Medical Evaluation Mileage Reimb. (B. Jimenez)	\$ 119.85
Medical Evaluation Mileage Reimb. (R. Garcia)	113.73

SUBTOTAL: \$ 233.58

TOTAL: \$ 57,306.06

B. INVESTMENT FUNDS EXPENSE SUMMARY:

CONSULTANT	
Wurts & Associates July-September 2011	\$ 27,134.91
CUSTODIAL SERVICES	
JPMorgan July-September 2011	27,885.34
SPECIAL TRAINING	
SACRS Expense Reimb. (P. Tabarez)	246.82
SACRS Expense Reimb. (T. Huskey)	113.42
INVESTMENT MANAGEMENT SERVICES	
T.Rowe Price July-September 2011	33,523.02
The Clifton Group July-September 2011	12,513.77
BlackRock July-September 2011	41,262.59

INVESTMENT FUNDS EXPENSE SUMMARY (continued)

COMPUTER TECHNOLOGY

IT Charges-PAS July 2011	1,817.33
JEA & Assc.-Annuity Factor Calculation Change	1,875.00
CDW Government-Disc Storage & Module	6,058.64
CDW Government-Laserjet Printer	1,663.21
Linea Solutions November	28,739.75

TOTAL: \$ 182,833.80

15. Administrative Agenda:

A. Enrollment of New Members to ICERS (8):

B. Terminations (8):

C. Service Retirement:

1.	Jacki M. Alsip Department: Effective Date:	General Member Public Works/ Deferred 11/01/2011
2.	Andrea Worthington-Cox Department: Effective Date:	General Member Public Health 10/21/2011
3.	Bertha Carreño Department: Effective Date:	General Member Behavioral Health 10/07/2011
4.	Jennifer Bolin Department: Effective Date:	General Member Superior Court 10/21/2011

D. 60% Continuance of Non-Service Connected Disability Retirement Allowance Per Govt. Code Section 31760.1 & Death Benefit:

James Knox Deceased:	General Member 10/19/2011
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E. 60% Continuance of Service Retirement Allowance per Govt. Code Section 31760.1:

Gerald Keating Deceased:	General Member 11/26/2011
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- F. Final Payment of Service Retirement Allowance & Death Benefit per Govt. Code Section 31676.11:
- | | |
|-----------------------------|------------------------------|
| Suzanne Franco
Deceased: | General Member
09/25/2011 |
|-----------------------------|------------------------------|
- G. Final Payment of Survivor Service Retirement Allowance Per Govt. Code Section 31760.1:
- | | |
|--------------------------|------------------------------|
| David Blume
Deceased: | General Member
11/18/2011 |
|--------------------------|------------------------------|
- H. Deferred Membership:
1. Lopez, Francisco B.
Department:
Effective:

	Safety Member Sheriff 08/03/2011
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2. MariJo Ternes
Department:
Effective:

	General Member Health Department 10/04/2011
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3. Jorge A. Becerra
Department:
Effective:

	General Member Behavioral Health 10/25/2006
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- I. Make-up Extra Help:
- | | |
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| Alejandra Rodriguez
Department: | General Member
Behavioral Health |
|------------------------------------|-------------------------------------|
- J. Medical Buy-Back:
- | | |
|------------------------------------|--|
| William D. Crockett
Department: | General Member
Information Technology |
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16. Manager Reports:
- A. TimesSquare Capital Management: Third Quarter Report as of September 30, 2011 (1 attachment)
 - B. T. Rowe Price: Investment Report for the Month Ended November 30, 2011 (1 attachment)

17. Conferences & Seminars:

Dimensional Fund Advisors' 2012 Investment Symposium	January 30 to February 1, 2012 Dimensional Headquarters, Austin, TX
CALAPRS Training January through June:	
01/26/2012	Investment Officers' Round Table Los Angeles Marriott, Burbank, CA
01/27/2012	Administrators' Round Table Attorneys' Round Table Los Angeles Marriott, Burbank, CA
02/03/2012	Trustees' Round Table Benefits Round Table Double Tree Hotel, San Jose, CA
03/03-06/2012	General Assembly Westin Mission Hills Palm Springs, CA
03/27-30/2012	Principles of Pension Management at Stanford, Palo Alto, CA
04/13/2012	Accountants' Round Table Administrative Assistants' Round Table Information Technology Round Table Double Tree Hotel, San Jose, CA
04/23-24/2012	Management Academy: Module 1 Los Angeles Marriott, Burbank, CA
05/04/2012	Overview Course in Retirement Plan Administration Double Tree Hotel, San Jose, CA
06/04-06/2012	Management Academy: Module 2 Los Angeles Marriott, Burbank, CA
06/07/2012	Communications Round Table Double Tree Hotel, San Jose, CA
06/08/2012	Trustees' Round Table Attorneys' Round Table Benefits Round Table Double Tree Hotel, San Jose, CA

Conferences & Seminars (continued):

06/21/2012

Investment Officers Round Table
Double Tree Hotel, San Jose, CA

06/22/2012

Administrators' Round Table
Double Tree Hotel, San Jose, CA

OTHER ITEMS

18. Previously Approved Seminars/Conferences (list available in Retirement office).

Adjournment: Meeting was adjourned at ____ . m. to January 18, 2012 at 8:30 a.m.

HERBERT BUMGART, Vice Chairman

JAMES E. RHODES, Secretary