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# ICERS

IMPERIAL COUNTY EMPLOYEES' RETIREMENT SYSTEM

## BRIEF MINUTES

### REGULAR MEETING OF THE IMPERIAL COUNTY BOARD OF RETIREMENT

August 19, 2009

8:30 A.M.

County Administration Center  
Board Chambers

940 West Main Street, Second Floor  
El Centro, CA 92243

#### OPEN SESSION

1. The meeting was called to order by Chairman Villeneuve at 8:40 a.m.

The Pledge of Allegiance was led by Chairman Villeneuve.

MEMBERS PRESENT: Karen Vogel, Ann McDonald, Julie Villeneuve, Jack Terrazas, Becky Flammang, Robert W. Williams, Herbert Bumgart, Terry Huskey, James E. Rhodes

MEMBERS ABSENT: None

MEMBERS ARRIVING AFTER ROLL CALL: None

ALTERNATES PRESENT: Pompeyo Tabarez, Jr.

LEGAL REPRESENTATIVE: Linda Tucker, Deputy County Counsel

CLERK: Kathleen L. Kubler, Retirement Specialist

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

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 Huskey, Second by Williams and carried on the unanimous vote of members present, the board approved the Agenda.

F. Approval of the Consent Agenda:

**MOTION** by Flammang, Second by Huskey, and carried on the 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:

David H. Prince, Retirement Administrator, introduced Ann McDonald, as the newly elected General Member on the Retirement Board.

#### ACTION CALENDAR

4. Approval of the Minutes of June 17, 2009 regular adjourned meeting:

A correction to the Minutes of the June 17, 2009 was noted to change the wording on Item 13 of the Consent Agenda to read as follows:

Adopted Imperial County Employees' Retirement System Education and Travel Policy.

**MOTION** by Huskey, Second by Williams and carried on the unanimous vote of members present, the Minutes of the June 17, 2009 regular adjourned meeting were approved as modified.

5. Action/Discussion: Presentation by Investment Consultant, Scott J. Whalen, Senior Consultant, Wurts & Associates:

A. Performance Review of 2<sup>nd</sup> Quarter investments results and July Flash:

Mr. Whalen reviewed the 2<sup>nd</sup> Quarter's portfolio activity with the board and discussed the overall market environment, performance, and expectations.

B. Investment Policy Review: Review of revisions for the Investment Policy Statement:

Mr. Whalen presented and discussed the provisions of the revised Investment Policy Statement to the board's approval.

**MOTION** by Vogel, Second by McDonald and carried on the unanimous vote of members present, the board approved the Investment Policy Statement with revisions.

- C. Strategy Implementation Review: Review funding implications and recommendation of new strategic allocation to include commodities and private equity:

**MOTION** by Huskey, Second by Flammang and carried on a roll call vote of 8-1 (Yes: Vogel, McDonald, Villeneuve, Terrazas, Flammang, Bumgart, Huskey, Rhodes; No: Williams) the board accepted Wurts & Associates recommendation of a new strategic funding allocation to include commodities and private equity: The rebalancing of the portfolio and the funding of the new assets classes will be achieved by obtaining \$11.5 million from the Bradford fixed income account and adding \$5 million to the Barclays Russell 1000 account and \$6.5 million to the Pacific Investment Management Company (PIMCO) fixed income account. The future funding of the new commodities and private equity, which will be approximately 10% of the total portfolio, will be primarily obtained from the small/mid cap managers and our large cap manager. The funds shall be taken from these managers quarterly over the next year.

**MOTION** by Vogel, Second by Huskey and carried on the unanimous vote of members present, the board agreed that the investment consulting firm Wurts & Associates, shall have the discretion to fund Private Equity and Commodities assets over the next year, with the initial funding coming from Calamos Investments.

- D. Private Equity Finalists' Interviews:

The board interviewed and evaluated presentations by Private Equity firms Adams Street, HarbourVest, and Pantheon. After reviewing the presentation material, considering performance expectations, and discussion with the investment consultant, the board selected HarbourVest to manage the Private Equity asset class for the ICERS portfolio.

**MOTION** by Vogel, Second by McDonald and carried on a roll call vote of 8-1 (Yes: Vogel, McDonald, Villeneuve, Terrazas, Flammang, Williams, Bumgart, Rhodes; No: Huskey) the board committed \$20 million to HarbourVest for private equity asset management.

- E. Commodities Search: Review finalists' strategies and select a winner:

Mr. Whalen reviewed and discussed the characteristics of commodities investing and reviewed the choices for investment managers with the board.

**MOTION** by Villeneuve, Second by Bumgart and carried on the roll call vote of 7-1, with one abstention (Yes: McDonald, Villeneuve, Terrazas, Flammang, Williams, Bumgart, Rhodes; No: Huskey; Abstained: Vogel) the board approved the investment of 5% of the portfolio to Barclays Global Investment at the time of commitment.

6. Action/Discussion: Deputy County Counsel, Linda S. Tucker: Adoption of a Resolution of the Board of Retirement pertaining to Active Member Furlough Policy:

**MOTION** by Villeneuve, Second by Vogel and carried on the unanimous vote of members present, the board adopted the Active Member Furlough Policy pertaining to employee furloughs and calculation of retirement allowances, contributions and service credit.

7. Action/Discussion: Retirement Administrator, David H. Prince: AB609, Retirement Limits on Administrative Budget:

Mr. Prince discussed the efforts being made by the State Association of County Retirement Systems (SACRS) Legislative Committee to change the current funding method of the '37 Act retirement systems' administrative budgets.

8. Action/Discussion: Retirement Administrator, David H. Prince: SACRS Year 2010 Legislative Timelines:

Mr. Prince discussed the calendar adopted by the SACRS Legislative Committee for soliciting legislative proposals from SACRS retirement associations for the year 2010.

9. Action/Discussion: Retirement Administrator, David H. Prince: Amend bylaw to change authorized signatures on Retirement System warrants, checks, and electronic funds transfers:

**MOTION** by Huskey, Second by Williams and carried on the unanimous vote of members present, the board approved the amendment to the ICERS bylaw to substitute the Retirement Administrator and the Assistant Retirement Administrator for the Treasurer as authorized signors for Retirement System warrants, checks, and electronic funds transfers.

10. Action/Discussion: by Linda S. Tucker, Deputy County Counsel, regarding responding to public records act requests for retiree or beneficiary information that may be considered confidential:

Ms. Tucker discussed the recent Public Records Act requests that ICERS has received pertaining to retirees' retirement allowances. Ms. Tucker discussed two recent court cases on the issue, as well as the '37 Act provision on confidentiality, and gave the board several options for responding to these types of requests.

**MOTION** by Villeneuve, Second by Huskey and carried by a roll call of 7-1 (Yes: Vogel, McDonald, Villeneuve, Williams, Bumgart, Huskey, Rhodes; No: Terrazas, Absent: Flammang) the board adopted a policy which would grant the release of gross amounts of pensions, the name of the last department or agency that the employee worked before retiring, and any refund of a member's contribution. Beneficiaries will not be disclosed unless they are a refund recipient.

**DISCUSSION CALENDAR**

## 11. Reports/Correspondence/Announcements:

## A. Retirement Administrator:

## 1. Market Value Graph:

Mr. Prince discussed the earnings for the month ending July 31, 2009

## 2. Book vs. Market Summary as July 31, 2009:

Mr. Prince discussed the fund activity with the board. Mr. Prince also recognized and thanked Board Member Rhodes for his assistance to redesign the summary chart display.

## 3. Update on ICERS Pension Administration System (PAS):

Mr. Prince reviewed the report highlights such as the progressing design, development and the continuing staff interviews with program technicians.

## 4. Update on remodeling of ICERS new office located at 1221 State Street, El Centro, CA 92243:

No discussion.

## 5. Board information on Securities Lending:

Mr. Prince shared an article, printed in the June 2009 issue of Forbes Magazine, regarding securities lending litigation and the losses affecting pension plans such as that of Imperial County, California.

## 6. Update on pension accounting and funding reporting:

Mr. Prince gave a brief review of the response from SACRS to the Government Accounting Standard Board invitation to comment on pension accounting and financial reporting.

## 7. Update on new position: Accountant-Auditor:

Mr. Prince announced that the position has been approved by the county Board of Supervisors and will be processed through the county Human Resources department. He is hopeful to have the new person on board within 30 to 45 days.

## B. Board Members:

Board Member Bumgart commented on the SACRS Public Pension Investment Management Program 2009, which he attended from June 21-24, 2009, saying that he highly recommended the program, which was enjoyable and very educational.

**CLOSED SESSION**

## 12. Convene into Closed Session:

**MOTION** by Huskey, Second by Terrazas and carried on the unanimous vote of members present, the board convened into Closed Session.

- A. Government Code §54956.9(a) – Conference with Legal Counsel of Existing Litigation regarding disability retirement applications relating to the following:

Rosendo Garcia      Gerardo Anaya      David Mazon

Raymond Luna      Gary Tackett

- B. Government Code §54956.9(a) – Conference with Legal Counsel of Existing Litigation, In re Jarden Corp. Securities Litigation, United States District Court for the Southern District of New York, Case No. 7:06-CV-722 (CLB)
- C. Government Code §54956.9(a) – Conference with legal counsel of existing litigation, Board of Trustees of ICERS v. JPMorgan Chase Bank, U.S. Court District for the Southern District of New York, Case No. 09CV3020

**OPEN SESSION**

## 13. Announcement of Closed Session Action:

The board discussed but took no action regarding the disability retirement applications of Rosendo Garcia, Gerardo Anaya, David Mazon, Raymond Luna, and Gary Tackett

Settlement of the Jarden Corp. Securities Litigation matter was announced. Settlement documents are available at ICERS headquarters office.

The board discussed but took no action regarding the Board of Trustees of ICERS v. JPMorgan Chase Bank

### CONSENT AGENDA

#### 14. BUDGET:

Approval of the following Budget claims for the remaining 2008-2009 Regular Retirement and Disability Budgets, and the 2009-2010 Regular Retirement Budget, to include Board Members in attendance at the 08/19/09 meeting, Govt. Code 31580.2 & 31521:

#### A. REGULAR BUDGET 2008-2009

PERMANENT SALARIES	\$ 22,837.88
EXTRA HELP	6,669.42
BILINGUAL PAY	42.00
REDEMPTION OF BENEFITS	2,159.19
SOCIAL SECURITY-MEDICARE	453.46
SPECIAL TRAINING	
Tax Trng. Class San Fco. CA Exp. Reimb R Rodrigues	74.00
Tax Trng. Class San Fco. CA Exp. Reimb L Tucker	67.00
Tax Trng. Class San Fco. CA Exp. Reimb DH Prince	207.10
SACRS Fall Cnf: Staff hotel chrgs. D Prince, R Rodrigues, L Tucker, A Hardaway	3,035.60
CALAPRS Benefits Round Table Exp. Reimb A Hardaway	74.00
CALAPRS Benefits Round Table Exp. Reimb S Edwards	74.00
CALAPRS Bnfts. RT-Use of County vehicle	14.68
Correcting Jrnl Entry-SACRS Mgt. Prg. P Tabarez	(2,500.00)
CALAPRS Trng-Use of Co Car-S Edwards & A Hardaway	144.62
COUNTY CONTRIBUTION RETIREMENT	2,924.49
INS-WORKERS COMP	416.91
INS-UNEMPLOYMENT	140.08
GROUP INSURANCE	3,031.64
INS DENTAL/VISION	121.63
RETIREMENT-PENSION BOND	1,595.17
RETIREMENT-HEALTH PLAN	1,271.91
INS-VOLUNTARY LIFE	20.41
COMMUNICATIONS-PHONE CHARGES	2,080.60
COMMUNICATIONS-SERVICES	122.77
INSURANCE LIABILITY	152.00
MEMBERSHIPS	4,000.00
OFFICE EXPENSE	
Mail Room Charges for April 2009	578.69
Wal-Mart – Tables and chairs for ICERS new break room	547.16
Imperial Printers – ICARE Newsletter	236.86
BakBone Software, Inc. - PAS Tech Equipment	4,340.88
Federal Express	55.35
Imp Co HR-Reimb for Asst. Ret. Adm. Position publication	40.00
Mail Room Charges for May 2009	557.32
Billing for July 1, 2008 - June 30, 2009-Laptop lease	463.08
Jim Reiter's Locksmith & Safe Inc	694.06
Mail Room Charges for June 2009	542.89
Office Depot	3,066.42
Office Supply	818.78

## REGULAR BUDGET 2008-2009 (continued)

## OFFICE EXPENSE (continue)

Facilities Mgt. Moving staff /equip to 1221 W. State St.	211.49
Yosemite Waters Setup & June billing	178.98
Hour Photo-Nameplate for C Jernigan	15.23
Hewlett Packard cartridges	229.06
Furniture Resources desk & supplies	2,830.02
County copier charges Feb-May2009	1,572.63
BakBone Software, Inc.-PAS 1 year upgrade & supplies	920.40
Imperial Printers:	
Staff business cards	391.50
Window envelopes	488.79
Warrants	609.83
ICARE Newsletters	236.86
New Technical Solutions – PAS Equipment	6,365.28
ICARE dues for new retirees Jan-June 2009	170.00
PROFESSION & SPECIAL SERVICES	
Alliant Insurance Services-annual Fiduciary Liability & Waivers	42,150.00
ICOE-County requirement-demarcation points	4,600.00
Alpha & Omega Telecom-network wiring: 1221 W State St. EC	3,593.13
ICOE-services for connecting to Imp Valley Transit Authority	
Fiber Network	10,337.67
Southwest Sign Systems-balance due for signs (3)	3,394.41
OVERHEAD REIMBURSEMENT	
ICERS Rent & Utilities for June 2009	2,079.93
Overhead Reimbursement for June 2009 (L Tucker)	3,500.00
TRAVEL-IN COUNTY	
Jan-Jun 2009 Rhodes, Flammang, Williams, Huskey, Jernigan	572.77

**SUBTOTAL:           \$ 145,620.03**

## B. DISABILITY BUDGET:

## TRAVEL-OUT OF COUNTY

G Anaya-Dsblty Med Eval Palm Springs, CA 4-23-09	131.45
G Anaya-Dsblty Med Eval El Centro, CA 6-2-09	15.40
R Garcia-Dsblty Med Eval El Centro, CA 6-2-09	15.40
R Garcia-Dsblty Med Eval San Diego, CA 6-2-09	138.60
Correcting Jrnl Entry-G Anaya-Dsblty Med Eval 4-23-09	(131.45)

**SUBTOTAL:           \$     169.40**



## 15. Administrative Agenda:

## A. Enrollment Affidavits of New Members (20):

<u>General Members</u>	<u>Department</u>	<u>Date</u>
Hernandez, Israel	Public Works	06/05/2009
Castellon, Giovanni	Sheriff	06/19/2009
DeGuzman, Estevan	Sheriff	06/19/2009
Galaviz Rodriguez, Eddie	Sheriff	06/19/2009
Montano, Jesus F.	Public Works	06/19/2009
Sanchez, George	Public Works	06/19/2009
Villalobos, Alfonso	Sheriff	06/19/2009
Castellanos, Joe A.	ICWDO	07/03/2009
Menvielle, Joshua	Planning	07/03/2009
Ruelas, Veronica	Public Works	07/03/2009
Bermudez, Maricruz	Behavioral Health	07/17/2009
Bello, Alejandro K.	Planning	07/17/2009
Herrera, Lissette	Behavioral Health	07/17/2009
Graham, Kelli J.	ICWDO	07/30/2009

<u>Courts</u>	<u>Department</u>	<u>Date</u>
Carolina Camargo	Superior Court	06/05/2009
Vuyovich, Andrew	Superior Court	06/05/2009
Argandona, Heidi	Superior Court	06/19/2009
Gil, Monica	Superior Court	06/19/2009
Jantz, Angela	Superior Court	06/19/2009

<u>Safety Members</u>	<u>Department</u>	<u>Date</u>
Tejada, Hector D.	Sheriff	07/03/2009

## B. Termination of Membership – Return of Accumulated Contributions (6)

<u>Department</u>	<u>Term Date</u>	<u>Refund</u>
Public Health	06/19/2009	\$ 5,854.47
GSA Services	08/14/2007	478.00
Public Administrator	06/16/2009	3,117.14
Sheriff	07/02/2009	22,307.28
Social Services	04/02/2009	4,705.91

<u>Department</u>	<u>Term Date</u>	<u>Refund</u>
Fire	06/22/2009	\$ 5,790.25

- C. Service Retirement:
1. Department: Fire  
Option 2 \$2,076.52
  2. Department: District Attorney  
Unmodified: \$2,813.74
  3. Department: Social Services  
Unmodified: \$3,283.24
- D. Intersystem Membership:
1. Ronald A. Grassi  
Department: General Member  
Effective: Human Resources  
02/14/2009
  2. Ray Richard Romero  
Department: Safety Member  
Effective: Fire  
04/10/2009
- E. Deferred Membership:
- Linda Soldi  
Department: General Member  
Effective: Sheriff  
04/24/2009
- F. Buyback – Redeposit:
1. LeeAnne O'Malley  
Department: General Member  
Child Support
  2. Andy Horne  
Department: General Member  
County Executive Office
- G. Medical Leave Buyback:
- Leticia Garcia  
Department: General Member  
Tax Collector
- H. Final Payment of Service Retirement Allowance & Death Benefit per Govt. Code Section 31676.11:
1. Phyllis Bohannan  
Deceased: General Member  
05/29/2009

2.	Venice Flowers	General Member
	Deceased:	05/07/2009
	Retiree pro-rated allowance:	\$ 327.38
	Death Benefit:	<u>5,000.00</u>
	Total:	\$5,327.38

I. Final Payment of Survivor Service Retirement Allowance:

Lois Derouin	General Member
Deceased:	06/05/2009

16. Manager Reports:

- A. Bradford & Marzec: Fixed Income Statement for June 30, 2009
- B. Calamos: Quarterly Performance Report 04/01/2009-06/30/2009
- C. Dimensional: Quarterly Report: Period ending June 30, 2009
- D. Franklin Templeton Institutional: Quarterly Report: Period ending June 30, 2009

17. Seminars & Conferences:

SACRS Fall Conference 2009	November 10-13, 2009
	The Westin
	South Coast Plaza
	Costa Mesa, CA

CALAPRS Round Tables:	Benefits
	Oakland Airport Hilton
	September 11, 2009

Attorneys'
Oakland Airport Hilton
September 11, 2009

Information Technology
Oakland Airport Hilton
September 11, 2009

Trustees'
Oakland Airport Hilton
October 16, 2009

Administrative Assistants'
Oakland Airport Hilton
October 16, 2009

CALAPRS Round Tables (continued)

Accountants'  
Oakland Airport Hilton  
October 16, 2009

CALAPRS Staff Training:

Disability Staff Training  
Oakland Airport Hilton  
September 10, 2009

Administrators' Institute  
North Lake Tahoe  
Conference Center  
September 23 – 25, 2009

Intermediate Course in  
Retirement  
Plan Administration  
San Jose Wyndham  
October 7-9, 2009

Advanced Course in  
Retirement  
Plan Administration  
Ontario Airport Marriott  
December 1-3, 2009

CALAPRS General Assembly

Doral Desert Princess Resort  
Palm Springs, CA  
March 7-9, 2010

**OTHER ITEMS**

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

**Adjournment:** Meeting was adjourned at 2:35 p.m. to September 16, 2009 at 8:30 a.m.