

DAVID H. PRINCE
Retirement Administrator

KATHLEEN L. KUBLER
Clerk of the Board

1221 State Street
El Centro, CA 92243

www.icers.info

Tel. (760) 336-3132
Fax (760) 336-3923
icers@co.imperial.ca.us



ICERS

IMPERIAL COUNTY EMPLOYEES' RETIREMENT SYSTEM

BRIEF MINUTES

REGULAR MEETING OF THE IMPERIAL COUNTY BOARD OF RETIREMENT

November 18, 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 8:30 a.m.

The Pledge of Allegiance was led by Board Member Flammang.

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

MEMBERS ABSENT: Jack Terrazas

MEMBERS ARRIVING AFTER ROLL CALL: None

ALTERNATES PRESENT: Pompeyo Tabarez, Jr., Chuck Jernigan

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 Williams, Second by McDonald, and carried by the unanimous vote of members present, the board approved the Agenda as presented.

F. Approval of the Consent Agenda:

MOTION by Bumgart, Second by Vogel, and carried on the unanimous vote of members present, the board approved the Consent Agenda as presented.

3. Public comments on items that are **NOT** on the Action or Discussion Calendars:

Mr. Prince introduced Scott Jarvis, newly hired Accountant Auditor for ICERS, to the board.

ACTION CALENDAR

4. Approval of the Minutes of October 21, 2009 regular adjourned meeting:

MOTION by Williams, Second by Flammang, and carried on the unanimous vote of members present, the Minutes of the regular adjourned meeting of October 21, 2009 were approved.

5. Presentations by Asset Managers: Quarterly reports for period ending September 30, 2009:

A. Dimensional Investment Group, Sonya Park, Vice President, and Alan Pu, Portfolio Manager:

Ms. Park gave a brief update on the firm's steady growth for the quarter. She reviewed the Emerging Market investment strategy and introduced Mr. Pu, who discussed the account history, and activity as well as market volatility with the board.

B. Victory Capital Management: Margaret Lindsay, Chief Investment Officer, International Cap, and Dan Dy, Managing Director, Public Funds-Taft Hartley Group:

Ms. Lindsay and Mr. Dy discussed the investment philosophy and process utilized for the account. She reviewed the activity for the last quarters of 2008 and noted encouraging rally after the start of 2009.

Mr. Scott J. Whalen, Senior Consultant, Wurts & Associates and Ms. Lindsay discussed the account compression effect and recovery strategy with the board.

C. ICERS Corp: Building Remodel and Lease:

Mr. Prince, President & CEO of ICERS Corp., discussed the progress and cost of the tenant improvements underway. He also advised the board that the law firm of Horton, Knox, Carter, & Foote had signed a three year lease, for a majority of the space, beginning January, 2010.

BREAK AT 9:30 A.M. RECONVENED AT 9:45 A.M.

6. Presentation by Investment Consultant: Scott J. Whalen, Senior Investment Consultant, Wurts & Associates: All Manager Quarterly Review for period ending September 30, 2009:

Mr. Whalen discussed the fund performance, the overall global market activity and trends for the quarter. Rebalancing and funding of the new commodities asset class was proposed and approved.

MOTION by Rhodes, Second by Flammang and carried by the unanimous vote of members present, the board authorized, at the discretion of Wurts senior investment consultant, to liquidate the Calamos assets to fund the Barclays Global Index Commodities asset class, at a total of no more than 5% of the system's total assets.

MOTION by Rhodes, Seconded by Flammang, and carried on the unanimous vote of members present, the board approved reduction of the timeframe to fund the Commodities allocation from 12 months, to the total funding of the commodities asset class by March 31, 2010.

The board also directed Mr. Whalen to research the real estate asset class, and prepare a presentation, to the board, for future investment consideration.

7. ICERS Board Member James E. Rhodes: Funding schedule for BGI Commodities:

This item was discussed under Item 6.

8. ICERS Board Member James E. Rhodes: Re-balancing of investment portfolio:

This item was discussed under Item 6.

DISCUSSION CALENDAR

9. Reports/Correspondence/Announcements:

A. Retirement Administrator:

1. Market Value Graph:

Mr. Prince reviewed the fund and market activity with the board.

2. Book vs. Market:

Mr. Prince reviewed the fund and market activity with the board.

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

Mr. Prince and Ms. Rodrigues discussed the project timeline and progress. Staff is also working with the actuary and preparing for a possible negative Cost of Living Adjustment for 2010.

4. Terminated Trustee Wrongful Termination Lawsuit: Shawn Terris v. County of Santa Barbara, Michael Brown (CEO) and Bill Brown (Sheriff) in Santa Barbara Superior Court:

Mr. Prince and Ms. Tucker discussed the published information regarding the matter.

5. ICERS Fact Sheet Summary:

Mr. Prince shared the informational item which was available to visitors at the ICERS Open House, held October 29, 2009. Feedback from those attending was favorable.

6. Update on Private Equity Manager, HarbourVest: Status of Limited Partnerships:

Mr. Prince updated the board on the funding schedule for the private equity asset class.

- B. Board Members:

Board Members attending the SACRS 2009 Fall Conference, in Costa Mesa, CA, November 10-13th, shared their experience attending the breakout sessions regarding legislation, pension benefits, and the economic downturn effect on retirement system portfolios.

- C. County Counsel:

Discuss adopting Retirement Administrator Evaluation Form:

Ms. Tucker proposed that the evaluation form be used as a tool to assist the board when considering the renewal of the retirement administrator's contract on January 1, 2009.

The board gave direction to staff to place the item on the agenda for the December 16, 2009 regular meeting.

CLOSED SESSION

10. Convene into Closed Session:

MOTION by Flammang, Second by Bumgart and carried on the unanimous vote of members present, the board convened in to Closed Session.

- A. Government Code §54956.9(a) – Conference with Legal Counsel of Existing Litigation regarding disability retirement applications relating to the following: (2 attachments)

Rosendo Garcia

David Mazon

Raymond Luna

Gary Tackett

Luis Avalos

- B. 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

11. 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, Raymond Luna, Gary Tackett, and Luis Avalos.

The disability retirement application of David Mazon, was granted administratively by the board.

The board discussed but took no action regarding the JPMorgan litigation matter.

CONSENT AGENDA

12. BUDGET:

Approval of the following Budget claims for the 2009-2010 Regular Retirement and Disability Budget, to include Board Members in attendance at the 11/18/09 meeting, Govt. Code 31580.2 & 31521: (1 attachment)

REGULAR BUDGET:

PERMANENT SALARIES	\$ 25,481.16
EXTRA HELP	10,160.70
BILINGUAL PAY	45.00
SOCIAL SECURITY-MEDICARE	510.69
SPECIAL TRAINING	
SACRS Registration (Prince, Rodrigues, Tucker)	309.00
Career Track Seminar (Rodrigues)	199.00
Airfare-CALAPRS Dsblyt & Bnfts RT, Oakland, CA (Smith)	175.20
Fuel/Mileage-Microsoft Trng. San Diego, (Ridaura, R. Rdz)	463.80
COUNTY CONTR. RETIREMENT	3,162.64
GROUP INSURANCE	3,248.19
INS DENTAL/VISION	130.32
RETIREMENT PENSION BOND	1,735.70
RETIREMENT HEALTH PLAN	1,357.91
INS-VOLUNTARY LIFE	21.87
COMMUNICATIONS-PHONE CHARGES	271.24
COMMUNICATIONS-SERVICES	72.40
MAINTENANCE EQUIPMENT	41.22

- D. Final Payment of Service Retirement Allowance & Death Benefit per Govt. Code Section 31676.11:
- Emily Moreno
Deceased: General Member
9/18/2009
- E. Final Payment of Service Retirement Allowance per Gov't Code Section 31760.1
1. Sherlock McCollum
Deceased: General Member
08/27/2009
2. Emma Lou Hansen
Deceased: General Member
09/13/2009
3. Betty Carpenter
Deceased: General Member
08/19/2009
- F. Make-Up Buyback:
- Elvia Rosa Ortega
Department: General Member
Behavioral Health
- G. Make-Up Buyback- Lump Sum:
- Victor Linares
Department: General Member
Public Works
14. Quarterly Report: Barroway, Topaz, Kessler, Meltzer, & Check, LLP: Claims for Class Action Law Suites.
15. Manager Reports:
- A. Bradford & Marzec: Fixed Income Statement – September 30, 2009
- B. Franklin Templeton Institutional Quarterly Report – September 30, 2009
- C. TimesSquare Capital Management: Quarterly Report as of September 30, 2009.
- D. Calamos: Quarterly Performance Report as of September 30, 2009.

OTHER ITEMS

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

JULIE VILLENEUVE, Chairman

JAMES E. RHODES, Secretary