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ICERS

IMPERIAL COUNTY EMPLOYEES' RETIREMENT SYSTEM

BRIEF MINUTES

REGULAR MEETING OF THE IMPERIAL COUNTY BOARD OF RETIREMENT

October 21 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 Bumgart.

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

F. Approval of the Consent Agenda:

MOTION by Terrazas, Second by Bumgart, 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: None

ACTION CALENDAR

4. Approval of the Minutes of September 16, 2009 regular adjourned meeting:

MOTION by Williams, Second by Flammang, and carried on the unanimous vote of members present, the board approved the Minutes of the September 16, 2009 regular adjourned meeting.

5. The Segal Company: Andy Yeung, Vice President and Shelly Chu, Senior Actuarial Analyst:

A. Actuarial Value of Assets Comparison of Results Under Alternative Market Return Scenarios:

Mr. Yeung provided projections of possible employer and employee contribution rates under alternative market return scenarios.

Mr. Yeung also discussed the effects of decreased asset earnings due to the economic downturn. He encouraged the board members who will attend the SACRS 2009 Fall Conference, to observe and compare the impact on other retirement systems that have not fared as well as ICERS by maintaining near 100% funded status.

With a contingency fund of approximately \$55 million, ICERS currently maintains a flexible position which may avert extreme employer/employee rate increases for a year.

BREAK AT 10:04 A.M. RECONVENED AT 10:20 A.M.

B. Contribution Volatility and Asset Smoothing – Part 2:

Ms. Chu presented typical five year asset smoothing options, using measured cost assumptions. She also discussed possible cost impacts on employer/employee contribution rates with the board.

MOTION by Flammang, Second by Vogel, and carried on the unanimous vote of members present, the board approved to maintain the asset smoothing period at five years, but to change the Market Value of Assets corridor from 80%-120% to 70%-130%.

ALTERNATE BOARD MEMBER TABAREZ LEFT AT 11:10 A.M.

6. County Counsel: Linda S. Tucker, Deputy County Counsel: Conduct of Elections: Additional Bylaw, Section #14:

MOTION by Williams, Second by Flammang, and carried on the unanimous vote of members present, the board adopted the new addition of Section 14, Conduct of Elections, to be incorporated into the bylaws of the retirement system.

7. Shawn Terris, Chair, State Association of County Retirement Systems (SACRS) Nominating Committee: Recommended Changes to SACRS' Elections Bylaws and response from Bylaw Committee Chairman Gregg Radamacher:

Mr. Prince reviewed the recommended changes by the SACRS Nominating Committee regarding election procedures and election bylaws. Delegate, Chairman, Villeneuve, and Alternate, Board Member, McDonald, were instructed to vote informed but uninstructed at the SACRS Conference next month, in November.

ALTERNATE BOARD MEMBER JERNIGAN LEFT AT 11:15 A.M.

8. SACRS 2010 Legislative Proposal: Tulare Proposal:

The board discussed issues which define when reciprocity is established and proposals to resolve conflicts of dual membership.

The board directed the Delegate and Alternate to vote informed but uninstructed.

DISCUSSION CALENDAR

9. Reports/Correspondence/Announcements:

A. Retirement Administrator:

1. Market Value Graph:

Mr. Prince discussed an improved period activity, with a quarterly market upturn on all accounts.

2. Book vs. Market:

Mr. Prince discussed positive news. Earnings for the quarter are inline with the market target, range, and timeframe for funding the new private equity and commodities asset classes.

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

Mr. Prince advised the board that progress, of several of the project goals, continues ahead of schedule.

4. Update on new investments:

a. HarbourVest:

The partnership funding documents are currently being reviewed for legal and investment compliance by staff and Wurts & Associates. If all parties are in agreement, funding should begin during the fourth quarter of 2009.

b. BGI (Commodities):

The first funding commitment of \$5.5 million was made October 5, 2009. That will be reflected in next month's report. A approved commitment of 5% of the fund is expected to be invested by April 2010.

B. Board Members:

Board Member Bumgart reported key points discussed at the CALAPRS Trustees' Round Table, October 16th, in Oakland. ICERS has fared better than most of the other systems affected by the market downturn and other counties are also expanding their funding corridors. Emphasis was given to the importance of Trustee training and documentation, given the losses in the market, and anticipated scrutiny by the press.

Offsite storage for documents and records backup, in case of catastrophic events, was also discussed.

CLOSED SESSION

MOTION by Vogel, Second by Williams and carried on the unanimous vote of members present, the board convened into Closed Session.

10. Convene 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 David Mazon Raymond Luna Gary Tackett

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, reported the following:

The applications of Rosendo Garcia, David Mazon, Raymond Luna, and Gary Tackett, were discussed with no action.

The existing litigation regarding the Board of Trustees of ICERS v. JPMorgan Chase Bank, was discussed with no action.

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 10/21/09 meeting, Govt. Code 31580.2 & 31521:

REGULAR BUDGET:

PERMANENT SALARIES	\$ 16,779.73
EXTRA HELP	7,727.90
BILINGUAL PAY	30.00
SOCIAL SECURITY-MEDICARE	351.28
SPECIAL TRAINING	
CALAPRS Administrator Institute Airfare (D Prince)	209.20
Fuel Surcharge and Mileage-Microsoft Trng. In SD (JR & RR)	299.30
CALAPRS Administrators' Institute Exp Reimb (DP)	195.75
COUNTY CONTR RETIREMENT	2,082.72
GROUP INSURANCE	2,165.46
INS. DENTAL/VISION	86.88
RETIREMENT PENSION BOND	1,143.00
RETIREMENT HEALTH PLAN	894.22
INS-VOLUNTARY LIFE	14.58
COMMUNICATIONS-PHONE CHARGES	623.14
COMMUNICATIONS-SERVICES	23.45
OFFICE EXPENSE	
Federal Express	54.84
Wal-Mart – Clock for break room	21.72
Label Value-refills for label maker	95.20
Imperial Printers-letterhead	291.19
Hour Photo-Nameplate for Ann McDonald	8.70
Mail Charges for August 2009	523.30
Purchasing-Facsimile stamp (David Prince)	20.61
Facilities Management-Charges for July and August 2009	418.67
OCE Copier-Sept. billing, transitional and one time billing	572.84
Office Depot	975.79
ICARE-Old Eucalyptus retiree luncheon	1,744.62

REGULAR BUDGET (continued)

PROFESSIONAL & SPECIAL SERVICES

Southwest Sign-parking signs, Agenda & Minutes display board	1,759.03
The Berwyn Group-semiannual death audit	195.00

OVERHEAD REIMBURSEMENT

ICERS Corp. - Rent, utilities and Liability Policy 08/09-08/10	4,084.47
LM Building Maint-Janitorial Services June-Sept 2009	2,280.00
LM Building Maint-Janitorial Services-expense reimbursement	56.48

SUBTOTAL: \$ 45,729.05

EXTRA HELP

Retirement Board Meeting 10/21/09	\$ 400.00
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DISABILITY BUDGET

PROFESSIONAL & SPECIAL SERVICES

MSLA Medical Evaluation (David Mazon)	\$ 850.00
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TOTAL: \$ 46,129.05

13. Administrative Agenda:

A. Enrollment Affidavits of New Members (6):

B. Termination of Membership – Return of Accumulated Contributions (5)

C. Deferred Membership:

Ruben Sandoval	Safety Member
Department:	Probation
Effective:	08/15/2009

D. Service Retirement:

- | | | |
|----|--------------------|-------------------|
| 1. | Elizabeth Enriquez | General Member |
| | Department: | Behavioral Health |
| | Effective Date: | 08/26/2009 |
| 2. | Cecilia Jantz | Safety Member |
| | Department: | Probation |
| | Effective Date: | 04/04/2009 |
| 3. | Fernando Moreno | Safety Member |
| | Department: | Probation |
| | Effective Date: | 08/28/2009 |

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| 4. | Beatriz Rodriguez
Department:
Effective Date: | General Member
Intersystem/Social Services
07/01/2009 |
| 5. | Gary Tackett
Department:
Effective Date: | Safety Member
Probation
08/28/2009 |
| E. | Final Payment of Service Retirement Allowance & Death Benefit per Govt. Code Section 31676.11: | |
| | Ruth A. Collins
Deceased: | General Member
03/31/2009 |
14. Amended bylaw to change retirement system location and mailing address.

OTHER ITEMS

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

Mr. Prince reminded the board that they are invited to attend the annual Imperial County Association of Retired Employees (ICARE) luncheon, Thursday, October 22, 2009; He also invited them to attend the Open House of ICERS new building, Thursday, October 29, 2009.

Adjournment: Meeting was adjourned at 11:35 p.m. to November 18, 2009 at 8:30 a.m.

JULIE VILLENEUVE, Chairman

JAMES E. RHODES, Secretary