

DAVID H. PRINCE  
Retirement Administrator

KATHLEEN L. KUBLER  
Clerk of the Board

1221 State Street  
El Centro, CA 92243

[www.icers.info](http://www.icers.info)

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



ICERS

IMPERIAL COUNTY EMPLOYEES' RETIREMENT SYSTEM

# BRIEF MINUTES

## REGULAR MEETING OF THE IMPERIAL COUNTY BOARD OF RETIREMENT

September 16, 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 8:31 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., 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:

**MOTION** by Williams, Second by Terrazas and carried on the unanimous vote of member present, the board approved to move Item 6: New lease proposal from ICERS 1221 State Street Corporation for office space for the retirement system to Closed Session.

- 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 Vogel, Second by Williams and carried on the unanimous vote of members present, the board agreed to move Item 6 into Closed Session.

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

- 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:

#### **ACTION CALENDAR**

- 4. Approval of the Minutes of August 19, 2009 regular adjourned meeting:

**MOTION** by Vogel, Second by Bumgart, and carried on the unanimous vote of members present, the board approved the Minutes of August 19, 2009 regular adjourned meeting.

- 5. Presentations by Investment Managers:

- A. TimesSquare Capital Management: Michael B. Ray, Senior Vice President, Product Manager:

Mr. Ray reviewed the structure of TimesSquare organization, staff, and management. He also gave an overview of the activity for the first and second quarter of 2009 and the companies selected as investments.

- B. RREEF (America II Fund): Kevin Howley, Lead Portfolio Manager and Sally S. Blatt, Portfolio Manager:

Mr. Howley and Ms. Blatt presented the board with a review of the real estate environment since the market's downturn in 2008. Investors have maintained their accounts with RREEF and prospects are optimistic for a favorable return.

#### **BREAK 9:35 A.M. RECONVENED 9:45 A.M.**

- C. ING Clarion (Lion Properties Fund): Lou Jug, Managing Director and Stephen Hansen, Managing Director, Portfolio Manager of the Lion Property Fund:

Mr. Jug discussed the Lion Properties Fund organization and restated the optimism projected by RREEF presenters.

Mr. Hansen reviewed the account activity with the board and discussed the firm's diligence toward monitoring and responding to market trends.

6. Proposal by State Association of County Retirement Systems (SACRS) to sponsor a statewide retiree vision plan:

Mr. Prince discussed the proposal with the board. The current option provided to retirees was also discussed and compared. No action was taken at this time.

7. SACRS Voting Proxy Form:

**MOTION** by Vogel, Second by Bumgart, and carried on the unanimous vote of members present, the board appointed Chairman Julie Villeneuve to vote at the SACRS conference business meeting as an informed but uninstructed delegate and Ann McDonald as the Alternate.

### DISCUSSION CALENDAR

8. Reports/Correspondence/Announcements:

A. Retirement Administrator:

1. Market Value Graph:

Mr. Prince discussed the period activity with the board.

2. Book vs. Market:

Mr. Prince discussed the activity as well as the updated graphs and reports which will reflect the activity as well as newly added assets classes to the portfolio.

3. Update on portfolio rebalancing and funding of new asset classes (Commodities and Private):

Mr. Prince advised the board that the funding of the new assets classes, Commodities and Private Equity will continue to progress over the next 12 twelve months until they are both fully funded.

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

Mr. Prince advised the board that the project continues to progress as expected in spite of some conflicts with staff training and equipment maintenance which have caused minor delays.

5. Update on new position: Accountant-Auditor

Applications are being reviewed by Human Resources and the new position is still expected to be filled within the next 30 days.

6. SACRS letter re: Duties of county employees elected to the County Board of Trustees:

Mr. Prince discussed this item as it applies to those counties who have experienced a need to readdress the requirements and responsibilities of trustees to their constituents as well as their duties to county employment.

7. Review of Retirement Administrator's Annual Income and Expense Report FY 2009-2010:

Mr. Prince reviewed the report details with the board. He also briefly discussed other retirement systems and monitoring of administration accounting.

- B. Board Members:

County Board of Supervisors Member, Jack Terrazas, requested that ICERS new address be posted in the lobby at its old location, to avoid confusion by members, retirees and the public, who may need to conduct business, and who may be unaware of the move.

#### CLOSED SESSION

9. 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

- C. Government Code Section 54956.8 – Conference with Real Property negotiator. The real property address is 1221 State Street, El Centro, CA The parties negotiating are: ICERS 1221 State Street Corporation and the Imperial County Employees' Retirement System. The matter will concern payment term of a lease.

#### OPEN SESSION

10. Announcement of Closed Session Action:

Kayleen Smith, Retirement Disability Specialist, announced the following:

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

The board administratively denied the disability retirement application of Rosendo Garcia by a unanimous roll call vote of 9-0.

The board did not discuss the JPMorgan Chase Bank litigation matter.

The board gave direction to staff regarding the lease proposal from ICERS 1221 State Street Corporation for office space for the retirement system.

**CONSENT AGENDA**

11. BUDGET:

Approval of the following Budget claims for the 2009-2010 Regular Retirement and Disability Budget, to include Board Members in attendance at the 09/16/09 meeting, Govt. Code 31580.2 & 31521:

REGULAR BUDGET:

PERMANENT SALARIES	\$	16,779.75
EXTRA HELP		5,652.33
BILINGUAL PAY		30.00
SOCIAL SECURITY-MEDICARE		321.18
COUNTY CONTR. RETIREMENT		2,082.70
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-SERVICES		23.45
MAINTENANCE-EQUIPMENT – Whitaker Bros. Shredder Maint.		240.00
OFFICE EXPENSE		
MasterCard		
USPS-Online Address change		1.00
Radio Shack-USB for PS/2 Adapter		39.13
Lowe's-Computer Extension Cord		35.21
Wal-Mart-Trash cans/liners		128.33
Office Depot – Janitorial Supplies, Filing System		638.39
Office Depot – Office Supplies		181.48
Office Depot – Office Equipment		411.92
Office Supply – Office Supplies		262.66
Mail Charges for July 2009		658.89
Yosemite Waters – Monthly charge for July 2009		39.75
PROFESSIONAL & SPECIAL SERVICES		
PRO Record Storage and Shredding, Inc.- Archiving Services		50.00
Hanson & Bridgett LLP – Tax Compliance Training		1,376.25
Hanson & Bridgett LLP – Tax Compliance Manual		10,000.00
OVERHEAD REIMBURSEMENT		
ICERS Rent/Utilities for August 2009		2,734.68
	<b>SUBTOTAL:</b>	<b>\$ 45,991.24</b>
DISABILITY BUDGET:		
TRAVEL – Out of County		
Dsbly Ret App-Med Eval		135.30
EXTRA HELP		500.00
Retirement Board Meeting of 09/16/09		
	<b>TOTAL:</b>	<b>\$ 46,626.54</b>

12. Administrative Agenda:
- A. Enrollment Affidavits of New Members (4):
- B. Termination of Membership – Return of Accumulated Contributions (9)
- C. Service Retirement:
- |    |  |   |
|----|--|---|
| 1. | Lorenza Cabanillas<br>Department:<br>Effective Date: | General Member<br>Behavioral Health<br>07/31/2009 |
| 2. | Grace Garcia<br>Department:<br>Effective Date:       | General Member<br>Tax Collector<br>07/31/2009     |
- D. Intersystem Member
- |    |  |   |
|----|--|---|
| 1. | Chedley, Patrick M.<br>Department:<br>Effective: | Safety Member<br>Fire<br>05/09/2009                     |
| 2. | Merino, Michelle<br>Department:<br>Effective:    | General Member<br>County Executive Office<br>06/27/2009 |
- E. Redeposit:
- |                                     |                                     |
|-------------------------------------|-------------------------------------|
| Christensen, Georgia<br>Department: | General Member<br>Behavioral Health |
|-------------------------------------|-------------------------------------|
- F. Make-Up Buyback:
- |                                |                                |
|--------------------------------|--------------------------------|
| Burnworth, John<br>Department: | General Member<br>Public Works |
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- G. Final Payment of Service Retirement Allowance per Govt. Code Section 31780.1:
- |                                   |                              |
|-----------------------------------|------------------------------|
| Catherine Mc Chesney<br>Deceased: | General Member<br>07/06/2009 |
|-----------------------------------|------------------------------|
13. Amended bylaw to change to retirement system location and mailing address.

#### OTHER ITEMS

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

**Adjournment:** Meeting was adjourned at 11:35 p.m. to October 21, 2009 at 8:30 a.m.

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JULIE VILLENEUVE, Chairman

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JAMES E. RHODES, Secretary