

DAVID H. PRINCE
Retirement Administrator

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ICERS

IMPERIAL COUNTY EMPLOYEES' RETIREMENT SYSTEM

BRIEF MINUTES

REGULAR MEETING OF THE IMPERIAL COUNTY BOARD OF RETIREMENT

October 20, 2010

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 Chairman Villeneuve at 8:30 a.m.

A. Roll Call:

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

MEMBERS ABSENT: Becky Flammang.

MEMBERS ARRIVING AFTER ROLL CALL: None.

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

LEGAL REPRESENTATIVE: Linda S. Tucker, Deputy County Counsel; Geoffrey Holbrook, Deputy County Counsel.

CLERK: Kayleen Smith, Retirement Specialist.

STAFF: David H. Prince, Retirement Administrator, Regina Rodrigues, Assistant Retirement Administrator, Scott Jarvis, Accountant Auditor.

B. Pledge of Allegiance:

The Pledge of Allegiance was led by Board Member 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 Terrazas, Second by Huskey, and carried by the unanimous vote of members present, the Board approved the Agenda.

- F. Approval of the Consent Agenda:

MOTION by Williams, Second by Huskey, and carried by 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 Prince, Retirement Administrator, informed the Board that he appeared before the Board of Supervisors last Tuesday as an individual, not the Retirement Administrator, regarding the proposed Health Insurance changes.

ACTION CALENDAR

- 4. Approval of the Minutes of the September 15, 2010 regular adjourned meetings:

MOTION by Williams, Second by Huskey, and carried by a vote of 6 to 2 with 2 abstentions (Vogel and Bumgart), the board approved the Minutes of the September 15, 2010 regular adjourned meeting.

BOARD MEMBER TABAREZ ARRIVED AT 8:36 A.M.

- 5. The Clifton Group: Ben Lazarus, CFA, Director of Sales and Marketing and Justin Henne, CFA, Portfolio Manager: Update by Clifton Group as to Overlay Services account.

Presentation by Mr. Lazarus and Mr. Henne regarding the duties and responsibilities of the overlay service providers. They discussed the financial tools they utilize as well as the portfolio monitoring and daily reporting features they offer. They discussed the risks, benefits and costs of the overlay service. Mr. Prince explained the funding for this service and the recent transaction delay with JP Morgan.

- 6. Adoption of Revised ICERS Investment Policy and Procedures:

Mr. Prince presented the revised version of this document.

MOTION by Vogel, Second by Bumgart, and carried by the unanimous vote of members present, the Board adopted the revised ICERS Investment Policy and Procedures.

7. Adoption of Revised Education and Travel Policy:

Mr. Prince presented the revised version of this policy.

MOTION by Williams, Second by McDonald, and carried by the unanimous vote of members present, the Board adopted the revised Education and Travel Policy.

8. Adoption of Credit Card and Wire Transfer Policy:

Mr. Prince presented the policy and answered the Board's questions.

MOTION by Vogel, Second by McDonald, and carried by the unanimous vote of members present, the Board adopted the Credit Card and Wire Transfer Policy.

9. State Association of County Retirement Systems (SACRS) 2011 Proposed Legislation:

Mr. Prince reviewed the proposed legislation.

10. SACRS Voting Proxy:

Chairman Villeneuve polled Board members on their attendance at the upcoming SACRS Conference.

MOTION by Villeneuve, Second by Huskey, and carried by the unanimous vote of members present, the Board nominated Herb Bumgart as the voting delegate and Terry Huskey as the alternate, for the upcoming SACRS Conference. Members are to vote as informed but uninstructed.

DISCUSSION CALENDAR

Item 11 is for discussion only; Items requiring action will be placed on a future agenda.

11. Reports/Correspondence/Announcements:

A. Retirement Administrator:

1. Market Value Graph ;

Mr. Prince reviewed the graph with the Board.

2. Book vs. Market :

Mr. Prince reviewed the graph with the Board.

3. Update on Pension Administration System (PAS):

Regina Rodrigues, Assistant Retirement Administrator, gave an update on the progress and status of the Plan. She informed the Board that staff has started the second phase of testing this week. The last two phases should be completed next year. The project completion date has been extended from May, 2011 to July, 2011 due to an unexpected delay by JEA.

4. Investment Outlook, October 2010: Stan Druckenmiller is Leaving:
Mr. Prince and the Board Members discussed the details of this article relating to future retirement plans.
5. RV Kuhns & Associates, Inc. 1 Year Annualized Total Fund Returns:
Mr. Prince discussed ICERS' performance position as compared to the other 80 pension funds reported.
6. Update: IRS Tax Determination Letter Filing:
Mr. Prince discussed the time and costs involved with this letter filing.
7. Update: RREEF account refunding:
The funding was completed on October 1, 2010.
8. Information on upcoming actuarial report due in December 2010:
Mr. Prince discussed the reserve account balances and future assumptions the actuary will be considering in the next report.

B. Board Members: None.

BREAK 10:20 A.M. TO 10:30 A.M.

C. County Counsel:

1. Update: AB1987 and AB609:
The Governor vetoed AB1987. However, the Governor did sign into law AB609 on September 30, 2010 which will affect our administrative costs. Mr. Prince will bring an adjusted budget to the Board in December.
2. Barroway Topaz Bulletin *SUMMER 2010*:
Ms. Tucker discussed this article with the Board and explained the investment actions of JP Morgan.

CLOSED SESSION

12. Convene into Closed Session:

MOTION by Huskey, Second by McDonald, and carried by a 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 application relating to the following:

Daniel Amarillas Heidi Perez
- 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 §54956.8 – Conference with Real Estate property negotiator. Property is located in the 1400 block of Clark Road, El Centro, CA. Party with whom negotiating is County of Imperial. Negotiations will concern price and terms of payment.

OPEN SESSION

13. Announcement of Closed Session Action.

Kayleen Smith, Retirement Specialist, announced the following:

The Board discussed but took no action on the disability retirement applications of Daniel Amarillas and Heidi Perez.

The Board discussed but took no action on the JPMorgan Chase Bank litigation matter.

The Board discussed but took no action regarding the property located in the 1400 block of Clark Road in El Centro.

CONSENT AGENDA
Retirement Administrator recommends approval of Items 14 through 16

14. BUDGET:

Approval of the following claims for the 2010-2011 Retirement Budget and to include Board Members in attendance at the 10/20/2010 meeting, pursuant to Govt. Code Section 31580.2 & 31521, and to also include an Investment Funds Expense Summary:

A. REGULAR BUDGET:

PERMANENT SALARIES	\$ 20,651.88
EXTRA HELP	8,251.77
BILINGUAL PAY	30.00
SOCIAL SECURITY-MEDICARE	413.41
SPECIAL TRAINING	
CALAPRS Dsblty/Bnfts RT Hotel + Reimb. (KS)	481.90
CALAPRS IT RT Hotel (JR)	129.45
ICOE Microsoft Classes (KK)	80.00
COUNTY CONTR. RETIREMENT	2,614.14

GROUP INSURANCE	2,469.66
INS DENTAL/VISION	95.56
RETIREMENT PENSION BOND	1,282.85
RETIREMENT HEALTH PLAN	1,207.75
INS VOLUNTARY LIFE	14.58
COMMUNICATIONS AT & T Phone Charges	318.34
MAINTENANCE-EQUIPMENT	
OCE Imagistics Copier Charges-Sept. 2010	430.30
OFFICE EXPENSE	
Federal Express	56.57
Office Depot-Supplies	575.56
County Mailroom charges-August 2010	560.21
Sparkletts	22.02
PROFESSIONAL & SPECIAL SERVICES-Data Processing	
Pro Record Storage-August 2010	20.00
Berwyn Group Locator Service	9.50
OVERHEAD REIMBURSEMENT	
ICERS Corp. Rent, Utilities and CR&R	6,501.45
LM Building Maint. Janitorial Svcs. Sept. 1-15, 2010	360.00
LM Building Maint. Janitorial Svcs. Sept 16-30, 2010	360.00
SUBTOTAL:	\$ 46,936.90

EXTRA HELP	
Retirement Board Meeting 10/20/10	\$ <u>400.00</u>
SUBTOTAL:	\$ 47,336.90

B. INVESTMENT FUNDS EXPENSE SUMMARY:

CUSTODIAL SERVICES	
JP Morgan Fees – 4 th Qtr. 2010	\$ 26,782.42
SPECIAL TRAINING	
Retirement Board Retreat – Chilies Lunch	211.79
Retirement Board Retreat – Staples Office Supplies	71.74
Retirement Board Retreat – Fairfield Inn (R Goss)	294.80
Retirement Board Retreat – Fairfield Inn (T Huskey)	163.90
Retirement Board Retreat – Fairfield Inn Conf. Rm.	300.00
CA Ret. Co. Emp. Assn. Conf. (T Huskey)	73.00
INVESTMENT MANAGEMENT SERVICES	
Blackrock Management Fees – 4 th Qtr. 2010	37,290.55
COMPUTER TECHNOLOGY	
County IT charges for July 2010	18,080.92
Questys Software – Annual Renewal	833.09
JEA Pension – Sept. 2010 payment	27,072.00
Linea Solutions – Sept. 2010 Payment	40,135.13
SUBTOTAL:	\$ 151,309.34
TOTAL	\$ 198,646.24

H. Buyback – Make-Up:

Lorena Godoy
Department:

General Member
Behavioral Health

I. Deferred Membership:

Gerardo Gutierrez
Department:
Effective:

General Member
Sheriff
07/17/2009

16. Manager Reports:

T. Rowe Price

Investment Report for the Month Ended
August 31, 2010

Adjournment: Meeting was adjourned at 10:50 a.m. to November 17, 2010 at 8:30 a.m.

JULIE VILLENEUVE, Chairman

JAMES E. RHODES, Secretary