

BRIEF MINUTES

RETIREMENT BOARD MEETING
COUNTY ADMINISTRATION CENTER
940 W. MAIN STREET, EL CENTRO, CA 92243
July 21, 2004

The regular meeting of the Imperial County Board of Retirement was held at 9:07 a.m. in the Health Department's Training Room, County Administration Center, El Centro, CA.

MEMBERS PRESENT: Yarnell, Heuberger, Yarnall, Grogan, Flammang, Padilla, Kennerson, Strain, Williams

MEMBERS ARRIVING AFTER ROLL CALL: None

MEMBERS ABSENT: None

MEMBERS PRESENT AFTER LUNCH: No lunch break

LEGAL REPRESENTATIVE: Linda Tucker, Deputy County Counsel

CLERK: Miriam Ojeda, Office Technician

STAFF: Barbara McFetridge, Division Manager; Susie Martinez, Retirement Supervisor; Kayleen Smith, Disability Specialist

OTHERS: David Ritter and Frances Obeso, County Employees

Meeting called to order by Chairman Williams.

1. **ROLL CALL:**

2. **PUBLIC APPEARANCE:**

The Board welcomed Larry Grogan and Jurg Heuberger as the newly appointed/elected representatives to the Board of Retirement.

3. **MINUTES:**

MOTION: By Flammang, Seconded by Strain and carried on the vote of Members present that the Minutes of the June 16, 2004 regular adjourned meeting be approved. (Abstained: Grogan & Heuberger)

Ms. Flammang asked that future Minutes reflect each Managers' performance as it compares to their peer group ranking.

4. **RETIREMENT ADMINISTRATORS' REPORT, DISCUSSION & POSSIBLE ACTION ITEMS:**

Item # 4B came before Item #4A

A. Safety Members Kelley/Tackett - Rollover Funds to Purchase General Service to Safety Service (attachment)

(This item was postponed until the end of the meeting waiting for the members to be present)

Mr. Kelley and Mr. Tackett are interested in purchasing general to safety time using their 457 Rollover funds. IRS will not allow the use of these funds for that purpose.

RETIREMENT ADMINISTRATORS' REPORT, DISCUSSION & POSSIBLE ACTION ITEMS:

The Board waived the interest until the County implemented a loan program through the employees' deferred compensation plan. The County has now implemented the loan program and Mr. Tackett and Mr. Kelley are once again asking for an extension to allow paperwork processing.

Mr. Tackett and Mr. Kelley were not present by the time the meeting was finished.

MOTION: By Grogan, Seconded by Flammang and carried on the vote of Members present to start charging interest effective August 1, 2004. Abstained: Padilla

B. Market Value Graph (attachment)

Donna Yarnell, Retirement Administrator, briefly reviewed the Market Value graph and updated the Board on the latest portfolio valuation as of July 20, 2004.

C. Book vs. Market Summary (to be distributed)

The Retirement Administrator briefly reviewed the Book vs. Market Summary with the Board.

D. Update:

1. AB 616 (3% @ 60)

Mr. Heuberger asked that the letter regarding the Retirement funding level addressed to the Board of Supervisors, by the Retirement Administrator, be distributed to all department heads and Retirement Board Members. Ms. Yarnell agreed to send the letter.

2. AB 55 (ARC Time)

David Ritter of Ag. Commissioner's office, inquired about the actuarial cost to study implementing this bill. Ms. McFetridge stated that some monies have been allocated for an actuarial study, but not specific to any one matter.

3. SB 274 (Safety Member DROP)

No update at this time.

RETIREMENT ADMINISTRATORS' REPORT, DISCUSSION & POSSIBLE ACTION ITEMS:

E. ICERS Bylaw Review (attachment)

Ms. McPetridge stated that every year the board is asked for any changes to the bylaws. An attachment was distributed for members wishing to make to the current bylaws. Forms must be completed and returned to ICERS by August 18, 2004.

F. 2005 SACRS Proposed Legislation (attachment)

Staff has no requests for legislative changes at this time. The Board Members may make any requested changes on the attached form. Mr. Williams suggested that the Board use the form to propose alternate general member legislation to the SACRS Executive Committee.

Mr. Williams intends to talk to Bob Palmer, SACRS Legislative representative about the history of the positions on the Board of Retirement. He also requested that staff conduct a survey of the other 1937 Act counties as to whether the other systems will support such legislation.

G. Discussion: Succession Planning (attachment)

Ms. Yarnell advised the Board that there are several members of ICERS staff looking into retiring in the next few years. She advised the Board that she wanted them to be aware of the situation and to let them know that staff has been working on succession planning for some time. Ms. Yarnell discussed several options. She believes the Retirement Administrator should be a full-time job. Only Imperial and Mendocino have a combined Retirement Administrator and Treasurer. To accommodate the increasing workload, the Board might look into hiring additional staff. She also suggests bringing former Board Member David Prince, now retired, as a Consultant in an extra help position. She solicited the Board's recommendations. Mr. Heuberger suggested we survey other counties as to structure and expenses. Ms. Flammang reminded the Board that the reason the Treasurer/Tax Collector positions were combined was to save funds. The survey results will be brought back to the Board when available.

H. Update: Asset/Liability Modeling Study

Ms. McPetridge contacted called Sacramento County. Sacramento County is willing to share its study with the Board. Mr. Lightvoet will discuss the study at the August meeting. Ms. McPetridge will survey other counties as to whether each has done an ALM study. She will present detailed results to the Board at the August meeting.

RETIREMENT ADMINISTRATORS' REPORT, DISCUSSION & POSSIBLE ACTION ITEMS:

I. Previously Approved Seminars/Conferences:

1. CALAPRS, "**Disability Staff**" Roundtable, September 9th, 2004, Oakland Holiday Inn, Oakland, CA (approximate cost p/person \$500)
2. CALAPRS, "**Benefits**" and/or "**Trustees**" Roundtable, September 10th, 2004, Oakland Holiday Inn, Oakland, CA (approx. cost p/person \$500)
3. CALAPRS, "**Administrators' Institute**", September 22nd thru September 24th, 2004, Oxnard, CA, (approx. cost p/person \$1,000)
4. CALAPRS, "**Basic Staff Training**", September 29th thru October 1st, 2004, Ontario Marriott, Ontario, CA (approx. cost p/person \$500)
5. SACRS, "**Fall Conference 2004**", November 9th thru November 11th, 2004, Anaheim Sheraton, Anaheim, CA (Approx. Cost P/Person \$1,000)

5. **COUNTY COUNSEL:**

A. Executive Session:

Kayleen Smith, Disability Specialist noted the **EXECUTIVE SESSION** items on the agenda and suggested the Board convene into **EXECUTIVE SESSION:**

CONVENE INTO EXECUTIVE SESSION AT 10:29 a.m.

Conference with Legal Counsel-Existing
Litigation Gov't Code §54956.9(a)(attachment)

IN RE: Disability Retirement Application Of:

Walter Cress	Judith York
Carol Storm	Ernest Mendoza
Sharon Stogner	Reynaldo De La Rosa
Elaine Jones	Ernest Garcia

In RE: Enron Corporation, WorldCom, Inc., Packaged Ice, Inc.

RECONVENED INTO OPEN SESSION AT 10:52 a.m.

COUNTY COUNSEL:

Mrs. Smith announced that the following actions were taken in **EXECUTIVE SESSION:**

- The application of Judith York Rippetoe for service connected disability retirement was administratively denied without prejudice to refile.
- The request of Aurora Garcia to begin receiving her regular service retirement pension pending the outcome of her application for disability retirement was approved.

B. Discussion/Possible Action:

Ventura Decision - Vacation Pay added to Final Compensation for Retirement Calculations (attachment)

Linda Tucker, Deputy County Counsel stated that staff surveyed other '37 act counties regarding this subject and reviewed the law. Ms. McFetridge explained the difference between the old method and the new method proposed by County Counsel in detail.

Mr. Heuberger stated he would support the policy, but thought it needed further rewording and asked County Counsel to do so. He requested a written policy be prepared and other Board Members agreed.

Ms. McFetridge stated that there are several individuals who are currently in the process of establishing their final compensation year and requested they be allowed to use the old method as long as they notify staff in writing within the next 90 days.

MOTION: By Heuberger, Seconded by Yarnell and carried on the unanimous vote of Members present to accept the proposed language as presented by County Counsel with additional clarification.

MOTION: By Yarnell, Seconded by Strain and carried on the unanimous vote of Members present that employees be allowed to choose the old method of calculation of final compensation if the member notifies the retirement staff within 90 days per staff's recommendation.

6. **PORTFOLIO, CONSULTANT'S AND MANAGERS' PERFORMANCE, DISCUSSION & POSSIBLE ACTION ITEMS:**

- A. Delta Asset Management
June Investment Strategy (attachment)
- B. T. Rowe Price
- C. Bradford & Marzec, Inc.
- D. TimesSquare Capital
- E. Calamos Investments
- F. Commingled Account - Templeton/Barclay's Index/Barclay's EAFE
- G. Consultant - Mercer Investments
- H. Custodian Bank - J.P. Morgan/Chase

7. **BOARD MEMBERS' REPORTS, DISCUSSION & POSSIBLE ACTION ITEMS:**

- A. Forming Board Committees, by Board Member Williams

Board Member Williams stated that although he would like to see Board committees, he does not want to cause the extra workload on staff. Ms. Tucker explained that any committee meetings would be subject to the Brown Act, except if they were only formed for one specific purpose and met only a few times. No further action was taken.

- B. Real Estate Investing, by Board Member Williams

Mr. Williams discussed with the Board Members if they would be interested in real estate investing as an asset class. Staff was directed to provide the presentation materials regarding real estate to the two new board members. It was agreed that this issue would be continued to the September meeting so that Mr. Lightvoet will be present.

Mr. Heuberger suggested not having a board meeting in the month of August. This allows staff to catch up on other things. Chairman Williams advised Board Member Heuberger that the Board has previously agreed to hold a meeting in August.

8. **ADMINISTRATIVE AGENDA:**

- A. ENROLLMENT AFFIDAVITS OF NEW MEMBERS (31)
- B. TERMINATION OF MEMBERSHIP -Return of Accumulated Contributions(7)
- C. DEFERRED MEMBERSHIP

Rosa R. Alba	General Member
Department:	Sheriff's
Effective:	05/20/03

- D. BUYBACK - MAKE-UP - LUMP SUM

1. Andrea Kuhlen	General Member
Department:	Behavioral Health

2. Pat Martinez	General Member
Department:	Courts

- E. BUYBACK - MAKE-UP - INSTALLMENTS

Jesus Ramirez	General Member
Department:	Ag. Commissioner

- F. SERVICE RETIREMENT/GROUP HEALTH INSURANCE

Teresa C. Nava	General Member
Department:	Courts

MOTION: By Flammang, Seconded by Kennerson and carried on the unanimous vote of Members present that the Administrative Agenda be approved.

9. **RETIREMENT BOARD'S BUDGET:**

MOTION: By Grogan, Seconded by Heuberger and carried on the unanimous vote of Members present that the following claims for 2003/2004 Regular Retirement Budget and Disability Budget be approved. (attachment)

- A. REGULAR BUDGET

PERMANENT SALARIES	
12/26/03 thru 06/24/04	\$104,886.22
EXTRA HELP	
12/26/03 thru 06/24/04	3,709.46
SOCIAL SECURITY	
Ret Brd Mtgs - 04/04/14 & 04/21/04	8.70
SPECIAL TRAINING	
SACRS Airfare/Tucker	324.89
SACRS Comm Mtg	254.32
CALAPRS/Bermudez	238.95

RETIREMENT BOARD'S BUDGET:

MAINTENANCE		
Ivory - FY 04/05		2,672.00
Alarm - 06/15/04 thru 09/14/04		28.13
OFFICE EXPENSE		
Ret Warrants		702.02
Ret Journal Subscription		195.00
Mailroom - May 2004		281.33
PROFESSIONAL SERVICES		
Elections		575.41
DATA PROCESSING		
March 2004		3,003.25
April 2004		6,062.04
TRAVEL - IN COUNTY		
Mileage - Jan thru June 2004/Strain		87.75
Mileage - Jan thru June 2004/Kennerson		20.25
Mileage - Jan thru June 2004/Flammang		108.00
Mileage - Jan thru June 2004/Williams		20.25
EXTRA-HELP		
Ret Brd Mtg - 07/21/04		500.00
	TOTAL:	<u>\$123,677.97</u>

B. DISABILITY

OFFICE EXPENSE		
Fed-Ex		\$ 72.41
PROFESSIONAL SERVICES		
Medical Evaluation		109.02
	TOTAL:	<u>\$ 181.43</u>

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Meeting was adjourned at 12:25 to August 18, 2004 at 9:00 a.m.

JOHN W. KENNERSON, SECRETARY

ROBERT W. WILLIAMS, CHAIRMAN