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Imperial County Employees' Retirement System

BRIEF MINUTES

SPECIAL MEETING OF THE IMPERIAL COUNTY BOARD OF RETIREMENT

April 7, 2005

1:00 P.M.

County Public Health Department
Training Center
935 Broadway, East Wing
El Centro, CA 92243

1. The meeting was called to order by Chairman Williams at 1:05 p.m.
 - a. Roll Call.

MEMBERS PRESENT: Karen Vogel, Jurg Heuberger, Larry Grogan, Becky Flammang, Armando Padilla, John Kennerson, Jim Strain, and Robert Williams

MEMBERS ARRIVING AFTER ROLL CALL: Pat Yarnall

MEMBERS ABSENT: None

LEGAL REPRESENTATIVE PRESENT: Linda Tucker, Deputy County Counsel

CLERK: Kathleen L. Kubler, Office Technician

STAFF: Barbara McFetridge, Retirement Division Manager; Susie Martinez, Retirement Supervisor; David H. Prince, Retirement Division Manager (Extra-Help); Kayleen Smith, Disability Specialist

OTHERS: Ira Summer, Public Pension Professionals, Inc.; Deanna Van Valer, Public Pension Professionals, Inc.; Robertta Burns, County Executive Officer

- b. Public comments on items that are **NOT** on the agenda: None
2. Discussion of the Agenda.
 - a. Items to be pulled from Action Calendar: None
 - b. Emergency Items to be added: None
 - c. Approval of the Agenda:

Motion by Strain, Seconded by Kennerson and carried on the unanimous vote of members present, the Board approved the agenda as presented.

ACTION CALENDAR

3. Presentation by Ira Summer of Public Pension Professionals – Actuarial Study and Investigation ending June 30, 2004:

Mr. Summer began his presentation with an overview of his study explaining how benefit funding takes place, the terminology used, how the Unfunded Actuarial Accrued Liability is determined, and the methodology for establishing rates.

MEMBER YARNALL ARRIVED AT 1:35 P.M.

Board Members and County employees asked Mr. Summer questions about the report including the new mortality tables, the increase in contribution rates for members, and funded level of the retirement system.

BREAK AT 2:25 P.M. RECONVENED AT 2:43 P.M.

Mr. Summer assured those in attendance that currently the County's pension plan is one of only two of the '37 Act systems that are ahead of target in funding.

MOTION by Yarnall, Seconded by Padilla and carried on the unanimous vote of members present, the Board authorized Public Pension Professionals to conduct the following additional studies.

1. Provide further information regarding possible uses of Undistributed Earnings for member contribution relief at full relief, 1/3 relief and 2/3 relief levels.
2. Provide additional information regarding possible ways of how Undistributed Earnings could be used to lower the member contributions for safety members 3% @ 50 benefit.

Although Mr. Summer will not be available to attend the Regular Meeting of April 20, 2005, his assistant Deanna Van Valer would be available for a conference call should the Board have questions.

Under discussion, Board Member Heuberger expressed concern for the cost of additional studies. Mr. Summer estimated that the cost would range between 5 and 15 thousand dollars. Barbara McFetridge, Retirement Division Manager, assured Mr. Heuberger that funds were available.

MOTION by Padilla, Seconded by Flammang and passed by a roll call vote of 8-1(Yes, Vogel, Heuberger, Grogan, Flammang, Padilla, Kennerson, Strain, Williams; No – Yarnall), the Board voted to approve an additional study to review the alternative approaches to amortize the Unfunded Actuarial Accrued Liability (UAAL) for the 3% @ 50 Safety members benefit that would phase in contribution increases over time.

MEMBER GROGAN LEFT AT 4:26 p.m.

4. Discussion/Action at the request of the Retirement Administrator of correspondence from Robertta J. Burns, County Executive Officer, dated March 23, 2005, concerning allocation of undistributed earnings by the Retirement Board. (3 attachments)

Mrs. Burns appeared before the Board and made a formal request to the Board of Retirement that any balance left in the enhanced benefit reserves after paying off the unfunded liability after adopting an enhanced benefit for general members described in Government Code Section 31676.14 be used for additional employee contribution relief.

The Board requested that the studies be available by April 13th, so that they can be attached to the agenda for the regular meeting.

Staff was directed to provide the Board with the balances in the Undistributed Earnings Account as of December 31, 2004.

Adjournment: Meeting was adjourned at 5:24 p.m. to April 20, 2005 at 9:00 a.m.

JOHN W. KENNERSON, SECRETARY

ROBERT W. WILLIAMS, CHAIRMAN