

DAVID H. PRINCE
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ICERS

IMPERIAL COUNTY EMPLOYEES' RETIREMENT SYSTEM

BRIEF MINUTES

REGULAR MEETING OF THE IMPERIAL COUNTY BOARD OF RETIREMENT

June 16, 2010

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 Rhodes

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

MEMBERS ABSENT: Robert W. Williams

MEMBERS ARRIVING AFTER ROLL CALL: Herbert Bumgart

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

LEGAL REPRESENTATIVE: Linda S. Tucker, Deputy County Counsel

CLERK: Kathleen L. Kubler

STAFF: David H. Prince, Retirement Administrator, Regina Rodrigues, Assistant Retirement Administrator

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: Mr. Prince and Ms. Tucker informed the board of a potential litigation matter which should be added to the Closed Session portion of the agenda.

MOTION by Huskey, Second by Flammang and carried on the unanimous vote of members present, the board approved the additional item to Closed Session.

- E. Approval of the Agenda:

MOTION by Huskey, Second by McDonald and carried on the unanimous vote of members present, the board approved the agenda as amended.

- F. Approval of the Consent Agenda:

MOTION by Terrazas, Second by McDonald 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 the May 19, 2010 regular adjourned meeting:

MOTION by Flammang, Second by Huskey and carried on the unanimous vote of members present, the board approved the Minutes of the May 19, 2010 regularly adjourned meeting.

5. Presentation by Investment Consultant, Scott J. Whalen, Senior Investment Consultant, Wurts & Associates and Jon Albro, Managing Partner, Penn Square Global Real Estate Fund: Distressed Real Estate:

BOARD MEMBER BUMGART ARRIVED AT 9:15 A.M.

Mr. Albro reviewed the presentation material, and discussed his firm's experience, partnership group, strategies and success in seeking opportunistic returns from globally allocated real estate portfolios.

6. Rebalance of Real Estate investment class to policy target:

MOTION by Rhodes, Second by Huskey and carried on the unanimous vote of members present, the board authorized that \$4,000,000 be transferred from TimesSquare, at the soonest available opportunity, to the ING Clarion, Lion Properties Fund account. The funding of the REEFF fund is to be determined before the end of the year.

7. Discussion/Action regarding cost and filing of Internal Revenue Service (IRS) Determination Letter by ICERS:

MOTION by Flammang, Second by Huskey and carried on the unanimous vote of members present, the board approved \$30,000 for the review of ICERS plan document, by ICERS tax attorney Robert Blum, for possible filing of an Internal Revenue Service (IRS) Determination Letter.

8. Final draft agenda of regularly scheduled July ICERS Board Meeting/Educational Retreat:

The board gave directions to staff to invite Pacific Investment Management Company (PIMCO) to participate as a presenter during the July Educational Retreat. Mr. Whalen will extend the invitation and collaborate with Mr. Prince on the agenda topic.

- 9 Adoption of interest rate paid on Death Benefit option as per Government Code Section 31784:

MOTION by Huskey, Second by Flammang and carried on the unanimous vote of members present, the board adopted a 4% interest rate be applied to members account who chose to select the death benefit outlined in Government Code Section 31784.

10. Discussion/Action regarding possible changes in actuarial assumptions and timing of those changes:

Mr. Prince discussed the assumption factors that may affect the result of the next actuarial experience study, which is scheduled to be performed in 2011. He also discussed advantages and disadvantages should the board consider ordering the study in 2010. There was no further discussion on this item.

11. Letter of Understanding (LOU) between ICERS and Imperial County, and between ICERS and the Imperial County Superior Court, regarding calculation for the repurchase of service credit:

MOTION by Huskey, Second by Flammang and carried on the unanimous vote of members present, the board agreed to enter into Letter of Understanding with the Imperial County and the Imperial County Superior Court regarding calculation for the repurchase of service credit.

12. Action/Discussion by David H. Prince, Retirement Administrator: Transfer of funds from assets to cash account (not to exceed \$5 million):

MOTION by Flammang, Second by McDonald and carried on the unanimous vote of members present, the board authorized the transfer of funds from the T. Rowe Price assets account to the cash account, not to exceed \$5 million.

DISCUSSION CALENDAR

13. Reports/Correspondence/Announcements:

A. Retirement Administrator:

1. Market Value Graph:

Mr. Prince reviewed the market value graph for the period ending 05/31/2010 with the board.

2. Book vs. Market:

Mr. Prince reviewed the portfolio accounts and discussed their activity with the board.

3. Update on Pension Administration System (PAS):

Mrs. Rodrigues updated the board on the ongoing progress of the project.

4. Update on contract with auditing firm Brown Armstrong:

Mr. Prince advised the board that the contract will be finalized after some minor revisions and then be signed by the June 30th deadline.

B. Board Members:

Board Member Huskey reported that the Imperial County Association of Retired Employees (ICARE) monthly meetings will go dark for the months of July, August, and September, and that meetings will resume with the annual retiree luncheon in October.

C. County Counsel:

Linda S. Tucker, Deputy County Counsel, announced that revisions have been made to the anti-spiking legislation AB 1987. A copy will be provided via email to each board member after the meeting.

CLOSED SESSION

14. Convene into Closed Session:

- A. 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.
- B. Government Code §54956.9(a) – Conference with Legal Counsel of Existing Litigation, In re Jarden Corp. Securities Litigation, United States District Court for the Southern District of New York, Case No. 7:06-CV-722 (CLB).
- 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.
- D. Government Code §54956.9 (b) – Conference with legal counsel, potential litigation.

REGULAR BUDGET (continued)

MAINTENANCE & EQUIPMENT

Paper Shredder 1 Year Maint. Contract	240.00
Refrigerator 3 Year Maint. Contract	285.58
Oracle Software Maint/Taxes	203.79

OFFICE EXPENSE

FedEx Shipping Chrgs.	232.42
Office Depot – Stationary/Cleaning Supplies	462.19
Mailroom Charges for April 2010	544.31
OCE Imagistics – Copier Charges for May 2010	430.30
LM Bldg. Maint. Supplies Reimb.	14.77
Sparkletts Water	23.00
FedEx Shipping Chrgs.	34.51

PROFESSIONAL & SPECIAL SERVICES

Alliant – Fiduciary Liability Coverage – Annual Contract	36,900.00
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PROFESSIONAL & SPECIAL SERVICES – DATA PROCESSING

Data Processing Charges for January 2010	10,211.85
Data Processing Charges for February 2010	7,211.25

OVERHEAD REIMBURSEMENT

ICERS Corp. Rent, utilities, and CR&R	4,703.70
LM Building Maint. – May 2010 Janitorial Services	720.00

EXTRA HELP

Retirement Board Meeting 06/16/10	\$ 400.00
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TOTAL: \$ 105,021.45

17. Administrative Agenda:

A. Enrollment Affidavits of New Members (5):

B. Termination of Membership – Return of Accumulated Contributions (2):

A. Service Retirement:

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| 1. | Benny Inay
Department:
Effective Date: | General Member
Public Health
04/02/2010 |
| 2. | Gloria Hernandez
Department:
Effective Date: | General Member
Social Services
04/09/2010 |
| 3. | Rosario Alcazar
Department:
Effective Date: | Safety Member
Sheriff/Intersystem
04/03/2010 |

4. Joanne Heuberger
Department:
Effective Date: General Member
County Counsel
04/16/2010
 5. Rosa M. Gonzalez
Department:
Effective Date: General Member
Social Services
04/22/2010
 6. Alan Laird
Department:
Effective: General Member
Ag. Comm./Intersystem
03/19/2010
 7. Carla Bell
Department:
Effective Date: General Member
Behavioral Health
04/01/2010
 8. Yolanda Moore
Department:
Effective Date: General Member
Child Support Services
04/01/2010
 9. Dolores Obeso
Department:
Effective Date: General Member
Behavioral Health
04/23/2010
- D. Deferred Membership:
1. Enrique Duron
Department:
Effective: General Member
Behavioral Health
03/20/2010
 2. Danny Lima
Department:
Effective: General Member
Public Works
04/20/2010
- E. Intersystem Membership:
- Jessica Salazar
Department:
Effective: General Member
Social Service
8/08/2010
- F. Final Payment of Service Retirement Allowance per Govt. Code Section 31760.1:
- Hall, Graydon
Deceased: General Member
02/07/2010
- G. 60% Continuance of Service Retirement Allowance per Govt. Code Section 31760.1 & Death Benefit:
- Barros, Samuel
Deceased: General Member
04/03/2010

H. Final Payment of Survivor Service Retirement Allowance per Govt. code Section 31760.1:

Veva Duncan	General Member
Deceased:	05/04/2010

I. Final Payment of Service Retirement Allowance & Death Benefit per Govt. Code Section 31676.11:

1. Veva Duncan	General Member
Deceased:	05/04/2010

2. David E. Pierson	General Member
Deceased:	04/17/2010

18. Investment Manager Reports:

T. Rowe Price – Investment Report for the Month Ended May 31, 2010

OTHER ITEMS

Adjournment: Meeting was adjourned at 11:55 a.m. to July 21, 2010 at 8:30 a.m.

JULIE VILLENEUVE, Chairman

JAMES E. RHODES, Secretary