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Imperial County Employees' Retirement System

BRIEF MINUTES

REGULAR MEETING OF THE IMPERIAL COUNTY BOARD OF RETIREMENT

December 19, 2007

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 8:33 a.m.

The Pledge of Allegiance was led by Chairman Villeneuve.

Roll Call:

MEMBERS PRESENT: Karen Vogel, Julie Villeneuve, Becky Flammang, Robert Williams, Armando Padilla, Terry Huskey, Wally Leimgruber and James Rhodes

ALTERNATE PRESENT: None

MEMBERS ABSENT: Pat Yarnall

MEMBERS ARRIVING AFTER ROLL CALL: None

LEGAL REPRESENTATIVE: Linda Tucker, Deputy County Counsel

CLERK: Kathleen L. Kubler, Retirement Specialist

STAFF: David H. Prince, Retirement Division Manager; Kayleen Smith, Retirement Specialist

2. Discussion of the Agenda:

Item 9 should read: Election of Officers for the Board of Retirement for 2008.

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 added: None

E. Approval of the Agenda:

MOTION by Huskey, Seconded by Williams and carried on the unanimous vote of members present, the Board voted to approve the Agenda.

F. Approval of the Consent Agenda:

MOTION by Padilla, Seconded by Huskey and carried on the unanimous vote of members present, the Board voted to approve the Consent Agenda.

3. Public comments on items that are **NOT** on the Action or Discussion Calendars:

Chairman Villeneuve recognized Susie Martinez, Retirement Accounting Supervisor, for over 30 years of service to the Retirement System. Ms. Martinez was presented with a plaque and a cake to celebrate the occasion. The Board and staff expressed their fondness and appreciation for many years of support.

ACTION CALENDAR

4. Approval of the Minutes:

Minutes of November 7, 2007 regular adjourned meeting.

MOTION by Williams, Seconded by Huskey and carried on the unanimous vote of members present, the Board voted to approve the Minutes of the November 7, 2007 regular adjourned meeting.

5. Presentation by Investment Managers:

A. T. Rowe Price, Preston Athey, Portfolio Manager and David Wagner, Analyst:

Investment Report for Quarter Ending September 30, 2007:

Mr. Athey and Mr. Wagner discussed the support team, reviewed the activity of portfolio assets and summarized its performance for the quarter.

B. TimesSquare Capital Management, Tony Rosenthal, Portfolio Manager:

Investment Report for Quarter Ending September 30, 2007:

Mr. Rosenthal emphasized TimesSquares long standing analyst team, investment strategy, and account performance for the quarter.

- C. Franklin Templeton Fiduciary, Thomas J. Dickson, Senior Vice President and Brian Kahley, Associate Relationship Manager:

Investment Report for Quarter Ending September 30, 2007:

Mr. Dickson discussed personnel changes in the firm and the increased investment performance as of November 30, 2007.

BREAK AT 10:15 A.M. RECONVENED AT 10:28 A.M.

BOARD MEMBER LEIMGRUBER LEFT AT 10:20 A.M.

6. Presentation by Thomas R. Shanklin, Investment Consultant, Wurts Associates:

Although Mr. Shanklin was unable to attend the meeting, he conferred prior to the meeting with David H. Prince, Retirement Administrator, who summarized and discussed the report and the Calamos item with the Board.

- A. Preliminary Investment Management Performance Update as of November 30, 2007.

David H. Prince, Retirement Administrator discussed the investment summary report during his Market Value presentation on the Discussion Calendar.

- B. Discussion of Calamos Investment Style:

The Board concurred with Mr. Prince that possible lack of restrictions to mandate investment style of Calamos, when money is needed by the other managers, it will be taken from Calamos. In addition, if the firm's investment style does not change, the Board will consider the option to terminate their services.

7. Modification to Reporting Presentations Schedule of Investment Managers.

MOTION Vogel, Seconded by Villeneuve and carried on the unanimous vote of members present the Board agreed to modify the investment managers reporting presentations to once per year with the provision that additional presentations may be required if performance activity becomes a concern.

8. County Counsel: Adoption of Resolution adopting Government Code Sections 31580.2 and 31580.3 relating to accounting and computer technology.

MOTION by Villeneuve, Seconded by Williams and carried on the unanimous vote of members present the Board adopted the Resolution adopting Government Code Sections 31580.2 and 31580.3 relating to accounting and computer technology.

9. Election of Officers for the Board of Retirement for 2007:

MOTION by Villeneuve, Seconded by Huskey and carried on the unanimous vote of members present, the Board approved the following nominations of officers for the Board of Retirement for 2008:

Chairman: Karen Vogel, Imperial County Treasurer
Vice Chairman: Terry Huskey, Retiree Board Member
Secretary: Armando Padilla, Safety Board Member

10. Steefel, Levitt & Weiss – Proposed Billing Rate Amendments:

MOTION by Flammang, Second by Williams and carried on a roll call vote of 6-1 (Yes: Vogel, Flammang, Williams, Padilla, Huskey, Villeneuve; No: Rhodes) the Board approved the proposed billing rate amendments by Steefel, Levitt & Weiss.

DISCUSSION CALENDAR

11. Reports and Announcements:

A. Retirement Administrator/Staff:

1. Market Value Graph from 07-01-07 through 11-30-07:

David H. Prince, Retirement Administrator, reviewed and discussed the period activity with the Board.

2. Book vs. Market Summary as of 10-31-07:

David H. Prince, Retirement Administrator, discussed the report with the Board.

3. Update: Processing Securities Litigation Class Action Claims:

David H. Prince, Retirement Administrator, advised the Board that all related documents had been sent to the firm and would be returned after claims are filed.

4. SACRS 2007 Fall Conference, Indian Wells, CA

David H. Prince, Retirement Administrator, referred to proposed legislation prohibiting re-employment for one year of retirees as extra help if unemployment claims are filed after completing the limit of 960 hours worked in one year. He also discussed the topics covered in other general and concurrent sessions.

5. Update: Actuarial Reports

a. Supplemental COLA for Retirees:

David H. Prince, Retirement Administrator gave the Board a history of the Cost of Living Adjustment (COLA) Benefit as of 1960. He advised the Board that the Actuary is researching the cost to fund a supplemental COLA.

b. Valuation Report of the year ending June 30, 2007:

The Board directed staff to relay to the Actuary that if the delayed Valuation Report is not ready he should present himself to the Board with an explanation as to why it is not done.

6. Update: SB 392 Purchasing Power COLA for Retirees:

Mr. Prince advised the Board that this benefit was expected within the next six months.

7. Proposal for Information Technology Services (ITS) Assessment Review:

The Board directed staff to arrange a presentation by Linea Solutions, Inc. at the January 16, 2008 regular meeting.

8. Update of Contract with American Realty Advisors:

David H. Prince advised the Board that the firm would begin its assessment of office space needs the first week of January and then present its report to the Board at the regular meeting in February.

B. Board Members:

SACRS 2007 Fall Conference, Indian Wells, CA

Board Member Armando Padilla was impressed by the findings regarding the community contributions by retirees as consumers.

Board Member Williams expressed concern regarding the miscommunication of a response to a survey and requested that a letter be sent to the Vice President of SACRS addressing the issue.

Staff was directed by the Board to send a letter on the matter to the Vice President of SACRS.

LUNCH BREAK 12:10 P.M. RECONVENED 12:45 P.M.

C. County Counsel:

SACRS 2007 Fall Conference, Indian Wells, CA

Deputy County Counsel, Linda Tucker, highlighted current and proposed legislative issues.

CLOSED SESSION

12. Convene into Closed Session:

MOTION by Williams, Seconded by Flammang and carried on the unanimous vote of members present, the Board voted to 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:
Walter Cress Sherry Marquand Donna Shipman Rick Breland
- B. Government Code §54956.9 (a) – Conference with Legal Counsel of Existing Litigation, In re WorldCom, Inc. Securities Litigation, United States District Court, Case No. 02 Civ. 3288 (DLC).
- C. 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).
- D. Government Code §54957 – Personnel Matter, Public Employment: Retirement Administrator.

MOTION by Flammang, Seconded by Vogel and carried on the unanimous vote of members present the Board voted to reconvene into Open Session.

13. Announcement of Closed Session Actions:

Kayleen Smith, Retirement Specialist, announced the following actions:

The Board discussed the disability retirement applications of Walter Cress, Sherry Marquand, Donna Shipman and Rick Breland.

The Board discussed but took no action on the WorldCom, Inc. and Jarden Corp. Securities Litigation matters.

The Board discussed and took action regarding the Personnel Matter

CONSENT AGENDA

14. BUDGET:

Approval of the following Budget claims for the 2007-2008 Regular Retirement Budget and include Board Members in attendance at the 12-19-07 meeting Govt. Code 31580.2 & 31521:

PERMANENT SALARIES

Regular Salaries	\$46,489.78
EXTRA HELP	8,751.53
BILINGUAL PAY	75.00
SOCIAL SECURITY	397.95
SPECIAL TRAINING	
CALAPRS Training Airfare for SE, AH, KK, RR	759.20
CALAPRS Training 09/14/07 San Jose, CA SE, AH, KK, RR	200.00
CALAPRS Training Marriott Ontario	93.87
Ontario Airport Marriott – Cancelled Warrant	(168.00)
Jarden Deposition NY Reimbursement David H. Prince	281.38
SACRS Registration K Kubler, S Edwards	200.00
Hyatt Grand Champions Resort – Cancelled Warrant	(665.98)
SACRS Hyatt, 11/13-16/07 D Prince	665.98
Hyatt Grand Champions Resort – Cancelled Warrant	(443.99)
SACRS Hyatt, 11/13-15/07 R Rodrigues	443.99
SACRS Renaissance 11/13-14/07 K Kubler, S Edwards	196.95
SACRS Renaissance 11/13-16/07 L Tucker	590.85
SACRS Renaissance 11/13-16/07 G Roman (C Counsel)	590.85
Hyatt Grand Champions Resort – Cancelled Warrant	(443.99)
SACRS Hyatt 11/13-15/07 K Smith	443.99
SACRS 2007 Fall Conference Reimbursement K Kubler	17.00
SACRS 2007 Fall Conference Reimbursement S Edwards	116.88
SACRS 2007 Fall Conference Reimbursement R Rodrigues	590.98
SACRS 2007 Fall Conference Reimbursement L Tucker	157.21
SACRS 2007 Fall Conference Reimbursement D Prince	819.27
SACRS 2007 Fall Conference Reimbursement K Smith	550.71
COUNTY CONTRI RETIREMENT	4,732.04
INS – WORKERS' COMP	4,397.91
INS – UNEMPLOYMENT	1,425.84
GROUP INSURANCE	6,212.59
INS DENTAL/VISION	63.85
RETIREMENT PENSION BOND	3,008.46
RETIREMENT HELATH PLAN	2,274.23
INS – VOLUNTARY LIFE	31.00
INS – LIABILITY	1,779.16
MAINTENANCE & EQUIPMENT	
Diebold Inc.	621.66

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| 2. | Luis Carlos Andrade
Department:
Effective Date: | General Member
Planning & Development
10/12/2007 |
| 3. | Mary E. Barker
Department:
Effective Date: | General Member
Assessor
10/19/2007 |
| 4. | Lorena Uriarte
Department:
Effective Date: | General Member
Social Services
03/23/2007 |
| 5. | Angela Deleuw
Department:
Effective Date: | General Member
Social Services
09/29/2007 |
| 6. | Ramona V. Campos
Department:
Effective Date: | General Member
Behavioral Health
08/03/2007 |
| 7. | Arturo Macias
Department:
Effective: | Safety Member
Sheriff
10/25/2007 |
- D. Buyback – Medical - Installments:
- | | |
|--|--|
| Maria Elena Lopez
Department:
Service: | General Member
Social Services
.246635 Years |
|--|--|
- E. Deferred Membership:
- | | |
|--|--|
| Angel Noriega
Department:
Effective: | General Member
Public Works
08/14/2007 |
|--|--|
- F. 60% Continuance NSC Reduced Salary Benefit Allowance per Govt. Code Section 31781.3:
- | | |
|-----------------------------|------------------------------|
| Geneva Hullett
Deceased: | General Member
08/30/2007 |
|-----------------------------|------------------------------|
16. Investment Manager Report:
- Bradford & Marzec:
- Bond Market Monthly Ending October and November 2007 (2 attachments).

17. Upcoming Seminars/Conferences:

January 16-18, 2008		Public Funds Summit, Scottsdale, AZ (approximately \$800.00)
January 24, 2008	CALAPRS	<u>Investment Officers Round Table</u>
January 25, 2008	CALAPRS	<u>Administrators' Round Table,</u> <u>Attorneys' Round Table</u> San Diego Holiday Inn (approximately \$300.00 per person).
February 1, 2008	CALAPRS	<u>Trustees' Round Table,</u> <u>Benefits Round Table</u> San Diego Holiday Inn (approximately \$300.00 per person).
March 2-4, 2007		<u>General Assembly & Board Meeting</u> Doral Palm Springs, CA (approximately \$550.00)
March 25-28, 2007		<u>Principles for Trustees at Stanford</u> (approximately \$2,500.00)
April 11, 2008	CALAPRS	<u>Accountants' Round Table,</u> <u>Administrative Assistants' Round Table,</u> <u>IT Round Table</u> San Diego, CA (approximately \$200.00 per person).
May 2, 2008	CALAPRS	<u>Overview Staff Training,</u> Ontario Airport Marriott (approximately \$350.00 per person).
May 30, 2008	CALAPRS	<u>Trustees' Round Table</u> <u>Attorneys' Round Table,</u> Oakland Hilton, (approximately \$400.00 per person)

OTHER ITEMS

18. Previously Approved Seminars/Conferences (list available in Treasurer's office).

Adjournment: Meeting was adjourned at 1:27 p.m. to January 16, 2008 at 8:30 a.m.

 KAREN VOGEL, CHAIRMAN

 ARMANDO PADILLA, SECRETARY