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Imperial County Employees' Retirement System

# **BRIEF MINUTES**

## **REGULAR MEETING OF THE IMPERIAL COUNTY BOARD OF RETIREMENT**

April 18, 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 Heuberger at 8:31 a.m.

Pledge of Allegiance.

- A. Roll Call.

**MEMBERS PRESENT:** Karen Vogel, Jurg Heuberger, Julie Villeneuve, Wally Leimgruber, Becky Flammang, Robert Williams, Armando Padilla, Terry Huskey.

**ALTERNATE PRESENT:** None.

**MEMBERS ABSENT:** James E. Rhodes.

**MEMBERS ARRIVING AFTER ROLL CALL:** None.

**LEGAL REPRESENTATIVE:** Linda Tucker, Deputy County Counsel

**CLERK:** Kathleen L. Kubler, Office Technician.

**STAFF:** David H. Prince, Retirement Division Manager, Susie Martinez, Retirement Supervisor.

2. Discussion of the Agenda:

- A. Items to be pulled from Action Calendar: None.

- B. Items to be pulled from Discussion Calendar: None.

- C. Items to be pulled from the Consent Agenda:

Item 13 was moved to follow Item 6B2 of the Action Calendar by Chairman Heuberger.

D. Emergency Items added: None.

E. Approval of the Agenda.

**MOTION** by Villeneuve, seconded by Huskey, and carried on the unanimous vote of members present, the Board voted to approve the Agenda.

F. Approval of the Consent Agenda.

**MOTION** by Huskey, seconded by Villeneuve, 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: None.

### ACTION CALENDAR

4. Approval of the Minutes:

Minutes of March 21, 2007 regular adjourned meeting:

**MOTION** by Huskey, seconded by Flammang, and carried on the unanimous vote of members present, the Board voted to approve the Minutes of the March 21, 2007 regular adjourned meeting.

5. Presentation by Michael Toumanoff regarding Supplemental Retirement Benefit:

The Board and Mr. Toumanoff discussed his legal opinion concerning a supplemental benefit for certain older retirees. Mr. Toumanoff also discussed alternatives to this benefit, which include SB 392, a retiree supplemental benefit and Article 16.6, Section 31875, a retrospective COLA benefit.

**MOTION** by Williams, seconded by Flammang and carried on the unanimous vote of members present, the Board directed staff to make a presentation to the County Board of Supervisors to determine if the Supervisors had any interest in adopting Section 31875, Article 16.6 of the Government Code regarding the Retrospective COLA Benefit.

6. Discussion/Action:

A. Retirement Administrator/Staff:

1. State Association of County Retirement Systems slate of candidates for 2007/2008.

**MOTION** by Villeneuve, seconded by Flammang and carried on the unanimous vote of members present the Board approved the final SACRS Officers Nominations for the annual SACRS Executive Committee Elections to be held at the upcoming SACRS Spring Conference May 8-11, 2007.

2. SACRS bylaws revisions:

**MOTION** by Villeneuve, seconded by Flammang and carried on the unanimous vote of members present the Board approved the revisions to the SACRS Constitution and Bylaws.

3. Update on recruitment for Retirement Administrator & Actuarial Services:

The Board directed staff to schedule a Special Meeting on June 6, 2007 to interview all candidates for the position of Retirement Administrator and for a maximum of four candidates for the position of Actuary. Direction was also given to schedule interviews for an Investment Consultant at the Regular Meeting of June 20, 2007.

4. Proposed changes to the Investment Objectives, Guidelines and Standards of Performance:

**MOTION** by Flammang, seconded by Huskey and carried on the unanimous vote of members present the Board approved the proposed changes to the Investment Objectives, Guidelines and Standards of Performance.

B. Board Members:

1. Discussion/direction to hire outside legal counsel to provide legal representation and service to the Retirement Board as needed by the Retirement Board by Board Member Heuberger:

**MOTION** by Leimgruber, seconded by Villeneuve and carried on the unanimous vote of members present the Board directed staff to meet with County Counsel to negotiate a flat fee for a services agreement. The agreement should also give County Counsel the ability to hire, with the approval of the Board of Retirement, outside legal counsel for either lengthy or complex issues that need specialized expertise.

2. Discussion/direction on leasing office space or purchasing office space to accommodate the retirement system by Board Member Heuberger:

**MOTION** by Leimgruber, seconded by Williams and carried on the unanimous vote of members present the Board directed staff to look into available real estate rental and purchase options for a new location for the retirement division in close proximity to the current office and that it be placed on the next agenda in May.

3. Financial Statements as of December 31, 2006:

**MOTION** by Villeneuve, seconded by Huskey and carried on the unanimous vote of members present the Board accepted the Statement of Plan Net Assets of December 31, 2006.

## DISCUSSION CALENDAR

*Item 7 is for discussion only*

### 7. Reports and Announcements:

#### A. Retirement Administrator/Staff:

##### 1. Market Value Graph from 07/01/06 to 03/31/07:

Retirement Division Manager David H. Prince and Retirement Supervisor Susie Martinez discussed the latest activity with the Board.

##### 2. Book vs. Market Summary as of 03/31/07:

Retirement Division Manager David H. Prince and Retirement Supervisor Susie Martinez discussed the latest activity with the Board.

##### 3. Glass Lewis & Company Proposal for Class Action Lawsuit Recovery Services:

The Board directed staff to pursue the negotiation of a contract with Glass, Lewis and Company for class action recovery services and submit a proposal for the Board's approval at the next regular meeting in May.

##### 4. Discussion of proposed Retirement Board Budget for 2007-2008 Fiscal Year:

Mr. Charles Jernigan, President of the Imperial County Association of Retired Employees (ICARE), requested that the Board of Retirement approve the renewal of a grant to replenish the \$10,000 awarded by the Board to ICARE in 1995. The monies were used throughout the years to purchase equipment, hold a banquet for the retirees and staff, printing of the monthly newsletters and postage.

The Board agreed to include \$5,000 for ICARE use in the proposed budget.

## CLOSED SESSION

### 8. Convene into Closed Session:

**MOTION** by Flammang, seconded by Williams 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

Judith York-Rippetoe

Charles Rider

Anthony Moreno

Robert Stanley Witt

- 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 Section 54956.9 (b) (1) potential litigation (2 items).

Reconvene into Open Session:

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

9. Announcement of Closed Session Action:

Kayleen Smith, Disability Specialist, announced the following action:

The Board discussed but took no action on the disability retirement applications of Walter Cress, Judith York-Rippetoe, Charles Rider and Robert Stanley Witt.

The application of Anthony Moreno for service connected disability retirement was granted administratively by a roll call vote of 8 to 0 (Yes – Vogel, Huskey, Villeneuve, Leimgruber, Flammang, Williams, Padilla & Heuberger).

The Board held no discussion on the WorldCom litigation matter.

The Board discussed but took no action on the Jarden Corp. Securities litigation matter.

The Board discussed and gave direction on two potential litigation items.

### CONSENT AGENDA

Retirement Administrator recommends approval of Items 10 -14

10. Consent Agenda:

A. Budget:

Approval of the following Budget claims for the 2006/2007 Regular Retirement Budget and 2006/2007 Disability Budget and include Board Members in attendance at the 4-18-07 meeting Gov't Code 31580.2 & 31521:

REGULAR BUDGET 2006/2007:

PERMANENT SALARIES

Regular Salaries	\$14,352.19
EXTRA HELP	2,798.77
BILINGUAL PAY	30.00
SOCIAL SECURITY	96.79

## Regular Budget (continued)

SPECIAL TRAINING	
Administrators Roundtable (Oakland) McFetridge	653.54
NASRA Disaster Recovery March 3-4, 2007	149.54
COUNTY CONTRI RETIREMENT	1,520.12
GROUP INSURANCE	2,165.46
INS-DENTAL/VISION	25.54
RETIREMENT PENSION BOND	1,138.64
RETIREMENT HEALTH PLAN	664.51
INS-VOLUNTARY LIFE	12.40
COMMUNICATIONS	
Telephone charges	958.34
OFFICE EXPENSE	
Imperial Property Services	64.20
Federal Express	66.29
Office Depot	488.50
ICARE Newsletter/Nameplate Leimgruber	154.89
Centralized mail charges	411.18
PROFESSIONAL SERVICES	
Retirement Attorney-Outside Attorney	1,304.00
Legal research for Gov't Code 31875 to 31879	452.50
Pension Benefit semi-annual file	317.00
PRO Record Storage Inc.	52.80
Information and Technical Services (Jan/Feb 2007)	19,573.85
EXTRA HELP	
Retirement Board Meeting 4-18-07	<u>300.00</u>
<b>TOTAL:</b>	<b>\$ 47,751.05</b>

## B. DISABILITY BUDGET 2006/2007:

PROFESSIONAL & SPECIAL SERVICES	
Attorney Services for Walter Cress Case	
<b>TOTAL:</b>	<b>\$ 40.90</b>

## 11. Administrative Agenda:

- A. Enrollment Affidavits of New Members (21):
- B. Termination of Membership – Return of Accumulated Contributions (10):
- C. Service Retirement:

Robert Knox	Safety Member
Department:	Inter-System/Sheriff's
Effective Date:	February 2, 2007

## D. Final Payment of Survivor Service Retirement Allowance:

Florence Lautzenhiser	General Member
Deceased:	1/15/2007

## E. 60% Continuance of Non Service Connected Disability Retirement Allowance per Govt. Code Section 31760.1 &amp; Death Benefit:

Manuel Castaneda	General Member
Deceased:	3/9/2007

## F. Deferred Membership:

- |                   |                               |
|-------------------|-------------------------------|
| 1. Michael Capeci | Safety Member                 |
| Department:       | District Attorney's Office    |
| Effective Date:   | 2/9/2007                      |
| 2. Roger Ray      | General Member                |
| Department:       | Environmental Health Services |
| Effective Date:   | 11/7/2006                     |
| 3. Lisa Yturalde  | General Member                |
| Department:       | Assessor                      |
| Effective Date:   | 2/16/2007                     |

## 12. Investment Manager Reports:

- A. T. Rowe Price Management:-Flash Report February 28, 2007.
- B. Bradford Marzec Bond Market Monthly March 2007.

## 13. Financial Statement as of December 31, 2006.

(Moved to Action Calendar)

## 14. Upcoming Seminars/Conferences:

- A. San Diego County Retirement System Seminar regarding Benefit Seminars, May 2, 2007 (approximate cost per person \$300.00).

### OTHER ITEMS

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

**Adjournment:** Meeting was adjourned at 1:40 p.m. to May 16, 2007 at 8:30 a.m.

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JURG HEUBERGER, CHAIRMAN

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JAMES RHODES, SECRETARY