

DAVID H. PRINCE
RETIREMENT ADMINISTRATOR
940 W. Main Street, Suite 105
El Centro, CA 92243

KATHLEEN L. KUBLER
CLERK OF THE BOARD

Tel. (760) 482-4483
Fax (760) 482-4494
icers@imperialcounty.net
www.icers.info



Imperial County Employees' Retirement System

BRIEF MINUTES

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

May 21, 2008

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 Vogel at 8:32 a.m.

The Pledge of Allegiance was led by Chairman Vogel.

Roll Call:

MEMBERS PRESENT: Karen Vogel, Pat Yarnall, Becky Flammang, Robert W. Williams, Armando Padilla, James E. Rhodes

MEMBERS ABSENT: Julie Villeneuve, Wally Leimgruber, Terry Huskey,

MEMBERS ARRIVING AFTER ROLL CALL: None

ALTERNATE PRESENT: None

LEGAL REPRESENTATIVE: Linda Tucker, Deputy County Counsel

CLERK: Kathleen L. Kubler, Retirement Specialist

STAFF: David H. Prince, 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 added: None

- E. Approval of the Agenda:
- MOTION** by Williams, Seconded by Padilla and carried on the unanimous vote of members present, the Board approved the Agenda.
- F. Approval of the Consent Agenda:
- MOTION** by Padilla, Seconded by Williams 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: None
(Breaks: 9:40 – 9:50 a.m., 10:50 – 11:00 a.m.) (Lunch 12:00 – 12:30 p.m.)

ACTION CALENDAR

4. Approval of the Minutes:
- A. Minutes of April 16, 2008 regular adjourned meeting:
- MOTION** by Williams, Seconded by Padilla and carried on the unanimous vote of members present, the Board approved the Minutes of the April 16, 2008 regular adjourned meeting.
- B. Minutes of May 7, 2008 special adjourned meeting:
- MOTION** by Williams, Seconded by Padilla and carried on the unanimous vote of members present, the Board approved the Minutes of the May 7, 2008 special adjourned meeting.
5. Presentation by Investment Managers:
- A. TimesSquare Capital Management – Tony Rosenthal, Portfolio Manager and Michael B. Ray, Portfolio Product Manager:
- Investment Report for Quarter Ended March 31, 2008:
- Mr. Rosenthal and Mr. Ray commented on the total returns for the quarter ending March 31, 2008 and discussed with the Board the highlights of the portfolio's performance relative to the benchmark and Russell Midcap Growth Index.
- B. T. Rowe Price – John Plowright, Vice President, Institutional Client Services Executive and Brian Dausch, Portfolio Specialist:
1. Investment Report for Quarter Ended March 31, 2008:
- Mr. Plowright briefed the Board on the company's industry recognition and additions to the management team. Assets have shown strong progress in the first quarter keeping within mandated guidelines.

2. U.S. Small-Cap Value I Strategy: Reviewed by the Board:

C. Calamos Investments – Milan De Millan, Regional Director and Jeff Krebs, Portfolio Specialist:

Investment Report for Quarter Ended March 31, 2008:

Mr. Millan and Mr. Krebs discussed the investment activity with the Board and presented a favorable overview for the first quarter.

Mr. Tom Shanklin, Senior Consultant for Wurts Associates advised the Board that Calamos has been meeting investment expectations.

Before the next presentation, the Board granted David H. Prince, Retirement Administrator's request to allow time to Mr. Gary Hayes, President for the Imperial County Sheriffs' Association to address the Board.

Mr. Hayes thanked the Board for its continued approval to pay the contribution rate increase for Safety Members for another year.

Board Member Flammang and the rest of the Board extended their appreciation to Mr. Hayes for the continued efforts of all safety members.

6. Presentation by Investment Consultant, Wurts Associates, Jeffrey J. MacLean, President & Chief Executive Officer and Thomas R. Shanklin, Senior Consultant:

A. Performance Report for Quarter Ending March 31, 2008:

Mr. Tom Shanklin announced his resignation from Wurts Associates to become effective in July and assured the Board of his confidence in Wurts to provide the retirement system with diligent, competent and reliable investment consulting services.

Both Mr. MacLean and Mr. Shanklin commented on the current market activity and outlook as well as its effects on the retirement system's investment asset returns.

Mr. MacLean recommended that due to strong performance in the Barclay Global TIPS account the Board may consider transferring the proposed \$8 million needed for the next fiscal year's budget from that account.

B. Hedge Fund to Fund Education:

Mr. Shanklin presented examples from a focus list of Hedge Fund Managers with at least five years of experience. He discussed options with the Board that would authorize Wurts to arrange presentations to the Board by prospective managers. This item will be addressed again at the regular meeting June 18, 2008.

7. Discussion/Action by David H. Prince, Retirement Administrator: Proposed Budget for Fiscal Year 2008-2009:

David H. Prince, Retirement Administrator, reviewed the obligations anticipated for the upcoming fiscal year which includes the second phase of the information technology assessment plan and the formation of a title holding company.

MOTION by Flammang, Seconded by Williams and carried on the unanimous vote of members present, the Board approved the Proposed Budget for Fiscal Year 2008-2009.

8. Discussion/Action by David H. Prince, Retirement Administrator: Transfer of funds from assets to cash account (not to exceed \$8 million).

MOTION by Williams, Seconded by Flammang and carried on the unanimous vote of members present, the Board approved the transfer of \$8 million from the Barclay Global TIPS account to the system's cash account. These funds will be used as follows: \$5 million to pay for ongoing expenses of retiree pensions, \$1 million for the Information Technology system cost and \$2 million to establish a Title Holding Corporation.

9. Financial Statements July 1 through December 31, 2007.

MOTION by Flammang, Seconded, Padilla and carried on the unanimous vote of members present, the Board approved the Financial Statements July 1 through December 31, 2007.

BREAK AT 10:55 A.M. RECONVED AT 11:05 A.M.

Mr. Charles Jernigan, past President and Mr. Frank Dyson current President for the Imperial County Association of Retired Employees (ICARE), extended their gratitude to the Board for it's continued support and invited the Board to it's annual luncheon in October.

DISCUSSION CALENDAR

10. Reports/Correspondence/Announcements:

- A. Retirement Administrator:

1. Book vs. Market Summary as of 04-30-08.

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

2. Update on Information Technology (IT) conversion:

a. Linea Solutions Update:

David H. Prince, Retirement Administrator, advised the Board that the first phase of the project is ahead of schedule and should be completed in July or August. He also reviewed a handout presented to the Board which outlined a vendor selection process for Phase II.

b. Request for Proposal (RFP) IT Consulting Services:

The Board reviewed the option to involve L.R. Wechsler, Ltd., an alternate IT consulting service, for the RFP. After mutual consideration of both firms, the Board directed staff to finalize a contract with Linea Solutions and bring it back to the Board for approval.

3. Appointment in lieu of election of General Member, Julie Villeneuve to the 3rd Seat of the ICERS Board for a three year term effective July 1, 2008:

The Board acknowledged an advisory issued by the Imperial County Elections Department referring to the appointment in lieu of election for Board Member Julie Villeneuve.

4. Update: Class Action Settlement Claims:

David H. Prince, Retirement Administrator, advised the Board of two more settlement monies collected; \$20,656.49 from PNC Securities and \$6,753.43 from Tropical Sportswear International.

5. State Association of County Retirement Systems (SACRS) Spring Conference, May 13-16-2008:

David H. Prince, Retirement Administrator, highlighted the presentations offered at the conference and commented that the speakers were very impressive. He also advised the Board that he had been selected to participate in a committee by providing input regarding the continuing funding of IT expenses through earnings.

B. Board Members:

SACRS Spring Conference, May 13-16, 2008:

Board Member Williams briefly commented on the Ethics Training and Board Member Padilla commented on the Safety Members' Action Committee (SMAC) Breakout Session suggested sending a letter of support to Orange County Employees' Retirement System (OCERS) regarding Safety Enhanced Benefit.

C. County Counsel:

SACRS Spring Conference, May 13-16, 2008:

Linda Tucker, Deputy County Counsel, discussed with the Board the sessions regarding heart presumption disability and the Internal Revenue Service (IRS) ruling on taxation of a disability benefit.

CLOSED SESSION

11. Convene into Closed Session:

MOTION by Flammang, Seconded by Yarnall and carried on the unanimous vote of members present, the Board convened 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	Elizabeth Castro	Richard Peterson
Guillermina Robles	Charles Land	

- B. Government Code §54956.9 (a) – Conference with Legal Counsel of Existing Litigation, regarding 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 at 1221 State Street, El Centro, CA. Party with whom negotiating is Hutchinson & Bloodgood, LLP. Instructions to negotiator will concern price and terms of payment.

MOTION by Flammang, Seconded by Yarnall and carried on the unanimous vote of members present, the Board reconvened into Open Session.

12. Announcement of Closed Session Actions:

The Board discussed but took no action on the disability retirement applications of Walter Cress, Donna Shipman, Jorge Lopez, Guillermina Robles and Elizabeth Castro.

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

The Board discussed and gave direction to staff on the real estate item.

CONSENT AGENDA

13. BUDGET:

Approval of the following Budget claims for the 2007-2008 Regular Retirement Budget and Disability Retirement Budget and include Board Members in attendance at the 05-21-08 meeting Govt. Code 31580.2 & 31521:

1. REGULAR BUDGET:

PERMANENT SALARIES	
Regular Salaries	\$ 27,737.61
EXTRA HELP	9,145.02
BILINGUAL PAY	30.00
SOCIAL SECURITY MEDICARE	213.76
SPECIAL TRAINING	
SACRS-K Smith	103.00
SACRS Pub Pen Invst Mgt Prg-D Prince	313.00
CALAPRS Mgt Trng Academy-R Rodrigues	500.00
CALAPRS IT Roundtable-J Ridaura Expense Reimb	123.32
CALAPRS IT Roundtable- J Kessinger Expense Reimb	49.49
SACRS Airfare – DP, RR, KS	879.00
SACRS Airfare – LT	357.86
CALAPRS Mgt Academy Expense Reimb – RR	156.30
Imp Co Office of Ed Computer Classes – DP, SM	50.00
COUNTY CONTR RETIREMENT	1,778.78
GROUP INSURANCE	3,116.50
INS DENTAL/VISION	38.31
RETIREMENT- PENSION BOND	1,130.87
RETIREMENT - HEALTH PLAN	854.87
INS-VOLUNTARY LIFE	18.60
COMMUNICATIONS-PHONE CHRG	71.91
COMMUNICATIONS-SERVICES	52.21
MAINTENANCE-EQUIPMENT	355.71
OFFICE EXPENSE	
Staples Expense Reimb-KK	23.60
Office Depot	984.64
Amazon.com-Microsoft Workbooks	65.96
Imperial Printers-ICARE	222.61
Office Supply	22.03
County Property-workstation electrical	101.16
Mail Charges for March 2008	468.51
Federal Express-Freight for Med Docs	35.31
PROFESSIONAL SERVICES	
American Realty Advisors-Travel, Freight and Copies	1,325.29
Hanson, Bridgett, Marcus, Vlahos, Rudy, LLP	1,344.88
Gilchrist & Rutter	5,000.00
OVERHEAD REIMBURSEMENT	<u>3,500.00</u>

REGULAR BUDGET (continued)

EXTRA HELP

Retirement Board Meeting 05/21/2008 200.00

SUBTOTAL: \$ 60,370.11

2. DISABILITY BUDGET:

PROFESSIONAL SERVICE

Crowell & Moring-W Cress 2,225.00

MSLA, A Medical Corporation-G Robles 850.00

Crowell & Moring- W Cress 218.31

MSLA, A Medical Corporation-G Robles 77.50

TRAVEL OUT OF COUNTY

Guillermina Robles-Mileage Reimb 56.05

SUBTOTAL: \$ 3,426.86

TOTAL: \$ 63,796.97

14. Administrative Agenda:

A. Enrollment Affidavits of New Members (9):

B. Termination of Membership – Return of Accumulated Contributions (12)

C. Deferred Membership:

Karla Davis General Member
 Department: District Attorney
 Effective: 03/18/2008

D. Intersystem Membership:

1. Diana Delgado General Member
 Department: Treas./ Tax Collector
 Effective: 04/19/2008

2. Lupe Baeza General Member
 Department: Public Health
 Effective: 04/10/2008

E. Extra Help Buyback:

Angie Hardaway General Member
 Department: Retirement

- F. 60% Continuance of Service Retirement Allowance per Govt. Code Section 31760.1 & Death Benefit:

Joseph Schmitt
Deceased:

General Member
12/01/2007

- G. Return of Contributions per Govt. Code Section 31781:

Hector Ramirez
Deceased:

Safety Member
03/12/2008

15. Investment Management Reports:

- A. Bradford & Marzec Fixed Income Statement – March 31, 2008.
- B. Dimensional for period ending March 31, 2008.

OTHER ITEMS

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

Adjournment: Meeting was adjourned at 12:26 p.m. to June 18, 2008 at 8:30 a.m.

KAREN VOGEL, CHAIRMAN

ARMANDO PADILLA, SECRETARY