

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**

April 16, 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 Vice Chairman Huskey at 8:30 a.m.

The Pledge of Allegiance was led by Vice Chairman Huskey.

Roll Call:

MEMBERS PRESENT: Julie Villeneuve, Wally Leimgruber, Becky Flammang, Robert W. Williams, Armando Padilla, Terry Huskey, James E. Rhodes

MEMBERS ABSENT: Karen Vogel, Pat Yarnall

MEMBERS ARRIVING AFTER ROLL CALL: Pompeyo Tabarez

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:

Items 5 and 9 on the Action Calendar were switched; Closed Session, Item 11C, Government Code § 54956.9 was corrected to § 54956.8.

MOTION by Villeneuve, Seconded by Flammang and carried on the unanimous vote of members present, the Board approved the Agenda with corrections.

F. Approval of the Consent Agenda:

MOTION by Villeneuve, Seconded by Padilla 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:

Minutes of March 19, 2008 regular adjourned meeting:

It was noted that Board Member Flammang was in attendance at the March 19th meeting and Board Member Williams was present at roll call for the March 19th meeting.

MOTION by Williams, Seconded by Flammang and carried on the unanimous vote of members present, the Board approved the Minutes of the March 19, 2008 regular adjourned meeting with corrections.

ALTERNATE BOARD MEMBER TABAREZ ARRIVED AT 9:06 A.M.

5. L.R. Wechsler, Ltd. – Proposal for Information Technology (IT) Services for new retirement computer system as presented by Leon R. Wechsler, President:

Mr. Wechsler discussed his proposal with the Board and presented an overview of his company's services, experience and client and staff background.

6. State Association of County Retirement Systems (SACRS) Spring Conference May 13-16, 2008, Sheraton Grand Hotel, Sacramento, CA:

A. Business Meeting Agenda:

The Board reviewed the item with no action.

B. Approval of Board of Directors 2008-2009 Final Ballot:

MOTION by Villeneuve, Seconded by Flammang and carried on the unanimous vote of members present, the Board voted to direct Board Member Vogel, as Delegate to the SACRS Conference, to make an informed but uninstructed vote for the slate of candidates for Board of Directors for 2008-2009.

C. Nomination Review Ad-Hoc Committee:

MOTION by Villeneuve, Seconded by Williams and carried on the unanimous vote of members present, the Board adopted the Ad-Hoc Committee recommendations 1 through 4, with instructions to Delegate Vogel and Alternate Delegate Padilla to vote No on Option 5 unless the Closed Session portion of it is dropped.

Staff will email the Committee to convey ICERS' opposition to Option 5.

D. Bylaws Committee:

MOTION by Leimgruber, Seconded by Villeneuve and carried on the unanimous vote of members present, the Board approved the Bylaws amendment as recommended by the SACRS Bylaws Committee

E. Travel Policy:

MOTION by Leimgruber, Seconded by Flammang and carried on the unanimous vote of members present, the Board approved the SACRS Travel Policy as submitted.

F. Invitational Chart:

The Board accepted the chart for review.

BREAK AT 9:47 A.M. RECONVENED AT 10:00 A.M.

7. Undistributed Earnings – Increase in funding level for Safety Enhanced Benefit Reserve Account.

MOTION by Padilla, Seconded by Williams and carried by a roll call vote of 5 to 3 (Yes – Rhodes, Flammang, Williams, Padilla, Tabarez; No – Leimgruber, Huskey, Villeneuve; Absent – Vogel, Yarnall), the Board approved the transfer of \$371,000 from Undistributed Earnings into the Safety Members Reserve Account in order to offset the 2.25% increase in safety supplemental contribution rates for the current year.

Staff was directed to make the transfers of \$3,000,000 from Excess Earnings to the General Members Enhanced Benefit Account and \$371,000 from Excess Earnings to the Safety Members Enhanced Benefit Account, into a non-valued account per the Board's previous action on these items. The Board also directed staff to make the necessary funds transfer from the safety non-value reserve account to the safety pension reserve account to maintain the safety supplemental rate at its current level for the next fiscal year (2008-2009).

8. Retirement Administrator:

A. Retirement Board Real Estate Committee Report:

This item was tabled to the next Retirement Board meeting in May.

- B. Proposed contract with outside counsel Gilchrist & Rutter to create a title holding corporation:

MOTION by Villeneuve, Seconded by Flammang and carried on a unanimous vote of members present, the Board directed staff to enter into a retainer agreement with Gilchrist and Rutter for \$5,000 to create a title holding corporation.

9. Discussion/Action by County Counsel to adopt Resolution to adopt Section 845 of the Federal Pension Protection Act of 2006:

MOTION by Flammang, Seconded by Tabarez and carried on the unanimous vote of members present, the Board adopted the Resolution to adopt Section 845 of the Federal Pension Protection Act of 2006.

DISCUSSION CALENDAR

Item 10 is for discussion only; Items requiring action will be placed on a future agenda.

10. Reports/Correspondence/Announcements:

- A. Thomas R. Shanklin, Senior Consultant, Wurts Associates:

1. Capital Market Assumptions:

The report was presented by Mr. Shanklin as an informational item.

2. Hedge Fund Education Workshop:

Mr. Shanklin introduced Scott J. Whalen, Senior Consultant with Wurts Associates. They guided the Board through the fundamental aspects, strategies and risks of the alternative investment.

At the Board's request, Mr. Shanklin will bring back actual investment examples of some Hedge Fund Managers to the Retirement Board Meeting scheduled for May 21, 2008.

3. Investment Performance Update as of 03/31/08:

Mr. Shanklin discussed the period briefly. An in depth performance update for the first quarter will be presented when he returns for the Retirement Board regular meeting May 21, 2008.

ALTERNATE BOARD MEMBER TABAREZ LEFT AT 11:26 A.M.

BREAK AT 11:55 A.M. RECONVENED AT 12:02 P.M.

B. Retirement Administrator/Staff:

1. Book vs. Market Summary as of 03-31-08, as presented by Retirement Administrator, David H. Prince:

The period activity was discussed with the Board.

2. Linea Solutions – Update:

David H. Prince, Retirement Administrator, highlighted goals of the ongoing interview and documentation portion of the assessment plan. A monthly update will be provided to the Board at every regularly scheduled meeting.

3. Update – Retroactive Cost of Living Adjustment for qualifying retirees:

David H. Prince, Retirement Administrator, advised the Board that the benefit was approved by the County Board of Supervisors and that checks to retirees will be sent in June.

C. County Counsel:

Deputy County Counsel, Linda Tucker briefly updated the Board on an Appellate Court ruling, Block vs. Orange County Employees' Retirement System (OCERS); interpreting final compensation when there is reciprocity. A member's final compensation cannot exceed more than 100% of what he was earning regardless of the reciprocal agency and regardless of the type of retirement.

CLOSED SESSION

11. Convene into Closed Session:

MOTION by Villeneuve, Seconded by Flammang 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	Donna Shipman	Elizabeth Castro
Jorge Lopez	Richard Peterson	Guillermina Robles

- 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 1207 Marshall Ave., Imperial, CA. Party with whom negotiating is Afsaneh Magsoudy. Instructions to negotiator will concern price and terms of payment.

MOTION by Villeneuve, Seconded by Flammang 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 application of Richard Peterson for non-service connected disability retirement was granted administratively by a unanimous roll call vote.

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 04-16-08 meeting Govt. Code 31580.2 & 31521:

1. REGULAR BUDGET:

PERMANENT SALARIES		
Regular Salaries	\$	16,472.59
EXTRA HELP		7,433.80
BILINGUAL PAY		30.00
SOCIAL SECURITY		194.26
SPECIAL TRAINING		
SACRS Public Pension Invest. Mgt. Program – DP		2,500.00
SACRS 2008 Spring Conference Reg. DP, LT, RR		309.00
CALAPRS RT 01/31-02/01/08 SE, RR, KK, AH, KS		570.39
CALAPRS RT 01/31-02/01/08 – County vehicle transport		144.70
COUNTY CONTR RETIREMENT		1,733.22
GROUP INSURANCE		2,737.44
INS DENTAL/VISION		25.54
RETIREMENT PENSION BOND		1,101.90
RETIREMENT-HEALTH PLAN		832.97
INS-VOLUNTARY LIFE		12.40
COMMUNICATIONS		965.19
MAINTENANCE-EQUIPMENT		894.31

REGULAR BUDGET (continued)

OFFICE EXPENSE

Office Depot	240.96
Copier charges July 2007 – January 2008	473.34
Imperial Printers	424.99
Green's Jewelry – Board Gift for B McFetridge	161.63
Communication Services Reimbursement	169.67
Mailroom charges for February 2008	444.76
Hour Photo/MC Trophies	28.02
David H. Prince – reimb for cake for B McFetridge	25.00
Office Supply – Enrollment desk date stamp & ink	68.36
Imperial Printers – ICARE Newsletter	67.24

PROFESSIONAL SERVICES

American Realty Advisors – Final billing payment	5,000.00
Information Systems – Data cables	100.79

OVERHEAD REIMBURSEMENT

March 2008 Overhead	3,500.00
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CAPITAL EQUIPMENT

Master Card Over limit Fee credit	(39.00)
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EXTRA HELP

Retirement Board Meeting 04/16/2008	400.00
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SUBTOTAL: \$ 47,023.47

2. DISABILITY BUDGET:

PROFESSIONAL SERVICES

Crowell & Moring LLP – WC Case – January 2008 charges	582.20
MSLA, A Medical Corp. – DS Case	850.00
MSLA, A Medical Corp. – RP Case	800.00

TRAVEL Out of County

Mileage Reimbursement – RP Case	120.19
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SUBTOTAL: \$ 2,352.39

TOTAL: \$ 49,375.86

14. Administrative Agenda:

A. Enrollment Affidavits of New Members (21):

B. Termination of Membership – Return of Accumulated Contributions (10):

C. Service Retirement:

- | | | |
|----|---|--|
| 1. | Martha Etminan
Department:
Effective Date: | General Member
Social Services
02/01/2008 |
| 2. | Miguel Monroy
Department:
Effective Date: | General Member
CEO
02/01/2008 |
| 3. | Vivian Jimenez
Department:
Effective Date: | General Member
Social Services
01/18/2008 |
| 4. | Beatrice Aragon
Department:
Effective Date: | General Member
Child Support Services
02/01/2008 |
| 5. | Pete Serna
Department:
Effective Date: | General Member's Spouse
Superior Court
11/09/2007 |
| 6. | Jose M. Rodriguez
Department:
Effective Date: | General Member
Assessor
02/23/2008 |
| 7. | Dharam Samra
Department:
Effective Date: | Safety Member
Intersystem/District Attorney
03/01/2008 |
| 8. | Frances C. Lucas
Department:
Effective Date: | General Member
Sheriff
02/23/2008 |

D. Service Retirement – Intersystem:

Irma Partida Department: Effective Date:	Safety Member Sheriff 06/20/2007
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E. Intersystem Membership:

Gustavo Guerrero Department: Effective:	General Member Public Health 09/28/2007
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- F. Deferred Membership:
1. Brenda Figueroa
Department: Safety Member
Effective Date: Sheriff
12/23/2007
 2. Lisa Sanchez
Department: General Member
Effective: Social Services
03/01/2008
- G. Medical Leave Buyback:
- Sally A. Longoria
Department: General Member
Assessor
- H. Redeposit Buyback:
- Joanne Cox
Department: General Member
Health Department
- I. Final Payment of Service Retirement Allowance & Death Benefit per Govt. Code Section 31676.11:
- Thomas L. Plumb
Deceased: General Member
02/27/2008
- J. Final Payment of Survivor Service Retirement Allowance:
- Thomas L. Plumb
Deceased: General Member
02/27/2008
- K. 60% Continuance of Service Retirement Allowance per Govt. Code Section 31760.1 & Death Benefit:
- Lorenzo R. Soto
Deceased: General Member
03/15/2008

OTHER ITEMS

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

Adjournment: Meeting was adjourned at 12:25 p.m. to May 21, 2008 at 8:30 a.m.

KAREN VOGEL, CHAIRMAN

ARMANDO PADILLA, SECRETARY