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Imperial County Employees' Retirement System

# **BRIEF MINUTES**

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

January 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 Chairman Vogel at 8:31 a.m.

The Pledge of Allegiance was led by Chairman Vogel.

Roll Call:

**MEMBERS PRESENT:** Karen Vogel, Julie Villeneuve, Becky Flammang, Robert Williams, Terry Huskey, James Rhodes, Pat Yarnall

**ALTERNATE PRESENT:** None

**MEMBERS ABSENT:** Wally Leimgruber, Armando Padilla

**MEMBERS ARRIVING AFTER ROLL CALL:** None

**LEGAL REPRESENTATIVE:** Gustavo Roman, Senior Deputy County Counsel

**CLERK:** Kathleen L. Kubler, Retirement Specialist

**STAFF:** David H. Prince, Retirement Administrator; Regina Rodrigues, Retirement Specialist; Kayleen Smith, Disability Specialist

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 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:

**MOTION** by Villeneuve, Seconded by Huskey and carried on the unanimous vote of members present the Minutes of the December 19, 2007 regular adjourned meeting were approved with the following amendments:

Page 3, Item 7: The approval to modify the reporting presentations schedule of Investment Managers was carried by a vote of six to one with Board Member Williams casting the dissenting vote.

Page 5, Item 11A8: American Realty Advisors will present its assessment report to the Retirement Board at the regular meeting of February 20, 2008.

Page 5, Item 11B: Staff was directed to send a letter regarding a survey response to the Vice President of SACRS.

The signature page of the minutes should list Karen Vogel as Chairman and Armando Padilla as Secretary.

## 5. Presentation for technical assessment by Linea Solutions, Inc. Akio Tagawa, President and Matt Savelloni, Business Development Manager:

Mr. Matt Savelloni, Business Development Manager for Linea Solutions, Inc. introduced Mr. Akio Tagawa, President, who would personally spearhead the proposed assessment project.

Mr. Savelloni described the firm as specialized independent and objective consultants offering targeted assessment services.

Mr. Tagawa referred to a strategic plan allowing ICERS to estimate and budget for Information Technology (IT) costs over the next five years. It would include options for procurement, upgrades, replacement and data assessment based on ICERS specific individual requirements.

Board Member Huskey voiced her concerns about long term cost to implement and maintain a new system.

David H. Prince, Retirement Administrator, discussed with the Board Linea Solutions' IT experience, cost and recommendations from other 1937 Act retirement systems.

John Kessinger, Imperial County Information and Technology Services Manager, offered his opinion relating to his previous assessment experience and concurred with Linea Solutions' proposal of cost of services and time estimate.

Doug Newland, Imperial County Auditor-Controller, informed the Board of the type of IT system currently being used in the Auditor's department. Mr. Newland also agreed that hiring Linea Solutions would be beneficial to the retirement system.

**MOTION** by Villeneuve, Seconded by Flammang and carried on a vote of six (Yes: Yarnall, Rhodes, Flammang, Williams, Villeneuve, Vogel) to one (No: Huskey), the Board agreed to contract Linea Solutions, Inc. for technical assessment services.

6. ICERS' Annual Audit Report and Financial Statement Year Ending June 30, 2007:

**MOTION** by Villeneuve, Seconded by Huskey and carried on the unanimous vote of members present, the Board approved the ICERS' Annual Audit Report and Financial Statement Year Ending June 30, 2007, as submitted.

**BREAK AT 10:07 A.M. RECONVENED AT 10:20 A.M.**

**DISCUSSION CALENDAR**

7. Reports/Correspondence/Announcements of Officers:

Gustavo Roman, Senior Deputy County Counsel, introduced himself to the Board and advised them that he would be the legal representative for the present meeting as Linda Tucker, Deputy County Counsel, was not in attendance. He also expressed his gratitude to the Board for the opportunity to attend the SACRS Fall Conference, November 13-16, 2007 in Indian Wells, CA.

Retirement Administrator/Staff:

8. Market Value Graph from 07-01-07 through 12-31-07, as presented by Retirement Administrator, David H. Prince:

The period activity was reviewed and discussed with the Board.

9. Book vs. Market Summary as of 12-31-07, as presented by Retirement Administrator, David H. Prince:

The summary report was discussed with the Board.

10. Update: Processing Securities Litigation Class Action Claims, as presented by Retirement Administrator, David H. Prince:

Mr. Prince advised the Board that three claims had been filed by Schiffrin, Barroway and that staff would be tracking all future claims.

11. Update regarding ICERS' sponsored legislation, SB 392, Purchasing Power Cost of Living Adjustment (COLA) for Retirees, as presented by Retirement Administrator, David H. Prince:

Mr. Prince advised the Board that the Bill has no known opposition and now proceeds to the Senate for review and vote on February 23<sup>rd</sup>. However, passing the Bill may be delayed until the State finalizes the budget.

12. American Realty Advisors progress update regarding needs assessment for Retirement office space as presented by Retirement Administrator, David H. Prince:

Mr. Prince advised the Board that Mr. Daniel S. Robinson, Managing Director for American Realty, had come to the valley the previous week. He visited potential sites and observed the current office space and staff size. He will be back for the regular meeting of February the 20<sup>th</sup> to report his findings to the Board.

13. Conflict of Interest Disclosure Statements:

The disclosure statements were distributed and the Board was advised that the deadline to complete and submit them is March 3, 2008.

County Counsel:

14. Legislative Update: 2008, as presented by Senior Deputy County Counsel, Linda Tucker:

This item was carried over to the regular meeting of February 20, 2008.

### CLOSED SESSION

15. Convene into Closed Session:

**MOTION** by Flammang, Seconded by Villeneuve 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

Sherry Marquand

Donna Shipman

Jorge Lopez

Richard Peterson

- 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. 2 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).

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

16. Announcement of Closed Session Actions:

Kayleen Smith, Retirement Specialist, announced the following actions:

The Board discussed but took no action on the disability retirement applications of Walter Cress, Sherry Marquand and Donna Shipman.

The medical condition of Jorge Lopez was determined by the Board to be a terminal illness by the unanimous vote of members present.

The request of Jorge Lopez to allow him to receive service credit under Govt. Code §31646.5 was approved by the unanimous vote of members present.

The request of Richard Peterson to begin receiving his regular service retirement pension pending the outcome of his application for disability retirement was approved by the unanimous vote of members present.

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

### CONSENT AGENDA

17. 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 01-16-08 meeting Govt. Code 31580.2 & 31521:

1. REGULAR BUDGET:

PERMANENT SALARIES	
Regular Salaries	\$19,805.54
EXTRA HELP	3,308.07
BILINGUAL PAY	30.00
SOCIAL SECURITY	185.20
SPECIAL TRAINING	
SACRS Fall Conference Registration G Roman	100.00
Marriott Ontario Airport Reservation Cancelled	(93.87)
COUNTY CONTRI RETIREMENT	2,096.54
INS –WORKERS' COMP	879.58
INS – UNEMPLOYMENT	285.17
GROUP INSURANCE	2,964.40
INS DENTAL/VISION	25.54
RETIREMENT PENSION BOND	1,332.90
RETIREMENT HEALTH PLAN	1,007.60
INS – VOLUNTARY LIFE	12.40
INS – LIABILITY	355.83

REGULAR BUDGET (continued)

MAINTENANCE & EQUIPMENT

Questys Scanner	597.50
IV Press Subscription Renewal Jan-Dec 2008	120.68
Mail Charges for November 2007	454.75
Office Depot	32.25
Imperial Printers – Warrants	587.24
Schiffrin Barroway – Fed Ex Reimb. for Claim Docs	(973.68)
Office Supply	94.80

PROFESSIONAL SERVICES

Information & Technical Services for October 2007	9,678.98
PRO Record Storage and Shredding Inc.	12.00
Steefel, Levitt & Weiss-Emp. Issues thru Nov. 2007	2,488.50
American Realty Advisors – Real Estate Invest. Mgt. Svcs.	5,000.00

OVERHEAD REIMBURSEMENT (44,306.65)

TRAVEL IN-COUNTY

B Flammang – Mileage Reimbursement July-Dec 2007	29.20
T Huskey – Mileage Reimbursement July-Dec 2007	278.40
James E Rhodes – Mileage Reimb. July-Dec 2007	14.65
Robert W Williams – Mileage Reimb. July-Dec 2007	6.21

EXTRA HELP

Retirement Board Meeting 01/16/2008	400.00
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**SUBTOTAL: \$ 6,809.73**

2. DISABILITY BUDGET:

PROFESSIONAL SERVICES

Sun Valley Behavioral Medical Center: D. Shipman Records	25.00
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**TOTAL: \$ 6,834.73**

18. Administrative Agenda:

- A. Enrollment Affidavits of New Members (28):
- B. Termination of Membership – Return of Accumulated Contributions (11):
- C. Deferred Membership:

Angel Noriega	General Member
Department:	Public Works
Effective:	08/14/2007

- D. Re-employment of retiree Mary Ann Curiel, as per section 31680.4 of the Government Code.

19. Investment Manager Report:

Bradford & Marzec: Bond Market Monthly - Ending December 2007.

20. Upcoming Seminars/Conferences:

February 12-13, 2008

RREEF 2008 Educational Client Seminar  
Balboa Bay Club, Newport Beach, CA

June 23-25, 2008

SACRS Public Pension Investment Management  
Program 2008  
UC Berkeley, HAAS School of Business  
Claremont Resort and Spa, Berkeley, CA

**OTHER ITEMS**

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

**Adjournment:** Meeting was adjourned at 11:07 a.m. to February 20, 2008 at 8:30 a.m.

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KAREN VOGEL, CHAIRMAN

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ARMANDO PADILLA, SECRETARY