

DAVID H. PRINCE
Retirement Administrator

KATHLEEN L. KUBLER
Clerk of the Board

1221 State Street
El Centro, CA 92243

www.icers.info

Tel. (760) 336-3132
Fax (760) 336-3923
icers@co.imperial.ca.us



ICERS

IMPERIAL COUNTY EMPLOYEES' RETIREMENT SYSTEM

BRIEF MINUTES

REGULAR MEETING OF THE IMPERIAL COUNTY BOARD OF RETIREMENT

December 16, 2009

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 8:30 a.m.

The Pledge of Allegiance was led by Board Member Vogel.

MEMBERS PRESENT: Karen Vogel, Ann McDonald, Julie Villeneuve, Jack Terrazas, Becky Flammang, Robert W. Williams, Herbert Bumgart, Terry Huskey, James E. Rhodes

MEMBERS ABSENT: None

MEMBERS ARRIVING AFTER ROLL CALL: None

ALTERNATES PRESENT: Charles L. Jernigan

LEGAL REPRESENTATIVE: Linda Tucker, Deputy County Counsel

CLERK: Kathleen L. Kubler, Retirement Specialist

STAFF: David H. Prince, Retirement Administrator, Regina Rodrigues, Assistant Retirement Administrator, Kayleen Smith, Retirement Specialist, Scott W. Jarvis, Accountant/Auditor

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 to be added: None

E. Approval of the Agenda:

MOTION by Williams, Seconded by Terrazas, and carried on the unanimous vote of members present, the Agenda was approved.

F. Approval of the Consent Agenda:

MOTION by Huskey, Seconded by Terrazas, and carried on the unanimous vote of members present, the Consent Agenda was approved.

3. Public comments on items that are **NOT** on the Action or Discussion Calendars: None

ACTION CALENDAR

4. Approval of the Minutes of November 18, 2009 regular adjourned meeting:

Mr. Prince advised the board that wording to both motions of Item 6 would be reworded from:

MOTION by Rhodes, Second by Flammang and carried on the unanimous vote of members present, the board authorized Wurts senior investment consultant, to liquidate the Calamos assets to fund the next portion of the commodities investment. Any remainder will be allocated to the Barclays Global Large Cap Index.

To:

MOTION by Rhodes, Second by Flammang and carried on the unanimous vote of members present, the board authorized, at the discretion of Wurts senior investment consultant, to liquidate the Calamos assets to fund the Barclays Global Index Commodities asset class, at a total of no more than 5% of the system's total assets. Any remainder will be allocated to the Barclays Global Large Cap Index.

And from:

MOTION by Rhodes, Second by Flammang, and carried on the unanimous vote of members present, the board approved the reduction of the timeframe to fund the commodities allocation from 12 months, to be completed by March 31, 2010.

To:

MOTION by Rhodes, Second by Flammang, and carried on the unanimous vote of members present, the board approved reduction of the timeframe to fund the Commodities allocation from 12 months, to the total funding of the commodities asset class by March 31, 2010.

MOTION by Huskey, Second by McDonald, and carried on the unanimous vote of members present, the board approved the Minutes of the regularly adjourned meeting of November 18, 2009, as modified.

5. Presentation by Asset Manager, Franklin Templeton Institutional, Thomas J. Dickson, Vice President:

Mr. Dickson discussed the earnings of the portfolio as they had been affected by the downturn of the market since the last reporting period with the board.

6. Presentation by Actuary, The Segal Company, Andy Yeung, Vice President & Associate Actuary, Shelly Chu, Senior Actuarial Analyst: Valuation Report, June 30, 2009:

MOTION by Flammang, Second by McDonald, and carried by the unanimous vote of members present, the board adopted the Actuarial Valuation Report of June 30, 2009.

MOTION by Flammang, Second by Williams, and carried by the unanimous vote of members present, the board adopted the Employer rates per the Actuarial Valuation Report of June 30, 2009, page IV.

MOTION by McDonald, Second by Bumgart, and carried by the unanimous vote of members present, the board adopted the Safety Employee contribution rate tables, per the Segal Actuarial Valuation Report of June 30, 2009, pages 51 and 52.

MOTION by McDonald, Second by Huskey, and carried by the unanimous vote of members present, the Board adopted the General Employee contribution rate tables, per the Segal Actuarial Valuation Report of June 30, 2009, pages 49 and 50, with the inclusion of a one year buy down of the supplemental portion of the rates to reflect a reduction from 2.04% to 1.14%. The funding for this buy down shall come from the General Employee's Supplemental Reserve account.

Direction by the board was given to staff to work with the Actuary on a multi-year buy down of the supplemental benefit for the general members.

BREAK AT 9:50 A.M. RECONVENED AT 10:00 A.M.

7. Presented by David H. Prince, Retirement Administrator: State Association of County Retirement Systems (SACRS) advisory: Funding for Phase II of the SACRS Internal Revenue Service (SIRS) Task Force.

MOTION by Huskey, Second by Flammang and carried on the unanimous vote of members present, the board approved funding for the Phase II of the SACRS Internal Revenue Service (SIRS) Task Force.

8. Action/Direction by Board of Retirement Chairman Julie Villeneuve: Board evaluation process for Retirement Administrator position.

MOTION by Villeneuve, Second by McDonald and carried on the unanimous vote of members present, the board adopted an annual Retirement Administrator performance evaluation process, which will include an evaluation rating document to be completed by each board member. A committee of two board members will review the data, and compile the results. The process will start in 2011.

DISCUSSION CALENDAR

9. Reports/Correspondence/Announcements:

A. Retirement Administrator:

1. Market Value Graph:

Mr. Prince discussed the period activity and the new reporting index with the board.

2. Book vs. Market:

Mr. Prince reviewed the asset allocation and market activity with the board.

3. Update on ICERS Pension Administration System (PAS):

Mr. Prince and Mrs. Rodrigues discussed the project schedule and cost with the board.

4. CALAPRS Fee Schedule Adjustments:

Mr. Prince reviewed the costs adjustments for training with the board.

5. Marin Independent Journal article: Marin pension fund chief takes sudden leave:

The board and staff reviewed the article.

6. Fund Fire article: Lawsuits, Losses Will Reshape Security Lending:

The article was discussed by staff and the board.

7. Update on Portfolio Rebalance:

Mr. Prince gave the board a brief review of the funding schedule for the new asset classes.

a. BGI Commodities - \$8.5 million of addition funding to this manager will be completed during the first week of January 2010.

b. HarbourVest - The first capital call by this manager will be in January 2010.

c. Calamos-The transfer of or the liquidation of the asset held by this manager will be completed during the first 10 days of January 2010.

- d. Real Estate- Wurts is researching the possibility of purchasing additional shares of ING from other investors in that fund. Wurts will be making a recommendation for rebalancing of this asset class at the February 2010 Board Meeting.
- e. State Association of County Retirement Systems (SACRS) Conference Report:

Mr. Prince discussed the Tactical Asset Allocation vs. Strategic Investing presentation by Scott J. Whalen of Wurts & Associates at one of the SACRS breakout sessions. Mr. Whalen will be making this presentation to the Board in February 2010.

Mr. Prince discussed the effects of SB 1584 which was signed into law in October 2009. This new law places some restrictions on members of the Retirement Board who are also employed as investment professionals.

Mr. Prince also commented on the high quality of the speakers at this year's conference.

Board Members: No discussion

County Counsel: Linda S. Tucker, Deputy County Counsel, gave the board an update of a Public Records Act lawsuit: Stanislaus County, a 1937 Act County lost to the Modesto Bee Newspaper, the California 1st Amendment Coalition, and the California Newspaper Publishers' Association regarding the reporting of the names and pensions of retirees receiving over \$100,000 per year.

CLOSED SESSION

10. Convene into Closed Session:

MOTION by Flammang, Second by Bumgart and carried on the unanimous vote of members present, the board convened in to Closed Session.

- A. Government Code §54956.9(a) – Conference with Legal Counsel of Existing Litigation regarding disability retirement applications relating to the following:
David Mazon Raymond Luna Gary Tackett Luis Avalos
- B. Government Code §54956.9(a) – Conference with legal counsel of existing litigation, Board of Trustees of ICERS v. JPMorgan Chase Bank, U.S. Court District for the Southern District of New York, Case No. 09CV3020.
- C. Government Code §54956.9(b) (1) – Conference with Legal Counsel, potential litigation.

- D. Government Code §54957 – Personnel Matter, Public Employment; Retirement Administrator.

OPEN SESSION

11. Announcement of Closed Session Action:

Kayleen Smith, Disability Specialist, announced the following:

The disability retirement applications of David Mazon, Raymond Luna, Gary Tackett, and Luis Avalos were discussed with no action taken.

The JPMorgan litigation matter was discussed with no action taken by the board.

The board gave direction to staff regarding the potential litigation.

The board gave direction to staff regarding the personnel matter.

CONSENT AGENDA

12. BUDGET:

Approval of the following Budget claims for the 2009-2010 Regular Retirement to include Board Members in attendance at the 12/16/09 meeting, Govt. Code 31580.2 & 31521:

REGULAR BUDGET:

PERMANENT SALARIES:	\$ 18,920.92
EXTRA HELP	8,284.22
BILINGUAL PAY	30.00
SOCIAL SECURITY-MEDICARE	390.39
SPECIAL TRAINING	
CALAPRS Disability RT Hotel (K Smith)	311.02
SACRS 2009 Fall Conference Registration (K Kubler)	103.00
CALAPRS Administrators' RT Car Rental (D Prince)	178.21
CALAPRS Administrators' RT Parking (D Prince)	42.00
CALAPRS Staff Attendance Fees June 12-Oct. 16, 2009	1,200.00
County Garage-MS Training (J Ridaura)	266.00
SACRS Reimb (K Kubler-D Prince-R Rodrigues-L Tucker)	918.45
COUNTY CONTRIBUTION RETIREMENT	2,157.05
GROUP INSURANCE	2,165.46
INS DENTAL/VISION	86.88
RETIREMENT PENSION BOND	1,183.83
RETIREMENT HEALTH PLAN	926.14
INS-VOLUNTARY LIFE	14.58
COMMUNICATIONS-SERVICES (Correction)	(119.30)
OFFICE EXPENSE	
ICERS Open House Exp. Reimb. (B McFetridge)	165.18
CSAC-Advertisement for Acct/Auditor	40.00
WalMart-Office Plant	21.75
Amazon.com-Finance/Investment Dictionaries	54.17

