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Imperial County Employees' Retirement System

BRIEF MINUTES

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

January 21, 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 8:32 a.m.

The Pledge of Allegiance was led by Chairman Villeneuve.

Roll Call:

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

MEMBERS ABSENT: Pat Yarnall

MEMBERS ARRIVING AFTER ROLL CALL: None

ALTERNATES PRESENT: Pompeyo Tabarez, Charles L. Jernigan

LEGAL REPRESENTATIVE: Linda Tucker, Deputy County Counsel

CLERK: Kathleen L. Kubler, Retirement Specialist

STAFF: David H. Prince, Retirement Administrator, Regina Rodrigues, Retirement Supervisor, Kayleen Smith, Retirement 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 Williams, Seconded by Flammang, the Agenda was approved by a unanimous vote of members present.

F. Approval of the Consent Agenda:

MOTION by Vogel, Seconded by Williams, the Consent Agenda was approved by a unanimous vote of members present.

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

4. Approval of the Minutes:

Minutes of December 17, 2008 regular adjourned meeting:

Retirement Administrator, David H. Prince, noted a correction to the first Motion of Item 7, of the Minutes of December 17, 2008, which read:

MOTION by Rhodes, Seconded by Villeneuve, and carried by a vote of 5-1 (Yes: Williams, Rhodes, Villeneuve, Vogel, Padilla; No: Yarnall), the Board directed staff to direct Wurts & Associates to transfer \$38,500,000 in securities, from Bradford & Marzec to PIMCO Distressed Mortgage Fund.

Correction:

MOTION by Rhodes, Seconded by Villeneuve, and carried by a vote of 5-1 (Yes: Williams, Rhodes, Villeneuve, Vogel, Padilla; No: Yarnall), the Board directed staff to direct Wurts & Associates to transfer \$38,500,000 in securities from Bradford & Marzec to PIMCO Total Return Fund.

MOTION by Vogel, Seconded by Williams, the Minutes, of the December 17, 2008 regular adjourned meeting, were approved with the correction, by the Board, with one abstention by Terrazas.

5. Review and accept Audit Report for Fiscal Year Ending June 30, 2008, presented by Imperial County Auditor, Douglas R. Newland:

Mr. Newland discussed the annual audit report with the Board. He reported no significant concerns and is looking forward to the complete automation of the retirement system accounting processes, and its integration with that of the Auditor Department.

MOTION by Huskey, Seconded by Vogel, and carried by a unanimous vote of members present, the Board accepted the Audit Report for Fiscal Year Ending June 30, 2007.

6. Discussion/Action regarding Pension Administration System (PAS). Presentation by Linea Solutions, Akio Tagawa, President and Ben Oh, Project Manager:

For the benefit of the newly seated board members, Mr. Tagawa and Mr. Oh presented the Board with a brief background of their firm and reviewed the project plan, determined requirements, milestones, and contract with the vendor.

David H. Prince, Retirement Administrator, discussed the PAS project timeline and cost.

7. Approval of contract with James Evans & Associates, Ltd. (JEA) for development of a new Pension Administration System:

MOTION by Flammang, Seconded by Vogel, and carried on the unanimous vote of members present, the Board accepted the contract with James Evans & Associates, Ltd. (JEA) and that the Board Chairman will sign the contract.

8. Review and reaffirm Board of Retirement Policies and Procedures:

MOTION by Williams, Seconded by Huskey, and carried on the unanimous vote of members present, the Board reaffirmed the Board of Retirement Policies and Procedures.

9. Review and reaffirm ICERS Investment Policy:

The Board agreed to the recommendation by Mr. Prince, to table this item until after a review of the system's asset allocation is presented at the next regular meeting of February 18, 2009, by Investment Consultant, Scott J. Whalen, of Wurts & Associates.

10. Approval of lease agreement between ICERS Corp. as landlord and the Retirement System as tenant:

Mr. Prince and Ms. Tucker discussed the lease agreement with the Board and noted that a typographical error discovered in the draft document would be deleted.

MOTION by Huskey, Seconded by Bumgart, and carried on the unanimous vote of members present, the Board accepted the lease as presented except for the noted error, which would be deleted.

11. Review and accept ICERS Financial Statement for Fiscal Year Ending June 30, 2008:

Mr. Prince reviewed and discussed the statement with the Board.

MOTION by Huskey, Seconded by Vogel and carried on the unanimous vote of members present, the Board accepted the ICERS Financial Statement for Fiscal Year Ending June 30, 2008.

12. Discussion/Action Cost/Purchase estimate for furniture for ICERS new office:

Mr. Prince presented the proposal to the Board and discussed the cost and vendor's experience with other Imperial County departments.

MOTION by Huskey, Seconded by Vogel, and carried on the unanimous vote of members present, the Board approved the furniture cost proposal from Furniture Resources for ICERS new office.

13. County Counsel: Discussion/Action regarding policy on discontinuance of member contribution at 30 years of service:

Ms. Tucker discussed the policy drafted, which allows 30 year members of the retirement system to have their member contributions discontinued, in accordance with the 1937 Act, regardless of losing the credit as a consequence of legal separation, divorce, or dissolution of domestic partnership.

MOTION by Huskey, Seconded by Williams, and carried on the unanimous vote of members present, the Board accepted the policy on stopping member contributions after 30 years of service.

DISCUSSION CALENDAR

14. Reports/Correspondence/Announcements:

A. Retirement Administrator:

1. Book vs. Market Summary as December 31, 2008;

Mr. Prince discussed the period activity with the Board.

2. Update on Portfolio rebalancing:

Mr. Prince and the Board discussed the loss in value to the portfolio and its effects on smoothing and contribution rates.

The Board approved Mr. Prince's recommendation to hold a workshop conducted by the Actuary, on March 4, 2009, in the Board of Supervisors Chambers.

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

Mr. Prince reviewed the recap presented earlier on the Agenda by Linea Solutions and also discussed the project's timeframes and budget.

4. Discussion regarding Internal Revenue Service (IRS) Determination Letter:

Mr. Prince and Ms. Tucker discussed with the Board, the efforts of the State Association of County Retirement Systems (SACRS), to have all 1937 Act counties file a joint Internal Revenue Service (IRS) Determination Letter. The IRS has determined that this joint filing will not be allowed. ICERS staff is preparing the necessary documents for the possible filing of a determination letter.

5. Discussion of filing of Statement of Economic Interest Form 700:

Mr. Prince delivered the forms to Board Members and briefly discussed the requirements and deadline.

BOARD MEMBER TERRAZAS LEFT AT 9:55 A.M.

B. Board Members: No discussion.

C. County Counsel:

1. Review of 1937 Act legislation effective 2009:

Ms. Tucker reviewed the newest legislation signed into law and briefly reviewed the five pieces pertinent to retirement.

2. Review of Imperial County Ordinance (CO) 3.08.190 (e) for compliance with IRS regulations:

Ms. Tucker discussed with the Board the possibility that County Ordinance 3.08.190 may not be in compliance with IRS regulations and that she was requesting Board direction to notify the County of this. The Board gave direction to have this issue brought to the County's attention.

CLOSED SESSION

15. Convene into Closed Session.

MOTION by Williams, Seconded by Huskey, 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:

Guillermina Robles Rosendo Garcia

- B. 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).

OPEN SESSION

16. Announcement of Closed Session Action:

Kayleen Smith, Disability Specialist, announced the following:

The Board discussed but took no action on the disability retirement applications of Guillermina Robles and Rosendo Garcia.

The Board did not discuss the Jarden Corp. Securities Litigation matter.

CONSENT AGENDA

17. County Counsel: Approve resolution adopting Govt. Code Section 31874.6, to be approved in Imperial County.

18. BUDGET:

Approval of the following Budget claims for the 2008-2009 Regular Retirement Budget and Disability Retirement Budget and to include Board Members in attendance at the 01/21/09 meeting, Govt. Code 31580.2 & 31521 (1 attachment):

PERMANENT SALARIES

Regular Salaries	\$	16,207.86
EXTRA HELP		5,142.45
BILINGUAL PAY		30.00
OVERTIME		411.36
SOCIAL SECURITY		309.41
SPECIAL TRAINING		
Mileage reimb KS-CALAPRS		185.02
SACRS Reimb correction		-534.85
Mileage reimb AH/SE		242.14
JEA Due Diligence reimb RR		71.00
JEA Due Diligence reimb SM		71.00
William Mileage July-Dec 2008		9.90
Huskey Mileage July-Dec 2008		335.08
Flammang Mileage July-Dec 2008		29.00
COUNTY CONTR RETIREMENT		1,789.83
INS-WRKRS COMP		416.91
INS-UNEMPLOYMENT		140.08
GROUP INSURANCE		2,165.46
RETIREMENT-PENSION BOND		976.26
RETIREMENT-HEALTH PLAN		778.42
COMMUNICATION-PHONE CHRGS		71.09
COMMUNICATION-SERVICES		51.29
INSURANCE LIABILITY		152.00
OFFICE EXPENSE		
Office Depot		321.21
ICARE-Retiree Luncheon Gift Bags		20.22
ICARE-Newsletter		227.98
Office Supply-Ink Stamps		248.80

REGULAR BUDGET (continued)

OFFICE EXPENSE (continued)

Mail Charges for Nov 2008	448.02
IV Press-Annual subscription renewal	120.68
Mary Valenzuela-Reimbursement for A Padilla cake	30.99
PROFESSIONAL & SPECIAL SERVICES	
Annual Audit FYE 06/30/08	8,679.33
Election Services-Ret. Board 7 th & 8 th Seats	534.39
OVERHEAD REIMBURSEMENT	3,500.00
TRAVEL-IN COUNTY PRIVATE CAR	
Rhodes Mileage-July through Dec. 2008	13.45
TRAVEL-OUT OF COUNTY MISC	
Mileage correction	-242.14
Mileage correction	-185.02
EXTRA HELP	
Retirement Board Meeting of 01/21/09	400.00
TOTAL:	\$43,168.62

19. Administrative Agenda:

A. Enrollment Affidavits of New Members (6):

B. Termination of Membership – Return of Accumulated Contributions (9)

C. Intersystem Membership:

Monica Murray	Safety Member
Department:	Probation
Effective:	01/07/2009

D. Buyback – Redeposit:

1. Ivonne Rico Peraza	General Member
Department:	District Attorney

2. Ivonne Rico Peraza	General Member
Department:	District Attorney

E. Final Payment of Service Retirement Allowance & Death Benefit per Govt. Code Section 31676.11:

1. Hugh Poole	General Member
Deceased:	11/04/2008

2. Myrna Oldham	General Member
Deceased:	11/03/2008

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

1. Bob Estes
Deceased: General Member
11/30/2008
 2. Sally McCollum
Deceased: General Member
02/14/2008
20. Seminars/Conferences:
- | | |
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| RREEF Alternative Investments 2009
Educational Client Conference
"Market Watch: Seizing the Opportunities" | February 24-25, 2009
Balboa Bay Club
Newport Beach, CA |
| SACRS 2009 Spring Conference | May 12-15, 2009
Hyatt Regency,
San Francisco, CA |

OTHER ITEMS

21. Previously Approved Seminars/Conferences (list available in Retirement office).

Adjournment: Meeting was adjourned at 10:28 p.m. to February 18, 2009 at 8:30 a.m.