

BRIEF MINUTES

RETIREMENT BOARD MEETING
COUNTY ADMINISTRATION CENTER
940 W. MAIN STREET, EL CENTRO, CA 92243
February 18, 2004

The regular meeting of the Imperial County Board of Retirement was held at 9:00 a.m. in Board of Supervisor's Chambers, County Administration Center, El Centro, CA.

MEMBERS PRESENT: Yarnell, Huskey, Yarnall, Maruca, Flammang, Padilla, Kennerson, Strain & Williams

MEMBERS ARRIVING AFTER ROLL CALL: Tabarez

MEMBERS ABSENT: None

MEMBERS PRESENT AFTER LUNCH: None

LEGAL REPRESENTATIVE PRESENT: Linda Tucker, Dep County Counsel

CLERK: Miriam Ojeda, Office Technician

STAFF: Barbara McFetridge, Division Manager; Susie Martinez, Ret System Supervisor; Kayleen Smith, Disability Specialist

OTHERS: Ralph Cordova, County Counsel

Meeting called to order by Chairman Williams.

1. **ROLL CALL:**

2. **PUBLIC APPEARANCE:** None

3. **MINUTES:**

MOTION: By Strain, Seconded by Flammang and carried on the unanimous vote of Members present that the Minutes of the January 12, 2004 Regular Adjourned meeting be approved.

MOTION: By Flammang, Seconded by Yarnall and carried on the unanimous vote of Members present that the Minutes of the January 21, 2004 Regular Adjourned meeting be approved.

4. **COUNTY COUNSEL:**

A. Executive Session:

Kayleen Smith, Disability Specialist noted the **EXECUTIVE SESSION** items on the agenda and suggested the Board convene into **EXECUTIVE SESSION:**

CONVENE INTO EXECUTIVE SESSION AT 9:05 a.m.

Conference with Legal Counsel-Existing
Litigation Gov't Code §54956.9(a) (attachments)

COUNTY COUNSEL: (continued)IN RE: Disability Retirement Application Of:

Walter Cress	Judith York
Carol Storm	Ernest Mendoza
Sharon Stogner	Reynaldo De La Rosa
Elaine Jones	

Board Member Tabarez arrived at 9:37 a.m.

In RE: Enron Corporation, WorldCom, Inc., Packaged Ice, Inc.,
Monterey Pasta Company

RECONVENED INTO OPEN SESSION AT 9:50 a.m.

Mrs. Smith announced that the following action was taken in
EXECUTIVE SESSION:

- The request of Reynaldo De La Rosa 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 request for reconsideration of Elaine Jones on the application for service connected disability retirement was continued to March 17, 2004 by the unanimous vote of members present.
- The Board gave direction on one potential litigation item involving WorldComm.

B. Update on Real Estate Investing (attachment)

Linda Tucker, Deputy County Counsel discussed her findings with the Board. She briefly discussed Realty Advisors, whose clients include San Bernardino and Orange County Retirement Systems.

Board Member Flammang, Maruca & Williams believe it would be a good idea for the Retirement Board to invest in local real estate.

The Board directed staff to contact Mr. Lightvoet to bring back some ideas on Real Estate Managers at the March Board meeting.

Items # 7C & 7D were discussed before Item #5

5. **PORTFOLIO, CONSULTANT'S AND MANAGERS' PERFORMANCE, DISCUSSION & POSSIBLE ACTION ITEMS:**

Division Manager discussed the various attachments. She stated that former Board Member Prince reviewed the Templeton information on the mutual fund situation at her request and read his summary of the situation.

A. Delta Asset Management

B. T. Rowe Price

C. Bradford & Marzec, Inc.

1. Bond Market Monthly (attachment)

2. Response to Watch List Notification (attachment)

D. TimesSquare Capital

E. Calamos Investments

Monthly Portfolio Update Summary (attachment)

F. Commingled Account - Templeton/Barclay's Index/Barclay's EAFE

G. Consultant - Mercer Investments

H. Custodian Bank - J.P. Morgan/Chase

6. **BOARD MEMBERS' REPORTS, DISCUSSION & POSSIBLE ACTION ITEMS:**

7. **RETIREMENT ADMINISTRATORS' REPORT, DISCUSSION & POSSIBLE ACTION ITEMS:**

A. Market Value Graph (attachment)

Ms. McFetridge updated the Board on the latest portfolio valuation, as of February 16, 2004.

B. Book vs. Market Summary (to be distributed)

Ms. McFetridge briefly reviewed the Book vs. Market Summary with the Board and answered their questions.

C. Update: AB 616/ AB 55 / SB 274

Robertta Burns, County Executive Officer discussed AB 616. She discussed options for financing this enhanced benefit for the general members. Board of Supervisors want to know if the Board of Retirement is only interested in helping to fund AB 616 or other retirement benefit enhancement sections.

RETIREMENT ADMINISTRATORS' REPORT, DISCUSSION & POSSIBLE ACTION ITEMS:

(continued)

Division Manager stated that the Actuary will be making an educational presentation to the Board in March about usage of undistributed earnings. The Retirees Association has until the March meeting to make comments about the use of undistributed earnings of the Retirement system for a new benefit section for general members. Board Member Huskey spoke on AB 616 and stated she believes it can be done for the general members.

David Ritter, County Employee, stated that employees want nothing less than 3% @ 60. He expressed that employees did not have information about retirement issues and that it needed to be available to them. The Board informed him that the Board Agenda and Minutes are posted in public places, they are also available at the System's website. Employees seeking information about retirement benefits can also speak to their Board representatives and/or Bargaining Unit representatives. Staff also has done Retirement seminars where information is distributed and questions can be asked.

AB 55: Ms. McFetridge stated that this benefit would be too costly for the employees.

Matt Desert, representative of Professional Employees stated that County employees want 3% @ 60. But he knows there are other benefit sections available and wanted to make sure the Actuary will have that information prior to his next presentation.

Kent Taylor, County Auditor/Controller spoke on AB 616.

- D. Safety Member Buzo - 5 yrs Mechanic Time - Convert General to Safety Time

Ms. McFetridge stated she reviewed all retirees and employees that could be in the same situation as Mr. Buzo and found none. She did not review deferred/intersystem members.

Linda Tucker, Deputy County Counsel stated that after examination of Firefighter/Mechanic job classification and description, she concludes that Members with this classification should be granted safety membership retroactively also.

MOTION: By Maruca, Seconded by Flammang and carried on the unanimous vote of Members present to amend the present resolution to reflect that Firefighters/Mechanics be granted Safety Membership retroactively.

Break at 10:50 a.m.

Reconvened at 11:00 a.m.

COUNTY COUNSEL: (continued)

- E. Safety Members Kelley/Tackett - Rollover Funds to Purchase General Service to Safety Service

Retirement Administrator informed the Board that Mr. Kelley asked that this item be continued to next month, at which time he will be able to attend.

Ms. Tucker informed the Board that LACERA was told that this is presently not allowed by the IRS code. They indicated that this can not be done legally at the present time. LACERA is denying the request to its members.

- F. Succession Planning

Ms. Yarnell, Retirement Administrator, has proposed a Contract with Mr. Prince to serve as a Consultant to the Board. Ms. Yarnell discussed the duties and responsibilities, salary and conditions of employment. The Division Manager stated that in the past, the Board has relied on Mr. Brown and then Mr. Prince's investment knowledge and now the Mr. Prince has retired, the Retirement division does not have a knowledgeable person in this area. Ms. Yarnell agreed and continued to explain the need for some retirement help.

Board Member Kennerson stated that this contract seems to be created specifically for Mr. Prince and he opposes it.

Ms. Tucker stated that she will have to look into the possibility of conflict of interest, since Mr. Prince is a Retired Member from this system.

Chairman Williams asked that this item be tabled to the March 10th meeting to allow the Board Members to read the contract thoroughly.

Chairman Williams suggested considering forming an investment committee. This item will be placed in regular March Agenda for further discussion.

- G. Tentative Dates to Discuss Undistributed Earnings: March 10th, March 24th or March 31st, 2004

Ms. McFetridge stated that Actuary would like to spend a couple of hours discussing usage of undistributed earnings with the Board of Retirement.

Ms. McFetridge suggests March 10th, Training Rooms C & D has been reserved for that date.

COUNTY COUNSEL: (continued)

MOTION: By Maruca Seconded by Huskey and carried on the unanimous vote of Members present to hold a Special Meeting on March 10th, 2004, at which time the Actuary will make a presentation in regards to usage of undistributed earnings.

H. Final Actuary Report (to be distributed)

Final Actuary Report is not ready as of this date. They are still working on it. They should be in on March 10th.

Board Member Maruca left at 12:00 a.m.

I. Previously Approved Seminars/Conferences:

CALAPRS, "**Accountants**" and "**Administrative Assistants**" Roundtable, April 16, 2004, Ontario Marriott, Ontario, CA (Approx. Cost P/Person \$350)

J. Upcoming Seminars/Conferences:

1. CALAPRS, "**General Assembly**", March 7th thru March 9th, 2004, Doral Desert Princess Resort, Palm Springs, CA (Approx. Cost P/Person \$1,000)
2. Stanford University, "**Principles of Pension Management**", March 23rd thru March 26th, 2004, Palo Alto Sheraton, Palo Alto, CA (Approx. Cost P/Person \$2,500)
3. SACRS, "**2004 Spring Conference**", May 11th thru May 14th, 2004, Sheraton Universal Hotel, Universal City, CA (Approx. Cost P/Person \$900)

MOTION: By Strain, Seconded by Yarnall and carried on the unanimous vote of Members present that the expenses incurred by staff and/or Board Members attending the above conferences be paid.

8. **ADMINISTRATIVE AGENDA:**

A. ENROLLMENT AFFIDAVITS OF NEW MEMBERS (4)

<u>General Members</u>	<u>Department</u>	<u>Date</u>
Rafael Lopez	County Property	12/25/03
Marcella Zamora	Sheriff's Jail	01/08/04
Dilda McFadden	Behavioral Health	01/23/04
Irma Araujo	Assessor	01/23/04

ADMINISTRATIVE AGENDA: (continued)

B. TERMINATION OF MEMBERSHIP -Return of Accumulated Contributions(8)

<u>General Members</u>	<u>Department</u>	<u>Date</u>
Dante Gonzales	Social Services	12/31/03
Nancy Preciado	Social Services	01/02/04
Nick Samiei	County Property	01/08/04
Jose A. Sanchez	Sheriff's	11/20/03
Clemente Solorzano	Public Works	12/25/03

<u>Safety Members</u>	<u>Department</u>	<u>Date</u>
Richard Quiroga	Sheriff's	01/08/04
Justin Tackett	Sheriff's	12/19/03
Patricia Torres	Sheriff's	12/15/03

C. INTERSYSTEM MEMBERSHIP

Linda Haller	General Member
Department:	Social Services
Effective:	12/03/03

D. PURCHASE - PUBLIC SERVICE - LUMP SUM

Rick Watson	Safety Member
Department:	Sheriff's

E. SERVICE RETIREMENT

Natalia Oropeza	General Member
Department:	Health/Intersystem
Effective:	12/31/03

F. SERVICE RETIREMENT/GROUP HEALTH INSURANCE

Bertha Morris	General Member
Department:	Mental Health
Effective:	01/10/04

G. FINAL PAYMENT OF SERVICE RETIREMENT ALLOWANCE, per section 31676.11 Gov't Code

Odie Greer, General Member, Deceased 10/05/03

H. FINAL PAYMENT OF SERVICE RETIREMENT ALLOWANCE & DEATH BENEFIT per section 31676.11 Gov't Code

Eugene Pennings, General Member, Deceased 12/17/03

MOTION: By Flammang, Seconded by Huskey and carried on the unanimous vote of Members present that the Administrative Agenda be approved.

9. **RETIREMENT BOARD'S BUDGET:**

MOTION: By Huskey, Seconded by Flammang and carried on the unanimous vote of Members present that the following claims for 2003/2004 Regular Retirement Budget and Disability Budget be approved. (attachment)

A. REGULAR BUDGET

PERMANENT SALARIES	
June 27 thru Dec 25, 2003	\$104,852.15
SOCIAL SECURITY	
12/17/03	4.35
01/12/04	8.70
SPECIAL TRAINING	
SACRS Shuttle	46.00
SACRS Hotel - Martinez	546.68
Comm Mtg - Williams	254.60
OFFICE EXPENSE	
Envelopes	213.00
Folding	15.90
Mailroom - Dec 2003	280.70
Fed-Ex	29.22
Office Supplies	308.36
PROFESSIONAL SERVICES	
Elections (Safety Position)	554.71
Actuarial Services	27,000.00
DATA PROCESSING	
Nov 2003	311.95
EXTRA HELP	
June 27 thru Dec 25, 2003	3,276.26
Ret Brd Mtg - 2/18/04	400.00
	TOTAL
	\$138,102.58

B. DISABILITY BUDGET

PROFESSIONAL SERVICES	
Hearing Test - Applicant	138.99
	TOTAL
	\$ 138.99

10. **INFORMATION ONLY:**

Conflict of Interest Codes are due 03/01/04 in the County Clerk's Office.

Meeting was adjourned at 12:05 p.m. to March 10, 2004 at 9:00 a.m.

JOHN W. KENNERSON, SECRETARY

ROBERT W. WILLIAMS, CHAIRMAN