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KATHLEEN L. KUBLER
CLERK OF THE BOARD



Imperial County Employees' Retirement System

BRIEF MINUTES

REGULAR MEETING OF THE IMPERIAL COUNTY BOARD OF RETIREMENT

August 17, 2005

9:00 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 Williams at 9:02 a.m.

A. Roll Call:

MEMBERS PRESENT: Karen Vogel, Jurg Heuberger, Julie Villeneuve, Becky Flammang, Armando Padilla, Jim Strain, Terry Huskey and Robert Williams.

MEMBERS ABSENT: Larry Grogan

MEMBERS ARRIVING AFTER ROLL CALL: John W. Kennerson

LEGAL REPRESENTATIVE: Linda Tucker, Deputy County Counsel

CLERK: Kathleen L. Kubler, Office Technician

STAFF: Barbara McFetridge, Susie Martinez, David H. Prince, Kayleen Smith; Retirement.

B. Public comments on items that are **NOT** on the agenda: None.

2. Discussion of the Agenda:

A. Items to be pulled from Action Calendar: None.

B. Items to be pulled from Discussion Calendar: None.

C. Emergency Items added: None.

D. Approval of the Agenda:

Motion by Heuberger, Seconded by Huskey and carried on the unanimous vote of members present, the Board approved the agenda as presented.

3. Approval of the Minutes:

Motion by Heuberger, Seconded by Strain and carried on the unanimous vote of members present, the Board approved the minutes of the July 20, 2005 regular adjourned meeting with the following amendments:

- Item 8(A): The Board directed that staff and the Actuary research other retirement systems that are considering a similar conversion and determine whether it truly offers a tax advantage to retirees and is cost neutral to the system.
- Item 5(A)(2): That the Board set aside \$930,000 from Undistributed Earnings to lower the Safety Members 3% @ 50 portion of their contribution rate (4.48%) for as long as the \$930,000 funds lasts.

ACTION CALENDAR

4. Discussion/Action by Retirement Administrator:

A. Revised Budget with separate Retirement Administrator position included.

1. Option 1 – Current Budget.
2. Option 2 – Proposed Budget with the addition of an independent Retirement Administrator position and separating the Retirement System from the Treasurer/Tax Collector.
3. Option 3 – Proposed Budget with reclassification of Division Manager to Retirement Administrator.

Motion by Heuberger, Seconded by Villeneuve and carried on the unanimous vote of members present, the Board voted to schedule a meeting date of September 28, 2005 for those Board Members interested in participating in the formation of an ad hoc committee to consider implementing Option 2.

B. Request the Custodian Bank to cross check possible litigation claims submitted by Schiffrin & Barroway, LLP.

Recent correspondence regarding this matter indicated that ICERS will not incur fees to cross check possible claims. No action was taken on this item.

C. Amendment to the Disability Retirement Policies & Procedures.

The Board discussed staff recommendations to delete the current portions of the application process deemed duplicative, and advised eliminating the application's Flow Chart.

Motion by Heuberger, Seconded by Huskey and carried on the unanimous vote of members present, the Board voted to approve the amendments to the Disability Retirement Policies and Procedures and retain the Flow Chart both in the application process and on the ICERS' website.

5. Discussion/Action of Upcoming Seminars/Conferences:

CALAPRS "Intermediate Staff Training" Ontario Marriott, October 5-7, 2005 (approximate cost per person \$650.00).

CALAPRS "Advanced Staff Training" Ontario Marriot, October 26-28, 2005 (approximate cost per person \$650.00).

Motion by Heuberger, Seconded by Villeneuve and carried on the unanimous vote of members present, the Board authorized Board Members and/or staff to attend the upcoming Seminars/Conferences.

Correspondence received by some Board Members in their personal mail, regarding additional upcoming Seminars/Conferences, prompted direction to staff to include it on the next agenda for approval.

BOARD MEMBER KENNERSON ARRIVED AT 9:50 A.M.

DISCUSSION CALENDAR

Items 6 thru 11 are for discussion only

6. Reports and Announcements:

A. Retirement Administrator:

1. Election of the 7th position (Safety Member) to the Board of Retirement currently held by Armando Padilla:

Reviewed by the Board.

2. Revised Interest Crediting Policy:

The Board was advised that the Actuary, Ira Summer, is scheduled to appear at the next regular meeting of September 21, 2005 to discuss this matter.

3. Agenda Cover Sheet:

Reviewed by the Board.

4. Letter to the County Executive Officer re: Safety Member contribution rates along with relief provided by the Retirement Board:

Reviewed by the Board.

B. Board Members:

No discussion.

C. Retirement Division Manager and/or staff:

Progress report on data processing (computer) system changes:

1. Letter from Actuary outlining his changes to system.

The Board agreed to continue this item to the Action Calendar of the next regular meeting of September 21, 2005 when the Actuary, Auditor/Controller and Information Systems Manager are available to discuss this matter.

2. Letter from Information Systems Manager outlining their changes to the Retirement System.

Barbara McFetridge, Retirement Division Manager commented that considering the extra workload that Retirement staff has encountered with the various modifications the Actuary has requested, a change to a new system would not be advised.

D. County Counsel:

Abbreviated Robert's Rules of Order.

Distributed to the Board.

7. Market Value Graph from 07/01/05 to 07/31/05.

Reviewed by the Board.

8. Book vs. Market Summary as of 07/31/05.

David Prince, Retirement staff commented to the Board that staff is working on a policy to rebalance the portfolio when Retirement Cash is low on funds to pay ongoing expenses.

BREAK AT 10:40 A.M. RECONVENED AT 10:50 A.M.

9. T. Rowe Price – Investment Report for the Month Ended June 30, 2005 – available in Treasurer's office.

Reviewed by the Board.

10. Delta Asset Management:
 - A. Investment Strategy – June 2005.
Reviewed by the Board.
 - B. Investment Strategy – July 2005.
Reviewed by the Board.

11. Previously approved Seminars/Conferences:
 - A. CALAPRS “Disability Staff Training”, Hilton Oakland Airport, September 8, 2005 (approximate cost p/person \$650.00).
 - B. CALAPRS “Attorneys’ Round Table, Hilton Oakland Airport, September 9, 2005 (approximate cost p/person \$650.00).
 - C. CALAPRS “Benefits Round Table”, Hilton Oakland Airport, September 9, 2005 (approximate cost p/person \$650.00).
 - D. 13th Annual Guns & Hoses 2005, Las Vegas Hilton, September 25 – 28, 2005 (approximate cost p/person \$2,226.00).
 - E. CALAPRS “Administrators’ Institute”, Embassy Suites, Oxnard, September 28-30, 2005 (approximate cost p/person \$720.00).
 - F. CALAPRS “Trustees’ Round Table”, Hilton Oakland Airport, October 14, 2005 (approximate cost p/person \$650.00).
 - G. Alternative Investing Summit, Ritz Carlton, Laguna Niguel, CA December 4-6, 2005 (approximate cost per person \$1400.00).

CLOSED SESSION

12. Closed Session:

Motion by Flammang, Seconded by Strain and carried on the unanimous vote of members present, the Board voted to convene into Closed Session to discuss existing litigation under Govt. Code Section 54956.9(a).

 - A. Government Code §54956.9(a) – Conference with Legal Counsel of Existing Litigation regarding disability retirement applications relating to the following:

Julieta Carrasco	Walter Cress
Frank Dyson	Elaine Jones

 - 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. 02 Civ. 3288 (DLC).

- C. Government Code §54956.9 (a) – Conference with Legal Counsel of Existing Litigation, In re Tibco Software, Inc. Securities Litigation, United States District Court, Case No. 05 Civ. 02205 (DLC).

OPEN SESSION

13. Open Session:

Motion by Kennerson, Seconded by Heuberger and carried on the unanimous vote of members present, the Board voted to reconvene into Open Session at 11:02 a.m.

14. Announcement of Closed Session Actions:

Kayleen Smith, Disability Specialist, announced the following:

- The Board discussed but took no action on the disability retirement applications of Walter Cress, Elaine Jones, Julieta Carrasco and Frank Dyson.
- The Board discussed but took no action on the WorldCom litigation matter.
- The Board discussed but took no action on the Tibco Software litigation matter.

ADMINISTRATIVE AGENDA

15. Approval of the Administrative Agenda:

Motion by Heuberger, Seconded by Villeneuve and carried on the unanimous vote of members present, the following items comprising the Administrative Agenda were approved:

- A. Enrollment Affidavits of New Members (13):

- B. Termination of Membership – Return of Accumulated Contributions (8):

- C. Intersystem Membership:

- | | | |
|----|------------------|----------------|
| 1. | Kristy Vogel | General Member |
| | Department: | Auditor |
| | Effective: | 06/10/05 |
| 2. | Ralphy H. Garcia | Safety Member |
| | Department: | Sheriff |
| | Effective: | 06/03/05 |

- D. Final Payment of Service Retirement Allowance & Death Benefit per Government Code Section 31676.11:

- | | | |
|----|----------------------|----------------|
| 1. | Mabel G. Vandergriff | General Member |
| | Deceased: | 01/04/05 |

- 2. Ruth Free
Deceased: General Member
04/16/05

- E. Final Payment of Survivor – Service Retirement:
 - Helen French
Deceased: General Member
05/05/05

BUDGET

16. Approval of the Budget (2 attachments):

Motion by Strain, Seconded by Villeneuve and carried on the unanimous vote of members present, the Board voted that the following claims for the 2004/2005 and 2005/2006 Regular Budget and Disability Budget be approved:

A. REGULAR BUDGET 2004-2005

REDEMPTION OF BENEFITS	
Sick leave buyback	\$ 1,679.13
COUNTY CONTR RETIREMENT	134.99
RETIREMENT PENSION BOND	146.09
RETIREMENT HEALTH PLAN	57.65
OFFICE EXPENSE	
Central Duplicating	16.00
DATA PROCESSING	
June 2005	8,944.85
TRAVEL-IN COUNTY	
Kennerson – January thru June 2005	19.44
Flammang – January thru June 2005	90.72
Strain – January thru June 2005	84.24
Williams – January thru June 2005	<u>19.44</u>
TOTAL	\$11,192.55

B. REGULAR BUDGET 2005/2006

1. PERMANENT SALARIES	
Regular Salaries	\$10,716.86
EXTRA-HELP	1,360.72
BILINGUAL PAY	22.50
SOCIAL SECURITY	59.51
SPECIAL TRAINING	
SACRS COMM – Williams	275.58
COUNTY CONTR RETIREMENT	833.93
GROUP INSURANCE	1,814.71
INS-DENTAL/VISION	17.15
RETIREMENT PENSION BOND	939.79
RETIREMENT HEALTH PLAN	487.04
INS-VOLUNTARY LIFE	8.99

REGULAR BUDGET 2005/2006 (continued)

MAINTENANCE & EQUIPMENT

Eastman Kodak – Ivory Img. Mod.	1,840.00
Eastman Kodak – Ivory User Fee	305.00
Eastman Kodak – Ivory Cache 240 CD	527.00

OFFICE EXPENSE

Central Duplicating	135.00
Subscription Renewal – Pub. Ret. Journal	195.00
County Property Services	232.00

PROFESSIONAL SERVICES

PRO Record Storage Jul-Dec 05	83.90
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EXTRA-HELP

Ret Brd Mtg. – 08/17/05	<u>500.00</u>
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TOTAL: \$20,354.68

2. DISABILITY BUDGET 2005/2006

OFFICE EXPENSE

Federal Express	<u>\$ 15.05</u>
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TOTAL: \$ 15.05

Adjournment: Meeting was adjourned at 11:05 a.m. to September 21, 2005 at 9:00 a.m.

JOHN W. KENNERSON, SECRETARY

ROBERT W. WILLIAMS, CHAIRMAN