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KAYLEEN SMITH
CLERK OF THE BOARD



Imperial County Employees' Retirement System

BRIEF MINUTES
REGULAR MEETING OF THE
IMPERIAL COUNTY BOARD OF RETIREMENT

November 29, 2006

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 Flammang at 8:40 a.m.

A. Roll Call.

MEMBERS PRESENT: Karen Vogel, Julie Villeneuve, Larry Grogan, Becky Flammang, Robert Williams, Armando Padilla, Terry Huskey and James Rhodes.

ALTERNATE PRESENT: None.

MEMBERS ABSENT: Jurg Heuberger.

MEMBERS ARRIVING AFTER ROLL CALL: None.

LEGAL REPRESENTATIVE: Ralph Cordova, Jr., County Counsel

CLERK: Kayleen Smith, Disability Specialist

STAFF: David H. Prince, Retirement Division Manager

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:

Item 5(A)(1) was pulled and placed on the December Agenda with the Board's approval.

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

C. Items to be pulled from the Consent Agenda: None.

D. Approval of the Agenda:

MOTION by Williams, Seconded by Villeneuve, and carried on the unanimous vote of members present, the Board voted to approve the Agenda.

E. Approval of the Consent Agenda:

MOTION by Williams, Seconded by Huskey, and carried on the unanimous vote of members present, the Board voted to approve the Consent Agenda.

3. Approval of the Minutes:

October 18, 2006 Regular Adjourned Meeting.

MOTION by Williams, Seconded by Huskey, and carried on the unanimous vote of members present, the Board voted to approve the minutes of the Regular Adjourned Meeting of October 18, 2006.

Ralph Cordova Jr., County Counsel, requested that an Emergency Item be added to Closed Session as Item 10(E) Potential Litigation.

MOTION by Grogan, Seconded by Huskey, and carried on the unanimous vote of members present, the Board voted to approve Emergency Item 10(E) under Closed Session.

ACTION CALENDAR

4. Presentation by Ira Summers, Actuarial Report for July 2005 – June 2006: Review of Actuary Performance:

Ira Summers gave a presentation on Member Contribution Rates. He discussed component parts, calculating components and where ICERS differs from other 37 Act Systems. Board Members and staff asked questions and commented on this subject. This item will be tabled until a legal opinion has been given or action taken by Fresno County's Retirement Board on COLA calculations. No action was taken at this time.

Chairman Flammang asked Mr. Summers to comment on his involvement in the present lawsuit recently filed by Kern County and their retirement association. Mr. Summers also explained the situation regarding the lapse in professional liability insurance coverage as well as the limit requirements. Mr. Cordova clarified the limits of liability coverage previously in place and asked that Mr. Summers provide complete insurance policies for the prior three years. Mr. Cordova will send a backup letter requesting the insurance policies.

5. Discussion/Action by Others:

A. Retirement Administrator/Staff:

Mr. Prince requested that Item 5(A)(4) be discussed before Item 5(A)(1).

BREAK AT 10:30 A.M. – RECONVENED AT 10:44 A.M.

1. Local Real Estate Investments: Proposed Board Policy by David Prince:

This item was tabled until next meeting.

2. Policy on Investment Objectives, Guidelines and Standards of Performance:

Mr. Prince reviewed the changes requested by the Board on the previously proposed policy. The Board asked questions and commented on several sections.

MOTION by Huskey, Seconded by Rhodes, and carried on the unanimous vote of members present, the Board voted to approve the revised Investment Objectives, Guidelines and Standards of Performance policy.

3. Emerging Markets Search – Letter from Mercer and Letter from Linda Tucker, Deputy County Counsel.

The Board discussed discontinuing negotiations with Emerging Markets Corporation. They agreed that investing with a United States based company like Dimensional Fund Advisors would be a better choice for our system.

MOTION by Williams, Seconded by Villeneuve, and carried on the unanimous vote of members present, the Board voted to discontinue negotiations with Emerging Markets Investment Corporation.

MOTION by Grogan, Seconded by Villeneuve, and carried on the unanimous vote of members present, the Board voted to hire Dimensional Fund Advisors for our emerging market investment.

4. Adoption of Resolution for Supplement Retirement Benefit:

Mr. Summers discussed the Government Code Section relating to a supplemental benefit for certain retirees who have been adversely impacted by the rising costs of health care. The Board discussed the proposed Resolution.

MOTION by Huskey, Seconded by Villeneuve, and carried on the unanimous vote of members present, the Board voted to approve and sign the Resolution of the Imperial County Board of Retirement Regarding a Supplemental Benefit for Certain Retirees of the Imperial County Employees' Retirement System.

BUDGET

6. Approval of the Budget:

MOTION by Grogan, Seconded by Huskey, and carried on the unanimous vote of members present, the Board voted to approve the following claims for the 2006/2007 Regular Retirement Budget.

REGULAR BUDGET:

PERMANENT SALARIES

Regular Salaries	17,506.92
EXTRA HELP	2,277.86
BILINGUAL PAY	30.00
SOCIAL SECURITY	91.33
COUNTY CONTRI RETIREMENT	1,496.08
INS-WORKERS COMP	850.00
INS-UNEMPLOYMENT	266.66
GROUP INSURANCE	2,165.46
INS-DENTAL/VISION	25.54
RETIREMENT PENSION BOND	1,120.62
RETIREMENT HEALTH PLAN	654.00
INS-VOLUNTARY LIFE	12.40
INSURANCE LIABILITY	500.00
SPECIAL TRAINING	
SACRS Training on 10-17-06 – Prince Reimbursement	168.25
SACRS Training on 10-17-06 – McFetridge Reimbursement	57.00
SACRS Conference – Hotel for Tucker	599.40
SACRS Conference Registration for Prince, Tucker, Martinez, Smith, Rodrigues and Vogel	1,395.00
CALAPRS on 09-07-06 – Martinez & Rodrigues	188.86
OFFICE EXPENSE	
Staples	43.04
Office Depot	147.53
Mail Charges for September 2006	337.46
Federal Express	78.86
Furniture Resources	662.90
PROFESSIONAL & SPECIAL SERVICES	
Pension Benefit Information	263.00
PRO Record Storage & Shredding Inc.	46.18
Information System Charges for August 2006	12,079.81
Information System Charges for September 2006	8,384.87
OVERHEAD REIMBURSEMENT	
October Overhead	2,364.08

SUBTOTAL: \$ 53,813.11

EXTRA HELP

Retirement Board Meeting – 11/29/06	<u>400.00</u>
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TOTAL: \$ 54,213.11

DISCUSSION CALENDAR

Items under are for discussion only

7. Reports and Announcements:

A. Retirement Administrator/Staff:

1. Update on Consultant Search:

Mr. Prince stated that the committee has met twice and have drafted a Request for Proposal on the consultant search, which will be presented to the Board at their next meeting.

2. Update on Retirement Board Staffing Reorganization:

Ms. Vogel stated that Mr. Ewing has been on vacation for the past two weeks and has not contacted her. She attended a SACRS discussion regarding hiring requirements for a new Retirement Administrator, which she found to be very helpful.

3. Report by Staff and Board Members who attended SACRS:

Staff and Board Members reported on the various sessions they attended at the conference. All found the topics to be very informative and educational.

4. Market Value Graph from 07/01/06 to 10/31/06:

Reviewed by the Board.

5. Book vs. Market Summary as of 10/31/06:

Reviewed by the Board.

8. Investment Manager Reports:

A. Calamos:

1. Monthly Portfolio Summary Report – September 2006:

Reviewed by the Board.

2. Monthly Portfolio Summary Report – October 2006:

Reviewed by the Board.

B. Delta Asset Management: Investment Strategy for November 2006:

Reviewed by the Board.

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| g. | Sharon Stogner
Department:
Effective Date: | Safety Member
Sheriff's
09-15-06 |
|----|--|--|
4. 60% Continuance of Service Retirement Allowance per Govt. Code Section 31760.1 & Death Benefit:
- | | | |
|----|----------------------------------|----------------------------|
| a. | Raymond Comstock
Deceased: | General Member
02-22-06 |
| b. | Van D. Seymour, Jr.
Deceased: | General Member
09-25-06 |
5. Inter-System Membership:
- | | | |
|----|---|---|
| a. | Laura Flores
Department:
Effective Date: | General Member
Superior Court
10-18-06 |
| b. | Veronica Gonzalez
Department:
Effective Date: | General Member
Behavioral Health
09/06/06 |
| c. | Julio Manriquez
Department:
Effective Date: | General Member
Library
10-06-06 |
6. Deferred Membership:
- | | |
|--|---|
| Daniel DeVoy
Department:
Effective Date: | General Member
Human Resources
09-01-06 |
|--|---|
- B. Upcoming Seminars/Conferences:
- Second Annual Steefel Public Pension Fund Fiduciary Symposium, January 18-19, 2007, San Francisco, CA (approximate cost per person \$700.00)
- Reviewed by the Board.

CLOSED SESSION

10. Closed Session:

Public Comment before Closed Session: None.

MOTION by Williams, Seconded by Huskey, and carried on the unanimous vote of members present, the Board voted to convene into Closed Session to discuss existing litigation under Gov't Code §54956.9(a).

- A. Government Code §54956.9(a) – Conference with Legal Counsel of Existing Litigation regarding disability retirement applications relating to the following:
- | | | |
|----------------------|----------------|---------------|
| Walter Cress | Ida Din | Charles Rider |
| Judith York-Rippetoe | Anthony Moreno | |
- 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).
- D. 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).
- E. Government Code §54956.9(b)(1) – Conference with Legal Counsel of Potential Litigation.

OPEN SESSION

11. Open Session:

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

12. Announcement of Closed Session Actions.

Kayleen Smith, Disability Specialist, announced the following action:

The Board discussed but took no action on the disability retirement applications of Walter Cress, Ida Din, Charles Rider, Judith York-Rippetoe and Anthony Moreno.

The Board held no discussion on the WorldCom litigation matter.

The Board discussed but took no action on the Tibco Software and Jarden Corp. Securities litigation matters.

The Board discussed and gave direction on one potential litigation item.

OTHER ITEMS

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

Adjournment: Meeting was adjourned at 12:21 p. m. to December 20, 2006 at 8:30 a.m.

BECKY FLAMMANG, CHAIRMAN

JULIE VILLENEUVE, SECRETARY