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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

May 16, 2007

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 Heuberger at 8:31 a.m.

Pledge of Allegiance was led by Board Member Armando Padilla.

- A. Roll Call:

MEMBERS PRESENT: Karen Vogel, Jurg Heuberger, Julie Villeneuve, Wally Leimgruber, Robert Williams, Armando Padilla, Terry Huskey.

ALTERNATE PRESENT: None.

MEMBERS ABSENT: James E. Rhodes.

MEMBERS ARRIVING AFTER ROLL CALL: Becky Flammang

LEGAL REPRESENTATIVE: Linda Tucker, Deputy County Counsel and Ralph Cordova, Jr., County Counsel.

CLERK: Kathleen L. Kubler, Office Technician.

STAFF: David H. Prince, Retirement Division Manager

2. Discussion of the Agenda:

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

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

- C. Items to be pulled from the Consent Agenda:

Item 13 was moved to follow Item 6B2 of the Action Calendar by Chairman Heuberger.

D. Emergency Items added: None.

E. Approval of the Agenda:

Retirement Division Manager David Prince advised the Board of the following changes to the Agenda:

Remove Attachment 7B1 and reverse the order of Items 8A4 and 8A5.

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

F. Approval of the Consent Agenda:

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

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

ACTION CALENDAR

4. Approval of the Minutes:

Minutes of the April 18, 2007 regular adjourned meeting:

MOTION by Huskey, seconded by Flammang, and carried on the unanimous vote of members present, the Board voted to approve the Minutes of the April 18, 2007 regular adjourned meeting.

Chairman Heuberger requested that Item 6 be heard before Item 5.

5. Request by Gary Tackett to waive interest on buy-back of service time from January 2005 through May 2007:

This item was continued until Mr. Tackett could consult with the County. Mr. Tackett was advised that this is not a retirement system issue and should consider approaching the County in order to resolve this matter.

6. Robertta Burns, County Executive Officer:

A. Converting Service Hours from General to Safety for County Public Safety Management employees:

Mrs. Burns presented the Board with the recommendation to approve the actuary report of costs and rates for the aforementioned conversion.

Ralph Cordova, Jr., County Counsel, advised the Board that a motion to accept the actuary report was necessary to move forward with this matter.

MOTION Villeneuve, seconded by Leimgruber and carried on the unanimous vote of members present, the Board voted to accept the actuary report of January 12, 2007 by Public Pension Professionals.

- B. Proposed offer to pay 1/3 cost of Safety Employees' Unfunded Actuarial Accrued Liability if the County and Safety employees pay 1/3 each:

This item was continued until the regular meeting of June 20, 2007. At that time the board may approve the funding of the employee's portion of the safety employee's contribution rates.

7. Discussion/Action:

A. Retirement Administrator/Staff:

1. Proposed Retirement Board Budget for 2007-2008 Fiscal Year:

- a. Presentation by Juan Ridaura, Information Systems, regarding current benefits system program:

John Kessinger, new Manager for Information Technical Services, introduced himself to the Board and requested that the scheduled presentation be postponed until the regular meeting of June 20, 2007. This would allow him time to familiarize himself with the program. The board granted his request.

- b. Possible lease of office space for ICERS:

The Board discussed a specific location briefly and decided to pursue other options.

- c. Negotiation of fees for services from County Counsel:

Ralph Cordova, County Counsel, addressed the Board with a services proposal of \$1,000 a week for retirement related issues. The Board continued the matter to the regular meeting of June 20, 2007.

2. Authorization of Retirement Administrator to sign Glass Lewis contract:

Linda Tucker, Deputy County Counsel, advised the Board that she had reviewed the contract for filing of class action lawsuit/settlement claims and have approved the contract as to form.

MOTION by Leimgruber, seconded by Huskey and carried on the unanimous vote of members present, the Board approved the Retirement Administrator's authorization to sign the Glass Lewis contract.

DISCUSSION CALENDAR

8. Reports and Announcements:

A. Retirement Administrator/Staff:

1. Update: Discussion with Board of Supervisors regarding Govt. Code Article 16.6 – Retrospective COLA Benefit:

This item was continued to the regular meeting of June 20, 2007.

2. Market Value Graph from 07/01/06 to 04/30/07:

David H. Prince, Retirement Division Manager discussed the period's activity with the Board.

3. Book vs. Market Summary as of 04/30/07:

David H. Prince, Retirement Division Manager discussed the period's activity with the Board.

4. Update: Retirement Administrator selection process.

The search for a qualified candidate will be extended for 30 days.

5. Special Meeting, June 6, 2007: Interviews for Investment Consultant.

The candidates will be advised of the interview schedule and their time slots to appear.

6. Regular Meeting June 20, 2007: Interviews for Actuary.

The Board directed staff to narrow the applicants to three candidates and schedule interviews after lunch during the regular meeting of June 20, 2007.

7. David H. Prince, Retirement Division Manager: Comments regarding Retirement Planning Workshop in San Diego, CA May 2, 2007.

Mr. Prince discussed the various workshops and offered to share the literature he obtained with the Board.

B. Board Members:

1. Mr. Williams: Proposal for retiree health insurance to be paid from Excess Earnings.

- a. Review Excess Earnings Policy:

The Board discussed the current policy and possible options now in practice by other Retirement Systems.

- b. History of ICERS Excess Earnings balance:

This item was discussed as it relates to Item 8B1a.

2. Review of current ICERS Policies Procedures and Bylaws:

Board Member, Karen Vogel, discussed implementing a Disaster Plan and advised the Board that she would bring back a proposal of possible options.

3. Comments/ discussion on State Association of County Retirement Systems (SACRS) Spring Conference:

The Board Members who attended reported on some of the conference items relating to SACRS intention to pursue an Economic Impact Study similar to that conducted by CalPERS, retiree health insurance; options for purchasing a building for the retirement system, Emerging Managers and Baby Boomer Fund.

Board Member Villeneuve proposed an educational retreat for the Board with sessions relating to Asset Liability Studies, Smoothing, Rate Adjustment and other such issues.

Board Members Flammang and Williams proposed possible building designs used by other counties for a building for ICERS. Methods of touring those locations via internet access or video when available, were also discussed.

C. County Counsel:

1. Recommendation for a policy regarding date of retirement and cancellation of retirement:

Linda Tucker, Deputy County Counsel, stated that there is no law or statute regulating Imperial County Employees Retirement System's (ICERS) current policy or any other 1937 Act Counties, which apply to when retirement may be rescinded or cancelled. ICERS's current policy provides that retirement may be rescinded if the first retirement check is not cashed. Tulare and Ventura County's policy requires that the first retirement payment not be issued and LA County and Contra Costa Counties require that the date of retirement has not passed.

The Board directed that the policy recommended by County Counsel allowing cancellation of retirement up to the effective date of retirement be placed for approval on the Consent Agenda of the regular meeting of June 20, 2007.

2. Comments/discussion on SACRS Spring Conference:

Linda Tucker, Deputy County Counsel, discussed pertinent legislation issues presented at the conference.

CLOSED SESSION

9. Convene to Closed Session:

MOTION by Flammang, seconded by Williams and carried on the unanimous vote of members present the Board voted to convene to Closed Session.

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

Walter Cress	Charles Rider	Robert Stanley Witt
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 Jarden Corp. Securities Litigation, United States District Court for the Southern District of New York, Case No. 7:06-CV-722 (CLB).

D. Government Code Section 54956.9 (b) (1) potential litigation (2 items).

Reconvene to Open Session:

MOTION by Flammang, seconded by Williams and carried on the unanimous vote of members present the Board voted to reconvene in Open Session.

10. Announcement of Closed Session Action:

Kayleen Smith, Disability Specialist, announced the following action:

The Board discussed but took no action on the disability retirement applications of Walter Cress, Judith York-Rippetoe, Charles Rider and Robert Stanley Witt.

The application of Anthony Moreno for service connected disability retirement was granted administratively by a roll call vote of 8 to 0 (Yes – Vogel, Huskey, Villeneuve, Leimgruber, Flammang, Williams, Padilla & Heuberger).

The Board held no discussion on the WorldCom litigation matter.

The Board discussed but took no action on the Jarden Corp. Securities litigation matter.

The Board discussed and gave direction on two potential litigation items.

CONSENT AGENDA

11. Consent Agenda:

A. BUDGET:

Approval of the following Budget claims for the 2006/2007 Regular Retirement Budget and 2006/2007 Disability Budget and include Board Members in attendance at the 5-16-07 meeting Gov't Code 31580.2 & 31521:

REGULAR BUDGET 2006/2007:

PERMANENT SALARIES

Regular Salaries	\$15,067.61
EXTRA HELP	2,650.60
BILINGUAL PAY	30.00
SOCIAL SECURITY	95.80
SPECIAL TRAINING	
SACRS – Airline charges – Tucker	347.60
SACRS – Staff Registration Fees	400.00
Marriot Ontario Airport – CALAPRS Training for Staff	93.87
Linda Tucker - SACRS Spring Conference - Hotel	650.54
COUNTY CONTRI RETIREMENT	1,544.72
INS-WORKERS COMP	850.00
INS-UNEMPLOYMENT	266.66
GROUP INSURANCE	2,165.46
INS-DENTAL/VISION	25.54
RETIREMENT PENSION BOND	1,157.07
RETIREMENT HEALTH PLAN	675.27
INS-VOLUNTARY LIFE	12.40
INS-LIABILITY	500.00
OFFICE EXPENSE	
Office Supplies	645.52
Office Depot	279.77
Mail Charges for March 2007	400.39
1 HP Office Jet Printers	280.64
The Public Retirement Journal – Annual Subscription	195.00
PROFESSIONAL SERVICES	
Steefel, Levitt & Weiss through March 30, 2007	6,480.30
DATA PROCESSING – SYMC Antivirus	48.06
EXTRA HELP	
Retirement Board Meeting 5-16-07	<u>400.00</u>

TOTAL: \$35,262.82

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| 11. | Manuel Provencio
Department:
Effective Date: | General Member
Public Works
March 30, 2007 |
| 12. | Emilia Pascual
Department:
Effective Date: | General Member
Social Services
March 30, 2007 |
| 13. | Gloria Morlett
Department:
Effective Date: | General Member
Health
March 30, 2007 |
| 14. | Gloria McGee
Department:
Effective Date: | General Member
Social Services
March 30, 2007 |
- D. 60% Continuance of Non Service Connected Disability Retirement Allowance per Govt. Code Section 31760.1 & Death Benefit:
- | | |
|----------------------------|-----------------------------|
| Tom A. Avitia
Deceased: | General Member
3/28/2007 |
|----------------------------|-----------------------------|
- E. Return of contribution and payment of salary death benefit per Govt. Code Section 31781:
- | | |
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| Gabino Hernandez
Deceased: | General Member
02/09/2007 |
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- F. Deferred Membership:
- | | | |
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| 1. | Frances Esquer
Department:
Effective Date: | General Member
Behavioral Health
March 10, 2007 |
| 2. | Kristy Vogel
Department:
Effective: | General Member
Auditor
June 10, 2005 |
13. Investment Manager Reports:
- A. T. Rowe Price Management:-Total Return Performance as of March 31, 2007.
 - B. T. Rowe Price Management – Monthly Investment Report as of April 30, 2007.
 - C. Franklin Templeton Institutional Funds, Inc. Performance Summary Report as of March 31, 2007.
 - D. Clarion Lion - Investor Statement Quarter Ending March 31, 2007.
 - E. Calamos Investments – Monthly Portfolio Summary Report for March 2007.

- F. RREEF America REIT II – Flash Report for Quarter Ended March 31, 2007.
 - G. Bradford & Marzec – Bond Market Monthly Ending April 2007.
14. Upcoming Seminars/Conferences:

Franklin Templeton Institutional presents “Templeton Market Overview” conference call with Gary Motyl and Matthew Nagel, Monday, April 23, 2007 through Wednesday, May 23, 2007 available by dialing (800) 475-6701 and referencing access code 871314.

OTHER ITEMS

15. Previously Approved Seminars/Conferences (list available in Treasurer’s office).

Adjournment: Meeting was adjourned at 11:44 a. m. to June 6, 2007 at 8:30 a.m.

JURG HEUBERGER, CHAIRMAN

JAMES RHODES, SECRETARY