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Imperial County Employees' Retirement System

BRIEF MINUTES

REGULAR MEETING OF THE IMPERIAL COUNTY BOARD OF RETIREMENT

November 7, 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 Villeneuve at 8:31 a.m.

The Pledge of Allegiance was led by Board Member Becky Flammang.

Roll Call:

MEMBERS PRESENT: Karen Vogel, Pat Yarnall, Julie Villeneuve, Becky Flammang, Robert Williams, Armando Padilla, Terry Huskey, Wally Leimgruber and James Rhodes

ALTERNATE PRESENT: None

MEMBERS ABSENT: None

MEMBERS ARRIVING AFTER ROLL CALL: None

LEGAL REPRESENTATIVE: Linda Tucker, Deputy County Counsel

CLERK: Kathleen L. Kubler, Retirement Specialist

STAFF: David H. Prince, Retirement Division Manager

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 Huskey, Seconded by Williams, 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 Flammang, 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:

Board Members and staff briefly discussed the Ethics Certification Training which will be offered at the SACRS Fall Conference November 13-16, 2007 in Indian Wells, CA.

Board Members and staff briefly discussed pending adoption of Government Code Section 31875, Article 16.6, a benefit regarding a retrospective supplemental cost of living adjustment for qualifying older retirees. This item will be addressed at the regular Retirement Board meeting of December 19, 2007.

ACTION CALENDAR

4. Approval of the Minutes:

MOTION by Huskey, Seconded by Yarnall and carried on the unanimous vote of members present, the Board voted to approve the Minutes of the October 17, 2007 regular adjourned meeting.

5. Thomas Shanklin, Investment Consultant, Wurts Associates:

A. Update: Third Quarter period ending September 30, 2007:

Mr. Shanklin reviewed the period report with the Board emphasizing Market Environment details, Inflation Rate, the Economic Environment and their affects on Equity, Fixed Income, Emerging and Real Estate Markets.

B. Adopt a new Asset Allocation Mix:

Mr. Shanklin recommended a 5% allocation to Victory Capital Management for International Small Cap Investment by reducing the allocation to cash in the Investment Policy Statement by 3% and reducing the allocation to Domestic Small Cap Equity by 2%.

C. Allocate funding to Victory Capital Management as International Small Cap Investment:

MOTION by Flammang, Seconded by Williams and carried by unanimous vote, the Board approved a revised funding schedule of \$25 million, \$15 million from T Rowe Price and \$10 million from Franklin Templeton International, to Victory Capital Management as International Small Cap investment.

D. Update: PIMCO Investment:

Karen Vogel, Retirement Administrator reviewed the letter revising the initial subscription amount from \$15 million to \$10 million for the PIMCO Distressed Mortgage Fund Investment.

DISCUSSION CALENDAR

6. Reports and Announcements:

A. Retirement Administrator/Staff:

1. Market Value Graph from 01-01-07 through 10-31-07:

David Prince, Retirement Division Manager explained to the Board that the October report would be consolidated into the report given at the regular meeting of December 19, 2007 as monthly summary statements provided by JP Morgan had not arrived in time to reconcile for the November Board meeting.

2. Book vs. Market Summary as of 10-31-07:

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

3. Update: Processing Securities Litigation Class Action Claims:

David H. Prince, Retirement Division Manager, recommended that the Board terminate the contract with the firm of Glass Lewis when it expires in March of 2008 and contract the Law Firm of Schiffrin Barroway Topaz and Kessler LLC for the processing of Securities Litigation Class Action Claims.

B. County Counsel:

1. County Counsel: Adoption of a Resolution adopting Government Code Sections 31580.2 and 31580.3 relating to accounting and computer technology:

In order to comply with the statute which requires adoption of this resolution, this item will be placed on the Action Calendar for the regular Retirement Board Meeting of December 19, 2007.

2. A Primer On Shareholder Litigation:

Deputy County Counsel, Linda Tucker discussed and encouraged the Board to read the booklet on shareholder litigation provided by Schiffrin Barroway Topaz & Kessler, LLP.

CLOSED SESSION

7. Convene into Closed Session:

MOTION by Williams, Seconded by Padilla 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:

Walter Cress Fernando Lozano Sherry Marquand Rick Breland

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 §54957 – Personnel Matter, Public Employment: Retirement Administrator.

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

8. Announcement of Closed Session Actions:

The Board discussed but took no action on the disability retirement applications of Walter Cress, Sherry Marquand and Fernando Lozano.

MOTION by Flammang and Seconded by Yarnall, the Board granted the service connected disability retirement of Rick Breland by a roll call vote of 9-0.

The Board discussed but took no action on the WorldCom, Inc. Securities Litigation matter.

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

The Board discussed and gave direction to staff regarding the hiring of a Retirement Administrator.

CONSENT AGENDA

9. BUDGET:

- A. Approval of the Board Members in attendance at the 11-7-07 meeting Govt. Code 31580.2 & 31521:

EXTRA HELP

Retirement Board Meeting 11/07/2007 400.00

TOTAL: \$ 400.00

10. Administrative Agenda:

- A. Enrollment Affidavits of New Members (37):
- B. Termination of Membership – Return of Accumulated Contributions (13):
- C. Service Retirement:
- | | | |
|----|-----------------|------------------|
| 1. | Wendy Jensen | General Member |
| | Department: | Social Services |
| | Effective Date: | 10/01/2007 |
| 2. | Grover Webber | General Member |
| | Department: | County Property |
| | Effective Date: | 09/28/2007 |
| 3. | Pearl Fimbres | General Member |
| | Department: | Social Services |
| | Effective Date: | 09/14/2007 |
| 4. | Rosa Alba | General Member |
| | Department: | Deferred/Sheriff |
| | Effective Date: | 10/09/2007 |
- D. 60% Continuance of Service Retirement Allowance per Govt. Code Section 31760.1 & Death Benefit:
- | | | |
|--|-----------------|----------------|
| | Robert A. Flock | General Member |
| | Deceased: | 10/01/2007 |

11. Investment Manager Reports:

- A. Templeton Institutional Funds, Inc. – Performance Summary Report as of September 30, 2007 (1 attachment).
- B. Bradford & Marzec:
1. Bond Market Monthly ending September 2007.
 2. Fixed Income Statement – September 30, 2007.

- C. Dimensional: Quarterly Update for period ending September 30, 2007.
 - D. T. Rowe Price: Investment Report for Quarter Ending September 30. 2007.
12. Upcoming Seminars/Conferences:
- A. Steefel's Third Annual Public Pension Fund Fiduciary Symposium: Negotiating the Legal Landscape. January 10-11, 2008, San Francisco, CA (approximate cost per person \$950.00).
 - B. 20th Annual Public Safety Pension & Benefits Seminar: January 13-16, 2008, Las Vegas, NV (approximate cost per person \$3100.00).
 - C. Dimensional Fund Advisors 2008 Annual Investment Symposium: January 29-31, 2007, Santa Monica, CA (approximate cost per person \$720.00).

OTHER ITEMS

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

Adjournment: Meeting was adjourned at 11:00 a.m. to December 19, 2007 at 8:30 a.m.

JULIE VILLENEUVE, CHAIRMAN

JAMES E. RHODES, SECRETARY