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**Imperial County Employees' Retirement System**

# **BRIEF MINUTES**

**REGULAR MEETING OF THE  
IMPERIAL COUNTY BOARD OF RETIREMENT**

March 19, 2008

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 Vogel at 8:30 a.m.

The Pledge of Allegiance was led by Chairman Vogel.

Roll Call:

**MEMBERS PRESENT:** Karen Vogel, Julie Villeneuve, Robert Williams, James Rhodes, Pat Yarnall, Armando Padilla, Wally Leimgruber

**ALTERNATE PRESENT:** Pompeyo Tabarez

**MEMBERS ABSENT:** Terry Huskey

**MEMBERS ARRIVING AFTER ROLL CALL:** Robert Williams

**LEGAL REPRESENTATIVE:** Linda Tucker, Deputy County Counsel

**CLERK:** Kathleen L. Kubler, Retirement Specialist

**STAFF:** David H. Prince, Retirement Administrator; Regina Rodrigues, Retirement Supervisor; Kayleen Smith, Disability Specialist

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 Villeneuve, Seconded by Yarnall and carried on the unanimous vote of members present, the Board approved the Agenda.

F. Approval of the Consent Agenda.

**MOTION** by Villeneuve, Seconded by Flammang and carried on the unanimous vote of members present, the Board approved the Consent Agenda.

3. Public comments on items that are **NOT** on the Action or Discussion Calendars:

Retirement Administrator, David H. Prince, recognized Barbara McFetridge, Assistant Retirement Administrator, who will retire on the 28<sup>th</sup> of March after over 32 years of service. In appreciation, Ms. McFetridge was presented with a cake and a gift from Chairman Vogel. Board Members expressed their appreciation for her dedication and expertise and recognized the benefits of her time with the Retirement system.

(Breaks: 9:40 – 9:50 a.m., 10:50 – 11:00 a.m.) (Lunch 12:00 – 12:30 p.m.)

#### **ACTION CALENDAR**

4. Approval of the Minutes:

Minutes of February 20, 2008 regular adjourned meeting.

**MOTION** by Yarnall, Seconded by Leimgruber and carried on the unanimous vote of members present, the Board approved the Minutes of the regular meeting of February 20, 2008.

5. Presentation by Custodial Bank, JP Morgan, Gerard Stafford-Smith, Update of Accounting Personnel and Practices:

Mr. Stafford-Smith introduced Kevin M. Isawa, CFA, Manager and Louis Richardson, Accounting Manager who also met the previous day with staff from retirement and the Auditor Department. He explained to the Board that the purpose of their visit was to assist staff by providing an overview of the accounting methodology used by JP Morgan staff as it relates to complex investments.

#### **ALTERNATE BOARD MEMBER TABAREZ ARRIVED AT 9:05 A.M.**

6. Discussion/ Action by Linea Solutions, Inc. of Imperial County Employees' Retirement System (ICERS) Information Technology (IT) Strategy Plan by Akio Tagawa President:

Mr. Tagawa summarized the progress that has been made during the assessment phase of the project. He also discussed priorities, requirements, options and recommendations based on previous experience and interviews with staff.

**MOTION** by Leimgruber, Seconded by Villeneuve and carried by a roll call vote of 8 to 1 (Yes – Yarnall, Rhodes, Leimgruber, Flammang, Padilla, Tabarez, Villeneuve, Vogel; No – Williams), the Board adopted the cost estimate as budgeting information for the Retirement Administrator with the understanding that all final approval for any new expenditure, such as selecting a vendor or consulting firm will require County Counsel review and Board approval.

**BREAK AT 10:03 A.M. RECONVENED AT 10:18 A.M.**

7. Discussion/Action of resolution authorizing the Retirement Administrator to enter into a Memorandum of Understanding with the County of Imperial concerning the County's Internal Revenue Service (IRS) 415(b) replacement plan:

David H. Prince, Retirement Administrator discussed the IRS 415 Replacement Plan with the Board and explained the effects on qualified members, the County and the Retirement System. The cost would be billed to the County as required by law.

**MOTION** by Villeneuve, Seconded by Tabarez and carried on the unanimous vote of members present, the Board approved the resolution authorizing the Retirement Administrator to enter into a Memorandum of Understanding with the County of Imperial to determine the Retirement System's responsibilities with regard to the IRS 415 Plan.

8. Update and recommendation by Retirement Administrator regarding available Retirement office space:

David H. Prince, Retirement Administrator, reviewed the options outlined by American Realty and reported on the continuing efforts being taken to find a new site to relocate the Retirement System staff and operations.

Board Members Williams and Flammang volunteered to participate as a committee with Mr. Prince. They will visit potential sites, assess options and report the findings as they develop to the Board of Retirement.

9. State Association of County Retirement Systems (SACRS) 2008 Spring Conference May 13-16, 2008:

- A. SACRS Voting Proxy Form:

**MOTION** by Villeneuve, Seconded by Flammang and carried on the unanimous vote of members present, the Board voted to authorize Board Chairman Vogel as Delegate and Safety Board Member Padilla as the Alternate, to vote as "informed but not instructed" representatives acting on behalf of the Retirement System at the upcoming SACRS Spring Conference in Sacramento.

- B. SACRS Board of Director Elections – Recommended Ballot:

The Board discussed the recommendations regarding this item.

## 10. Presentation of Undistributed Earnings Policy by Retirement Administrator:

## A. Annual Review of Policy:

David H. Prince, Retirement Administrator discussed the Board's obligation to review the policy annually. No changes to the policy were made at this time.

**MOTION** by Flammang, Seconded by Yarnall and carried on the unanimous vote of members present, the Board agreed to reaffirm the existing Undistributed Earnings Policy.

## B. Recommendation as to the distributing of Undistributed Earnings:

David H. Prince, Retirement Administrator, reviewed the reserve accounts with the Board and discussed recommended transfer amounts determined by the Annual Actuarial Study. These transfer amounts would refill the reserves enough to comply with state requirements and Board policy

**MOTION** by Williams, Seconded by Tabarez and carried on the unanimous vote of members present, the Board approved to transfer an additional \$1.38 million into the Contingency Reserve.

Alternate Safety Member Tabarez recommended transferring \$3 million into the General Members Enhanced Employee Benefits Reserve Account from the Unallocated Reserve Account in order to enhance the existing cushion to offset possible increases to contribution rates for General Members.

**MOTION** by Tabarez, Seconded by Villeneuve and carried by a roll vote of 5 to 4 (Yes – Yarnall, Padilla, Villeneuve, Vogel, Tabarez; No – Rhodes, Leimgruber, Flammang, Williams), the Board voted to transfer \$3 million into the General Members Enhanced Employee Benefits Reserve Account from the Unallocated Reserve.

**DISCUSSION CALENDAR**

*Item 11 is for discussion only; Items requiring action will be placed on a future agenda.*

## 11. Reports/Correspondence/Announcements:

## Retirement Administrator/Staff:

1. Market Value Graph from 07-01-07 through 02-29-08, as presented by Retirement Administrator, David H. Prince:

The period activity was discussed with the Board.

2. Book vs. Market Summary as of 02-29-08, as presented by Retirement Administrator, David H. Prince:

The period activity was discussed with the Board.

3. SACRS 2008 Spring Conference: AB 1234 Ethics Training, May 13, 2008:

David H. Prince, Retirement Administrator, also advised the Board of other options available for training provided by the County. A schedule would be provided when it becomes available.

4. SACRS Ad-Hoc CEO Review Committee:

Board Member Williams expressed interest in serving on the committee. Direction was given to staff to advise SACRS of Board Member Williams' interest.

5. Update on Retro-Active Cost of Living Adjustment (COLA) for qualifying Retirees.

David H. Prince, Retirement Administrator, advised the Board that this item would be presented to the Board of Supervisors at their April 1<sup>st</sup> meeting.

6. Update on Class Action Claims filed by attorney firm of Schiffrin, Barroway.

David H. Prince, Retirement Administrator praised the efficiency of the firm as evidenced by the 43 claims that have or will have been filed in the next three months on behalf of the retirement system.

### CLOSED SESSION

12. Convene into Closed Session:

**MOTION** by Villeneuve, Seconded by Yarnall 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	Sherry Marquand	Donna Shipman
Jorge Lopez	Richard Peterson	Guillermina Robles

- B. 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).

- C. Government Code §54956.9 (a) – Conference with Legal Counsel of Existing Litigation, In re WorldCom, Inc. Securities Litigation, United States District Court, Case No. 2 Civ. 3288 (DLC).

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

13. Announcement of Closed Session Actions:

The Board discussed but took no action on the disability retirement applications of Walter Cress, Sherry Marquand, Richard Peterson and Guillermina Robles.

The application of Donna Shipman for non-service connected disability retirement was granted administratively by a vote of 8 to 0 with 1 abstention (Yes – Rhodes, Leimgruber, Flammang, Williams, Padilla, Villeneuve, Tabarez and Vogel; No – None; Abstention: Yarnall).

The application of Jorge Lopez for non-service connected disability retirement was granted administratively by a vote of 9 to 0 (Yes – Yarnall, Rhodes, Leimgruber, Flammang, Williams, Padilla, Villeneuve, Tabarez and Vogel; No – None).

The Board gave direction to staff on the WorldCom litigation matter.

The Board held no discussion on the Jarden Corp. Securities litigation matter.

**CONSENT AGENDA**

14. BUDGET:

Approval of the following Budget claims for the 2007-2008 Regular Retirement Budget and Disability Retirement Budget and include Board Members in attendance at the 03-19-08 meeting Govt. Code 31580.2 & 3152:

1. REGULAR BUDGET:

PERMANENT SALARIES	
Regular Salaries	\$18,088.77
EXTRA HELP	6,623.97
BILINGUAL PAY	30.00
SOCIAL SECURITY	191.97
SPECIAL TRAINING	
Regina Rodrigues	37.00
Kathleen L. Kubler	54.00
Kayleen Smith	37.00
Sharon Edwards	37.00
Angie Hardaway	37.00
SACRS 2007 Fall Conference Reimbursement	(202.11)
COUNTY CONTR RETIREMENT	1,728.25
GROUP INSURANCE	2,508.10
INS DENTAL/VISION	25.54
RETIREMENT PENSION BOND	1,098.76
RETIREMENT HEALTH PLAN	830.58
INS – VOLUNTARY LIFE	12.40

REGULAR BUDGET (continued)

OFFICE EXPENSE	
Office Depot	474.94
Retirement Cake	19.99
Plaque	17.72
Mail charges	1,003.55
ICARE Dues	560.00
OVERHEAD REIMBURSEMENT	3,500.00
CAPITAL EQUIPMENT	
Furniture Resources-workstation	4,697.66
Over-limit Fee	39.00
EXTRA HELP	
Retirement Board Meeting 03/19/2008	400.00
	<b>SUBTOTAL: \$ 41,851.09</b>

2. DISABILITY BUDGET:

PROFESSIONAL SERVICES	
Crowell & Moring LLP – Attorney Steve Rice	582.20
MSLA, A Medical Corp., Dr. Bedrin – Med. Eval.	850.00
MSLA, A Medical Corp., Dr. Bedrin – Med. Eval.	800.00
TRAVEL Out of County	
Mileage Reimbursement – Richard Peterson	120.19
	<b>SUBTOTAL: \$ 2,352.39</b>

**TOTAL: \$ 44,203.48**

15. Administrative Agenda:

A. Enrollment Affidavits of New Members (34):

B. Termination of Membership – Return of Accumulated Contributions (16):

C. Deferred Membership:

- |    |  |   |
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| 1. | Carrie Jones<br>Department:<br>Effective Date:         | General Member<br>Social Services<br>01/23/2008 |
| 2. | Jeffrey Cox<br>Department:<br>Effective Date:          | General Member<br>County Counsel<br>11/23/2008  |
| 3. | Emma Thomas Williams<br>Department:<br>Effective Date: | General Member<br>Public Health<br>02/05/2008   |

4.	Beatriz Ortega Department: Effective Date:	General Member Social Services 02/01/2008
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D. Buyback Make-Up:

1.	Jenne Golden Department:	General Member Behavioral Health
2.	Robert Brown Department:	General Member District Attorney
3.	Iris Montes Department:	General Member Social Services
4.	Norma Ruiz Department:	General Member Assessor
5.	Lorenza Carpenter Department:	General Member Library

E. Return of contribution and payment of salary death benefit per Govt. Code Section 31781:

Jenny R. Cortez Deceased:	General Member 01/23/2008
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F. 60% Continuance of Service Retirement Allowance per Govt. Code Section 31760.1 & Death Benefit:

Bruno Giannini Deceased:	General Member 01/29/2008
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16. Upcoming Seminars/Conferences:

April 23 – 25, 2008	<u>Institutional Investor Institute and Hedge Fund Institutional Forum</u> , Ritz-Carlton Hotel, New Orleans, LA
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**OTHER ITEMS**

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

**Adjournment:** Meeting was adjourned at 12:25 p.m. to April 16, 2008 at 8:30 a.m.