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**Imperial County Employees' Retirement System**

# **BRIEF MINUTES**

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

September 17, 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 8:35 a.m.

The Pledge of Allegiance was led by Chairman Vogel.

Roll Call:

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

**MEMBERS ABSENT:** None

**MEMBERS ARRIVING AFTER ROLL CALL:** Pat Yarnall

**ALTERNATE PRESENT:** None

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

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

**STAFF:** David H. Prince, Retirement Administrator

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 Williams 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: None

(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 August 20, 2008 regular adjourned meeting:

**MOTION** by Villeneuve, Seconded by Flammang and carried on the unanimous vote of members present, the Board approved the Minutes of the August 20, 2008 regular adjourned meeting.

#### CLOSED SESSION

5. Convene into Closed Session:

**MOTION** by Villeneuve, Seconded by Yarnall and carried on the unanimous vote of members present, the Board convened into Closed Session.

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

Elizabeth Castro    Guillermina Robles    Charles Land

**MOTION** by Flammang, Seconded by Huskey and carried on the unanimous vote of members present, the Board reconvened into Open Session.

**ACTION CALENDAR (Cont.)**

## 6. Announcement of Closed Session Actions:

The Board discussed but took no action regarding the disability retirement applications of Elizabeth Castro and Guillermina Robles.

The Board administratively denied the Service Connected Disability Retirement application of Charles Land by a unanimous vote of members present.

The Board discussed and gave direction to staff regarding the Jarden Corp. Securities litigation matter.

## 7. Action/Discussion of securities litigation claims filed by Schiffrin, Barroway, Topaz &amp; Kessler, LLP, by Darren J. Check, Esquire:

Mr. Darren J. Check and Mr. Gregory M. Castaldo, Esquires, presented a background of their firm and discussed the current litigation claim regarding Jarden Corp. with the Board.

**BOARD MEMBER YARNALL ARRIVED AT 9:55 A.M.****BREAK AT 9:50 A.M. RECONVENED AT 10:00 A.M.**

## 8. Presentation by Investment Consultant, Wurts Associates, Scott J. Whalen, Executive Vice President, Senior Consultant, Overview of search for Fixed Income Manager:

## A. Presentations by Fixed Income Manager Candidates:

## 1. Pacific Investment Management Company (PIMCO), Scott Martin, Portfolio Manager and Mark Romano, Portfolio Manager:

Mr. Martin and Mr. Romano discussed PIMCO's fixed income expertise and record of performance with the Board. Based on ICERS objectives and requirements, they provided a review of PIMCO's core plus style of bond management, Total Return Fund, and strong performance history.

## 2. Goldman Sachs, Michael P. Keough, Vice President:

Michael P. Keough, Vice President, Public Funds Relationship Management, and Michael R. Smith, Portfolio Specialist, presented an overview of the extensive scope of assets managed worldwide by Goldman Sachs. Concentrating on the fixed income asset class, they discussed risk management, their investment strategy and perspectives, range of products and resources.

**BREAK AT 11:20 A.M. RECONVENED AT 11:30 A.M.**

3. Bradford & Marzec, Zee Marzec, Principal, Senior Portfolio Manager and Graham Allen, Portfolio Manager:

Ms. Marzec and Mr. Allen reviewed the history and services provided to ICERS as its current, fixed income manager. They discussed the volatile investing environments, their asset management approach, and assured the Board of their confidence for strong long term performance.

The Board Members were polled for their input and opinions. Mr. Whalen and David H. Prince, Retirement Administrator, reviewed the candidates' presentations and addressed the Board's concerns.

**MOTION** by Williams, Seconded by Flammang and carried by the unanimous vote of members present, the Board agreed to reduce 50% of the fixed income assets now managed by Bradford & Marzec and allocate those funds to PIMCO for fixed income management. A caveat to the Motion directs the Investment Consultant, Wurts Associates, to provide an additional assessment of the PIMCO Unconstrained Bond Fund to the Board.

9. Adoption of Recommendation by the Pension Administration Computer System (PAS) selection committee in reference to the two finalists recommended for the trial phase of the PAS project:

**MOTION** by Leimgruber, Seconded by Flammang and carried by the unanimous vote of members present, the Board adopted the recommendation by the Pension Administration Computer System (PAS) Selection Committee, to select James Evans and Associates, Ltd. (JEA) and Tyler Technologies to participate in the trial phase of the PAS project.

#### DISCUSSION CALENDAR

10. Reports/Correspondence/Announcements of Officers:

A. Retirement Administrator:

1. Book vs. Market Summaries as of August 31, 2008:

David H. Prince, Retirement Administrator, reviewed the period activity with the Board.

2. Update on 1221 State Street El Centro, Ca. property:

David H. Prince, Retirement Administrator, advised the Board that escrow has closed on the property. Utilities and other building maintenance services have been contracted, and rent has been received from the previous owners who are still occupying the building.

Mr. Prince gave a status report on the remodeling of the building and took direction from the Board. He also reported that the vendors, chosen to compete in the trial phase to develop the new pension computer system, would be using the new building starting Tuesday, September 23, 2008.

**BOARD MEMBER FLAMMANG LEFT AT 12:55 P.M.**

3. Correspondence from State Association of County Retirement System in response to letter from American Academy of Actuaries to Public Interest Committee:

David H. Prince, Retirement Administrator, discussed the correspondence with the Board.

4. Year End Managers' Report:

David H. Prince, Retirement Administrator, reviewed the income and expense report for 2007-2008 with the Board.

B. County Counsel:

Discussion of Litigation: County of Santa Barbara vs. Santa Barbara County Employees' Retirement System:

Deputy County Counsel, Linda Tucker reviewed the litigation matter with the Board.

### CONSENT AGENDA

11. BUDGET:

Approval of the following Budget claims for the 2008-2009 Regular Retirement Budgets and Disability Retirement Budgets and to include Board Members in attendance at the 09-17-08 meeting, Govt. Code 31580.2 & 31521:

A. REGULAR BUDGET 2008/2009:

REGULAR SALARIES	\$ 16,849.51
EXTRA HELP	9,313.06
BILINGUAL PAY	30.00
SOCIAL SECURITY-MEDICARE	373.24
SPECIAL TRAINING	
CALAPRS Mgt.Trng. 08/13-14/08 Exp. Reimb. RR	177.10
COUNTY CONTRIBUTION RETIREMENT	1,971.47
GROUP INSURANCE	2,469.66
INS DENTAL/VISION	25.54
RETIREMENT-PENSION BOND	1,075.34
RETIREMENT-HEALTH PLAN	857.42
COMMUNICATIONS	
Telephone Charges for July 2008	48.13
Telephone Extensions	23.45
MAINTENANCE-EQUIPMENT	31.33

## REGULAR BUDGET (continued)

## OFFICE EXPENSE

PS Jobs Classified Ad	119.00
Falcon Associated Classified Ad	75.00
Ntl. Associated Classified Ad	400.00
The Desert Sun Classified Ad	335.00
CSAC Classified Ad	40.00
Office Depot	379.22
Mail Charges for July 2008	502.28
Facilities Mgt. work to ICERS Entrance	41.98
OVERHEAD REIMBURSEMENT	11,166.66

**SUBTOTAL: \$ 46,304.39**

## EXTRA HELP

Retirement Board Meeting of 09/17/2008	\$ 400.00
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## B. DISABILITY BUDGET

## PROFESSIONAL &amp; SPECIAL SERVICES

Medical Evaluation of Elizabeth Castro	850.00
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**TOTAL: \$ 47.55439**

## 16. Administrative Agenda:

- A. Enrollment Affidavits of New Members (15):
- B. Termination of Membership – Return of Accumulated Contributions (7)
- C. Final Payment of Non-Service Connected Disability Retirement Allowance per Govt. Code Section 31760.1 & Death Benefit:

Ercilia Angulo	General Member
Deceased:	08/06/2008

## 17. Upcoming Seminars/Conferences:

Public Fund Boards Forum:	December 13-16, 2008, Westin St. Francis, San Francisco, CA
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**OTHER ITEMS**

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

**Adjournment:** Meeting was adjourned at 1:10 p.m. to October 15, 2008 at 8:30 a.m.

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KAREN VOGEL, CHAIRMAN

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ARMANDO PADILLA, SECRETARY