

DAVID H. PRINCE
RETIREMENT ADMINISTRATOR
940 W. Main Street, Suite 105
El Centro, CA 92243

KATHLEEN L. KUBLER
CLERK OF THE BOARD

Tel. (760) 482-4483
Fax (760) 482-4494
icers@imperialcounty.net
www.icers.info



Imperial County Employees' Retirement System

BRIEF MINUTES

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

October 15, 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 Vice-Chairman Huskey at 8:35 a.m.

The Pledge of Allegiance was led by Vice-Chairman Huskey.

Roll Call:

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

MEMBERS ABSENT: Karen Vogel, Pat Yarnall

MEMBERS ARRIVING AFTER ROLL CALL: None

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

The Board directed staff to provide periodic budget activity reports on future Agendas for the newly formed ICERS 1221 State Street, Corporation.

- D. Emergency Items added:

MOTION by Leimgruber, Seconded by Villeneuve and carried on the unanimous vote of members present, the Board approved an addition to the Action Calendar as Emergency Item, pertaining to the PIMCO Distressed Mortgage Fund II offering.

- E. Approval of the Agenda:

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

- F. Approval of the Consent Agenda:

A correction to the Consent Agenda was noted to correct the Budget year from 2007/2008 to 2008/2009.

MOTION by Williams, Seconded by Flammang and carried on the unanimous vote of members present, the Board approved the Consent Agenda with corrections.

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

Richard A. White, President of the State Association of California Retirement Systems (SACRS), introduced himself to the Board and gave a brief overview of the issues, concerns, and plans that may be affecting the retirement systems in California as well as around the nation. He also extended an invitation to the Board to participate in this year's SACRS Fall Conference, which will be held in Costa Mesa, CA, from November 11-14, 2008.

ACTION CALENDAR

4. Approval of the Minutes:

Minutes of September 17, 2008 regular adjourned meeting:

David H. Prince, Retirement Administrator, noted a correction to reword an item regarding the presentation by Schiffrin, Barroway, Topaz & Kessler, LLP.

MOTION by Flammang, Seconded by Villeneuve and carried on the unanimous vote of members present, the Board approved the Minutes of the September 17, 2008 regular adjourned meeting, as amended.

5. Wurts Associates: Investing Consulting Agreement Extension:

MOTION by Leimgruber, Seconded by Villeneuve and carried on the unanimous vote of members present, the Board approved the extension of the Investment Consulting Agreement with Wurts Associates.

6. Discussion/Action: State Association of County Retirement Systems (SACRS) Voting Proxy for upcoming SACRS Conference, November 11-14, 2008, in Costa Mesa, CA:

MOTION by Villeneuve, Seconded by Williams and carried on the unanimous vote of members present, the Board appointed Karen Vogel as the Voting Delegate, and Terry Huskey as the Alternate Voting Delegate, to vote on behalf of the County Retirement System at the upcoming SACRS Conference.

7. Discussion/Action: SACRS 2009 proposed legislation:

MOTION by Villeneuve, Seconded by Leimgruber and carried on the unanimous vote of members present, the Board appointed Karen Vogel and Terry Huskey, Alternate, to vote as informed but uninstructed representatives, pertaining to proposed SACRS 2009 legislation, on behalf of the County Retirement System at the upcoming SACRS Conference.

8. Discussion/Action: PIMCO Distressed Mortgage Fund II Offering:

MOTION by Leimgruber, Seconded by Flammang and carried by a roll call vote of 5 to 2 (Yes – Villeneuve, Leimgruber, Flammang, Padilla, Huskey; No – Williams, Rhodes), the Board voted not to invest an additional \$5 million into the PIMCO Distressed Mortgage Fund II Offering.

DISCUSSION CALENDAR

9. Reports/Correspondence/Announcements of Officers:

A. Retirement Administrator:

1. Book vs. Market Summary as of September 30, 2008:

David H. Prince, Retirement Administrator discussed with the Board, the current period and market activity, as well as input he has received from the system's investment consultant and asset managers.

2. Review of Securities Lending Program:

Mr. Prince explained the Security Lending Program, the retirement systems' involvement and current standing, as well as JP Morgan's plan and strategy.

BREAK AT 10:05 A.M. RECONVENED AT 10:15 A.M.

3. Update on SACRS letter to the Public Interest Committee of the American Academy of Actuaries:

Mr. Prince discussed SACRS' concerns and opposition to the proposed changes to the use of market value liabilities (MVL) in context of public pension plans.

4. Update on SACRS & California Association of Public Retirement Systems (CALAPRS) meeting with the Internal Revenue Service (IRS) concerning IRS Determination Letter for Public Pension Systems:

Mr. Prince reviewed the summary of the retirement system's tax attorney's discussions held with the Internal Revenue Service (IRS) to date. He also advised the Board that a Plan Document for ICERS is being prepared to accompany the filing for an IRS determination letter.

5. Update on Imperial County Employees' Retirement System (ICERS) Pension Administration System (PAS) Trial Phase.

Mr. Prince advised the Board that the project is on schedule and that Linea staff, both competing vendors, the selection committee, and ICERS staff, are continuing to work diligently to complete this phase of the project. Mr. Prince also commended ICERS staff for their efforts and dedication to maintain their daily operations while meeting the demands of implementing the new computer system.

6. Update: ICERS 1221 State Street, El Centro, CA Corp. property:

Mr. Prince reviewed the ongoing developments in progress to remodel the building and establish accounting and property management for the corporation.

7. SACRS Fall Conference information and invitations:

The Board members who will be attending the conference in November were provided with packets containing registration and hotel confirmation details.

CLOSED SESSION

10. Convene into Closed Session:

MOTION by Villeneuve, Seconded by Flammang 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 of Existing Litigation regarding disability retirement applications relating to the following:

Guillermina Robles Charles Land

- 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).

OPEN SESSION

11. Announcement of Closed Session Actions:

The Board discussed but took no action on the disability retirement applications of Guillermina Robles and Charles Land.

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

CONSENT AGENDA

12. BUDGET:

Approval of the following Budget claims for the 2008-2009 Regular Retirement Budget and Disability Retirement Budget and to include Board Members in attendance at the 10-15-08 meeting, Govt. Code 31580.2 & 31521:

- A. REGULAR BUDGET 2008/2009:

REGULAR SALARIES	\$ 15,104.03
EXTRA HELP	9,774.20
BILINGUAL PAY	30.00
OVERTIME	352.59
SOCIAL SECURITY-MEDICARE	359.73
SPECIAL TRAINING	
CALAPRS Adm. Institute Airfare	201.00
Susan Moler-CALAPRS IT Rnd Tbl 09/11-12/08	260.02
Juan Ridaura-CALAPRS IT Rnd Tbl 09/11-12/08	50.00
Kayleen Smith-CALAPRS Ben/Dsblty Trng. 09/11-12/08	75.00
COUNTY CONTRIBUTION RETIREMENT	1,767.60
GROUP INSURANCE	2,469.66
INS DENTAL/VISION	25.54
RETIREMENT-PENSION BOND	964.14
RETIREMENT-HEALTH PLAN	768.75
COMMUNICATIONS	
Phone Charges for August 2008	67.86
Services for August 2008	31.49
MAINTENANCE & EQUIPMENT	
Police & Fire Alarms May 2008 – June 2009	894.50
OFFICE EXPENSE	
Visible 1099Rs & Monster.com Asst. Ret. Adm. Posting	736.51
Office Depot	276.90
Facilities Mgt. Monthly Charges for August 2008	67.36
Office Supply	71.10
Mail Room Charges for August 2008	474.00

REGULAR BUDGET (continued)

PROFESSIONAL & SPECIAL SERVICES

PRO Record Storage	70.37
The Berwyn Group	193.00
OVERHEAD REIMBURSEMENT Correction for Sept. 2008	-666.66
EXTRA HELP	
Retirement Board Meeting of 10/15/08	400.00

B. DISABILITY BUDGET:

TRAVEL OUT OF COUNTY – E. Castro Mileage Reimb.	14.14
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TOTAL: \$ 34,832.83

13. Administrative Agenda:

A. Enrollment Affidavits of New Members (16):

B. Termination of Membership – Return of Accumulated Contributions (4)

C. Service Retirement:

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| 1. | Frederick A. Nippins
Department:
Effective Date: | Safety Member
Fire Department
August 15, 2008 |
| 2. | Henry Proo
Department:
Effective Date: | Safety Member
Sheriff
August 15, 2008 |
| 3. | Robertta Burns
Department:
Effective Date: | General Members
Executive Office
August 1, 2008 |
| 4. | Leonila Moran
Department:
Effective Date: | Safety Member's Spouse
Sheriff
July 15, 2008 |
| 5. | Paul M. Roberts
Department:
Effective Date: | Safety Member/Intersystem
Sheriff
September 13, 2008 |

D. Return of contributions and payment of salary death benefit per Govt. Code Section 31781:

Irene Rios Deceased:	Safety Member August 13, 2008
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E. Extra Help Buyback Lump Sum:

Juan Salazar
Department:

General Member
Public Health

F. Deferred Membership:

1. James Johnson
Department:
Effective:

General Member
Public Defender
July 26, 2008

2. Sergio Arteaga
Department:
Effective:

Safety Member
Probation
August 23, 2008

G. Intersystem:

Carla Y. Arguilez
Department:
Effective:

General Member
Superior Court
July 26, 2008

14. Investment Manager Reports:

A Message From Bradford & Marzec

OTHER ITEMS

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

Adjournment: Meeting was adjourned at 11:05 p.m. to November 19, 2008 at 8:30 a.m.

KAREN VOGEL, CHAIRMAN

ARMANDO PADILLA, SECRETARY