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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**

February 18, 2009

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 8:32 a.m.

The Pledge of Allegiance was led by Chairman Villeneuve.

MEMBERS PRESENT: Karen Vogel, Julie Villeneuve, Jack Terrazas, Becky Flammang, Robert Williams, Herbert Bumgart, Terry Huskey, James E. Rhodes

MEMBERS ABSENT: None

MEMBERS ARRIVING AFTER ROLL CALL: None

ALTERNATES PRESENT: Pompeyo Tabarez, Charles L. Jernigan

LEGAL REPRESENTATIVE: Linda Tucker, Deputy County Counsel

CLERK: Kathleen L. Kubler, Retirement Specialist

STAFF: David H. Prince, Retirement Administrator, Kayleen Smith, Retirement 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:

A request by Board Member Huskey to move Consent Agenda Item 13, Budget, to the Action Calendar, was granted by Chairman Villeneuve.

MOTION by Vogel, Seconded by Flammang, and carried on the unanimous vote of members present, the Agenda was approved as amended.

F. Approval of the Consent Agenda:

MOTION by Flammang, Seconded by Vogel, and carried on the unanimous vote of members present, the Consent Agenda was approved, as amended.

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

4. Approval of the Minutes:

Minutes of January 21, 2009 regular adjourned meeting.

MOTION by Huskey, Seconded by Williams, and carried on the unanimous vote of members present, the Board approved the Minutes of January 21, 2009 regular adjourned meeting.

5. Presentation by Investment Managers:

A. Bradford & Marzec: Zelda Marzec, Managing Partner and N. Graham Allen, Principal, International Portfolio Manager & Strategist:

Investment Manager Review:

Ms. Marzec and Mr. Allen reviewed the firm's background and relationship with ICERS. They discussed the fixed income activity in 2008, strategy characteristics and the outlook for 2009 according to the Barclays Aggregate Index.

B. Pacific Investment Management Company, LLC (PIMCO) Distressed Mortgage Fund: Scott W. Martin, Senior Vice President:

Mr. Martin discussed the portfolio activity and the quarterly report as of December 31, 2008 with the Board.

BREAK AT 9:35 A.M. RECONVENED AT 9:45 A.M.

6. Presentation by Investment Consultant, Wurts & Associates, Scott J. Whalen, Senior Consultant:

- A. Investment Quarterly Performance Review as of December 31, 2008.

Mr. Whalen reviewed the asset portfolio's historical and recent activity for the third quarter of 2008 and discussed the resulting impact of the ongoing economic downturn with the Board.

**SCHEDULED HEARING
10:00 A.M.**

7. Conduct a public hearing regarding the adoption of a Conflict of Interest Code as required by the California Political Reform Act:

Upon presentation by Deputy County Counsel, Linda Tucker, and after receiving no public comments, the Board agreed to the following action:

MOTION by Williams, Seconded by Huskey, and amended by Flammang, by a unanimous vote of members present, the board adopted the proposed Conflict of Interest Code with the addition of a designated employee of "Legal Counsel," and directed staff to take it to the County Board of Supervisors for approval.

8. Presentation by Investment Consultant, Wurts & Associates, and Scott J. Whalen, Senior Consultant (continued):

- B. Update regarding PIMCO Fixed Income Investment:

Mr. Whalen reported on the securities asset transfer from Bradford & Marzec to PIMCO Total Return Fund directed by the Board at the January 21, 2009 regular meeting.

- C. Update regarding portfolio rebalancing:

Mr. Prince and Mr. Whalen discussed the current asset allocation with the Board and suggested reconsidering the strategic mix and policy targets.

After discussing and reviewing the asset mix and its performance, the Board gave direction to staff to prepare for a reasonable implementation schedule to rebalance the portfolio.

The Board granted a request by Retirement Administrator, David H. Prince, with the following action:

MOTION by Huskey, Seconded by Yarnall and carried on the unanimous vote of members present, the Board agreed to move the agenda's Closed Session to this time.

MOTION by Flammang, Seconded by Huskey and carried on the unanimous vote of members present, the Board convened into Closed Session.

CLOSED SESSION

9. 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.

Guillermina Robles Rosendo Garcia Gerardo Anaya
 - 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 (b) (1) Conference with legal counsel, potential litigation.

OPEN SESSION

10. Announcement of Closed Session Action:

Kayleen Smith, Retirement Specialist, announced the following:

The Board discussed but took no action on the disability retirement applications of Guillermina Robles, Rosendo Garcia and Gerardo Anaya.

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

LUNCH 12:15 P.M. TO 12:45 P.M.

- Linda Tucker, Deputy County Counsel, announced the following:
- The Board gave direction to staff regarding the potential litigation matter.
11. Presentation by Retirement Administrator, David H. Prince: Actuarial cost study to adopt resolution regarding the annual retiree Cost of Living Adjustment (COLA) in accordance with Govt. Code Section 31870:

MOTION by Flammang, Seconded by Yarnall and carried by a unanimous vote of members present, the Board adopted the Actuarial Valuation Study for June 30, 2008.

MOTION by Flammang, Seconded by Huskey and carried by a unanimous vote of members present, the Board adopted the 2009 Cost of Living Adjustment (COLA) Resolution.

12. State Association of County Retirement Systems (SACRS) 2009 Spring Conference: Voting Proxy for 2009 Spring Conference, May 12-15, 2009, San Francisco, CA:

MOTION Flammang, Seconded by Huskey and carried on the unanimous vote of members present, the Board elected Chairman Villeneuve as the Voting Delegate and Board Member, Robert W. Williams, as the Alternate, for the SACRS Spring Conference, May 12-15, 2009 in San Francisco, CA.

13. BUDGET:

Approval of the following Budget claims for the 2008-2009 Regular Retirement Budget and to include Board Members in attendance at the 02/18/09 meeting, Govt. Code 31580.2 & 31521:

PERMANENT SALARIES	
Regular Salaries	\$ 15,307.05
EXTRA HELP	7,216.45
BILINGUAL PAY	30.00
SOCIAL SECURITY – MEDICARE	321.47
SPECIAL TRAINING	
Correction to mileage reimbursement	-373.98
SACRS Fall Conference hotel chrgs (DP, LT)	1,284.72
JEA Due Diligence Airfare to Seattle (RR, SM)	592.00
Imp. Co. Fleet Services-Out of town Due Diligence Dec. 2008	10.60
COUNTY CONTRIBUTION	1,791.32
INS-WORKERS' COMP	416.91
INS-UNEMPLOYMENT	140.08
GROUP INSURANCE	2,469.66
INS-DENTAL/VISION	25.54
RETIREMENT-PENSION BOND	977.08
RETIREMENT-HEALTH PLAN	779.07
COMMUNICATIONS-Phone Charges for Dec. 2008	68.34
COMMUNICATIONS-Services for Dec. 2008	75.40
INSURANCE-LIABILITY	152.00
MEMBERSHIPS	
CALAPRS Dues for 2009	500.00
OFFICE EXPENSE	
Reimbursement for mail charges for Dec. 2008	-252.69
Staples-office supplies	74.32
Imperial Printers-ICARE Newsletter	227.98
Mailroom Charges for December 2008	760.91
Office Supply-Journal paper	105.57
Office Depot	862.41
PROFESSIONAL & SPECIAL SERVICE	
PRO Record Storage and Shredding, Inc.-Monthly storage fees	217.32
Journal entry correction-Hanson & Bridgett, LLP	128.28
OVERHEAD REIMBURSEMENT	
January 2009 (LT)	3,500.00
ICERS rent for Dec. 2008	4,904.27
TRAVEL-In County Private Car – Retirement Board Mileage Jun-Dec 2008	373.98

BUDGET (continued)

TRAVEL-Out of County Misc. (RR)	120.40
EXTRA HELP	
Retirement Board Meeting of 02/18/09	500.00
TOTAL:	\$ 43,306.46

David H. Prince, Retirement Administrator, discussed the retirement system expenses with the Board and addressed Board Member Huskey's concern regarding the expense for the Imperial County Association of Retired Employees (ICARE) Newsletter. Mr. Prince explained that the newsletter cost is deducted from the annual ICARE allotment of \$5,000.

DISCUSSION CALENDAR

14. Reports/Correspondence/Announcements:

A. Retirement Administrator:

1. Book vs. Market Summary as of January 31, 2009:

David H. Prince, Retirement Administrator, discussed the period activity during the presentation by the investment consultant.

2. Update on ICERS Pension Administration System (PAS) implementation:

Mr. Prince reported that staff and the PAS consultants are continuing their sessions to develop the new program.

3. Update on new ICERS office remodel project at 1221 State Street, El Centro, CA:

Mr. Prince reported that demolition had begun on the building and that the remodeling was expected to be completed by mid-April.

B. Board Members:

Announcement by Chairman Villeneuve: Special Meeting of March 4, 2009 regarding future actuarial valuation reports:

Chairman Villeneuve announced that the Actuary, Segal, would be at the special meeting to conduct an informative workshop regarding the effects of contribution rates, smoothing and the effects on the system asset portfolio. Members are invited to attend.

CONSENT AGENDA

15. Administrative Agenda:

A. Enrollment Affidavits of New Members (18):

B. Termination of Membership – Return of Accumulated Contributions (6)

C. Service Retirement:

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| 1. | Antonio Ramos
Department:
Effective Date: | Safety Member
Probation
12/19/08 |
| 2. | Alex Hinds
Department:
Effective Date: | General Member
Planning/Intersystem
10/16/08 |
| 3. | Delma s. Moreno
Department:
Effective Date: | General Member
Intersystem/OET
11/06/08 |
| 4. | Johanna E. Myre
Department:
Effective Date: | General Member
Intersystem/Social Services
01/06/09 |
| 5. | Dennis James
Department:
Effective Date: | General Member
Deferred/District Attorney
12/19/08 |

D. Buyback: Redeposit – Installments:

Ivonne Rico-Peraza Department:	General Member District Attorney
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E. Buyback: Redeposit – Lump Sum:

Rosalva Guicho (Sanchez) Department:	General Member Human Resources
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F. Buyback: Military – Installments:

Efrain Morales, Jr. Department:	Safety Member Sheriff
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G. Final Payment of Service Retirement Allowance & Death Benefit per Government Code Section 31676.11:

Olaree Milton Deceased:	General Member 01/11/09
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16. Manager Reports:

- A. Dimensional: Quarterly Report for period ending December 31, 2008.
- B. T. Rowe Price: Investment Report for the Quarter Ending December 31, 2009.
- C. Franklin Templeton Institutional: Quarterly Report as of December 31, 2009.
- D. Calamos: Quarterly Performance Report 10/01/2008 – 12/31/2008.
- E. TimesSquare Capital Management, LLC: Quarterly Report as of December 31, 2008.

OTHER ITEMS

Adjournment: Meeting was adjourned at 1:04 p.m. to March 4, 2009 at 8:30 a.m.

JULIE VILLENEUVE, Chairman

JAMES E. RHODES, Secretary