

DAVID H. PRINCE
RETIREMENT ADMINISTRATOR
940 W. Main Street, Suite 103
El Centro, CA 92243

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

KATHLEEN L. KUBLER
CLERK OF THE BOARD



Imperial County Employees' Retirement System

BRIEF MINUTES

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

May 20, 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 Vice Chairman Flammang at 8:30 a.m.

The Pledge of Allegiance was led by Vice Chairman Flammang.

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

MEMBERS ABSENT: Julie Villeneuve

MEMBERS ARRIVING AFTER ROLL CALL: None

ALTERNATES PRESENT: Pompeyo Tabarez, Jr., 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:

Consent Agenda Item 14, Budget, was moved to the Action Calendar, to be heard with Action Item 8, Proposed Administrative Budget.

D. Emergency Items added: None

E. Approval of the Agenda:

MOTION by Vogel, Second by Huskey and carried by the unanimous vote of members present, the Agenda was approved as amended.

F. Approval of the Consent Agenda:

MOTION by Vogel, Second by Huskey and carried by 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
(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 of April 15, 2009 regular adjourned meeting:

A revision to the Motion in Item 6 was discussed and approved by the board as follows:

MOTION by Vogel, Second by Flammang and carried by the unanimous vote of members present, the board approved the transfer of funds from assets to the cash account not to exceed \$5 million, from assets to the cash account.

Revised to:

MOTION by Vogel, Second by Flammang and carried by the unanimous vote of members present, the board approved the transfer of funds from the assets, \$1.5 million from the Barclays TIPS account and \$3.5 million from the Bradford & Marzec account, to the ICERS cash account (not to exceed \$5 million):

MOTION by Terrazas, Second by Vogel and carried by the unanimous vote of members present, the Minutes of the April 15, 2009 regular adjourned meeting were approved as amended.

5. Investment Managers' Presentations:

- A. T. Rowe Price: John Plowright, Vice President, Client Services Executive, Preston Athey, Portfolio Manager, and Josh Nelson, Analyst:

U.S. Small Cap Value I Strategy

Mr. Plowright and Mr. Athey presented an update of the firm's stability, global corporate portfolio management structure and U.S. Small-Cap Value Strategy contributions to the portfolio as of March 31, 2009. Mr. Plowright introduced Josh Nelson, Analyst. Mr. Nelson presented an example of the strategy used for the placement of new companies into the portfolio.

A Total Performance Review of the retirement system's T. Rowe Price account revealed losses due to the effects of the stock market's down turn.

- B. Calamos: Martin Coughlan, CFA, CAIA-SVP, Senior Portfolio Specialist, and Craig Mauri, CFA, CAIA-VP, Director of Consultant Relations:

Calamos Institutional

Mr. Coughlan and Mr. Mauri gave an overview of the company's background, staff, and investment strategy, and reviewed the ICERS account activity for the period ending March 31, 2009.

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

- A. TimesSquare Capital Management Portfolio Review:

Due to unforeseen circumstances, the scheduled performance review investment manager representative was cancelled. A review of the account was included with the report given to the board by Mr. Whalen.

- B. Investment Performance Review Period Ended 03/31/09:

Mr. Whalen reported on the overall performance of targeted asset classes. He discussed economic environments through history, and cited the references made by expert speakers at the recent State Association of County Retirement Systems (SACRS) conference in San Francisco.

C. Discussion: Asset Allocation Review:

Mr. Whalen measured the performance of the asset classes by individual manager and reported on the market value of the portfolio for the period ending March 31, 2009.

Mr. Whalen presented a new asset allocation mix to the board which would add two new assets classes, private equity and commodities. After discussing this issue with the board, Mr. Whalen proposed adopting a new asset mix and the target percentage each would hold in the system portfolio. Mr. Whalen proposed the following:

Domestic Large Cap Equity	24%
Domestic Small-Mid Cap Equity	10%
International Equity	21%
Fixed Income	28%
Alternative Investments	17%

MOTION by Vogel, Second by Tabarez and carried on the unanimous vote of members present, the board agreed to expand the investment portfolio to include private equity and commodities asset classes and to assign the recommended target percentage to each class of investments. Wurts & Associates will conduct the search for viable candidates and present recommendations to the board for their consideration and selection.

BREAK AT 10:43 A.M. RECONVENED AT 10:53 A.M.

D. Term Asset-Backed Securities Loan Facility (TALF):

Mr. Whalen presented an introduction to this investment opportunity which focuses on a partnership between private and public investment.

7. Retirement Administrator and Deputy County Counsel: Action/Discussion of Education and Travel Policy:

Direction was given to staff to review this matter and list it as a Consent Agenda item for the next regular meeting with the revisions discussed.

8. Retirement Administrator: Action/Discussion of Proposed Administrative Budget for 2009-2010 Fiscal Year:

Mr. Prince discussed the structure of the current administrative budget and the proposed budget with the board.

MOTION by Tabarez, Second by Terrazas and carried on the unanimous vote of members present, the board approved the Proposed Administrative Budget for the 2009-2010 Fiscal Year.

MOTION by Huskey, Second by Terrazas and carried on the unanimous vote of members present, the board approved the regular budget claims for April 2009.

BOARD MEMBER RHODES LEFT AT 12:14 P.M.

- 9 Retirement Administrator/County Counsel: Action/Discussion of County Ordinance Section 3.08.190, "Sick Leave." The Board will be requested to no longer include the "cash out" option under this ordinance as part of calculating the employee's final compensation amount:

MOTION by Huskey, Seconded by Vogel and carried on the unanimous vote of members present, the board approved the recommendation by staff to remove the 15% cash out sick leave benefit from the systems list of benefits that are included in Compensation Earnable as outlined on pages 10 and 11 of the current ICERS Benefits Booklet.

10. Retirement Administrator: Action/Discussion of Monthly Preliminary Performance Report:

Mr. Prince discussed the options and cost to provide modifications to the monthly investment report.

The board directed staff to continue providing them with the monthly staff-generated Preliminary Performance Reports.

DISCUSSION CALENDAR

11. Reports/Correspondence/Announcements:

A. Retirement Administrator:

1. Book vs. Market Summary as April 30, 2009:

Mr. Prince advised that the next round of rebalancing is scheduling for June 30, 2009. The Board will give direction at the June meeting pertaining to the continuing rebalancing of the portfolio.

2. Update on portfolio rebalancing:

This item was addressed during the Action Calendar.

3. Update on ICERS Pension Administration System (PAS):

Mr. Prince discussed the updated activities of the ongoing project and praised Linea Solutions for the cost savings realized due to their expertise.

4. Update on remodeling of ICERS new office located at 1221 State Street, El Centro, CA 92243:

The remodeling of the new office headquarters is on schedule and completion is due by the end of May.

A local law firm has begun negotiations for possible lease of the adjoining suite.

5. State Association of County Retirement Systems (SACRS) 2009 Spring Conference:

Mr. Prince discussed the Administrators' Breakout Sessions which focused overall concerns by other counties regarding employer costs and budget constraints.

6. ICERS Corp. Financial Statement:

Mr. Prince discussed the year end fiscal report, December 31, 2008, of the corporation with the board.

B. Board Members:

SACRS 2009 Spring Conference:

Board members discussed the networking sessions favorably.

C. County Counsel:

SACRS 2009 Spring Conference

Ms. Tucker discussed legislation matters offered at the conference.

CLOSED SESSION

MOTION by Vogel, Second by Bumgart and carried on the unanimous vote of members present, the board convened into Closed Session.

12. 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 David Mazon
- 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, Board of Trustees of ICERS v. JPMorgan Chase Bank, U.S. Court District for the Southern District of New York, Case No. 09CV3020
- D. Government Code §54956.8 – Conference with Real Estate property negotiator. Property is located in the 1400 block of Clark Road, El Centro, CA. Party with whom negotiating is County of Imperial
- E. Government Code §54956.9 – Conference with legal counsel of potential litigation:

OPEN SESSION

13. Announcement of Closed Session Action:

The non-service connected disability retirement application of Guillermina Robles was granted administratively by a unanimous roll call of members present.

The board discussed but took no action regarding the disability retirement application of Rosendo Garcia, Gerardo Anaya, or David Mazon.

The board discussed but took no action regarding the Jarden Corp. Securities litigation matter.

The board discussed but took no action regarding the JPMorgan Chase Bank litigation matter.

The board discussed but took no action regarding the matter concerning the property located at the 1400 block of Clark Road.

The board directed staff regarding the matter concerning the conference with legal counsel of potential litigation.

CONSENT AGENDA

Retirement Administrator recommends approval of Items 14 through 17

14. BUDGET:

Approval of the following Budget claims for the 2008-2009 Regular Retirement Budget, and to include Board Members in attendance at the 05/20/09 meeting, Govt. Code 31580.2 & 31521:

PERMANENT SALARIES	\$15,929.10
EXTRA HELP	6,178.53
BILINGUAL PAY	30.00
SOCIAL SECURITY-MEDICARE	315.46
SPECIAL TRAINING	
CALAPRS Gen. Assbly. D. Prince	646.98
CALAPRS Trng. K. Smith – Use of County Vehicle	124.00
CALAPRS Trng. K. Kubler – Expense Reimb.	79.00
CALAPRS Trng. S. Moler – Expense Reimb.	79.00
CALAPRS Trng. R. Rodrigues – Expense Reimb.	79.00
CALAPRS Trng. J. Ridaura – Expense Reimb.	79.00
CALAPRS Trng. Airfare – R. Rodrigues	137.20
CALAPRS Trng. Airfare – K. Kubler	137.20
CALAPRS Trng. Airfare – J. Ridaura	137.20
CALAPRS Trng. Airfare – S. Moler	137.20
SACRS Registration – Linda Tucker	103.00
SACRS Symposium Airfare – D. Prince	208.20
CALAPRS Trng. Baggage Fees- D. Prince	60.00
CALAPRS Trng. Rental Fee – D. Prince	214.61
CALAPRS Trng. Airport Prkg. – D. Prince	56.00
COUNTY CONTRIBUTION	1,863.98
INS-WORKERS COMP	833.82
INS-UNEMPLOYMENT	280.16
GROUP INSURANCE	2,165.46
RETIREMENT-PENSION BOND	1,016.70
RETIREMENT-HEALTH PLAN	810.68
COMMUNICATIONS-PHONE CHARGES	146.12
COMMUNICATIONS-SERVICES	87.03
INSURANCE LIABILITY	304.00
OFFICE EXPENSE	
Office Depot	1,239.08
Imperial Printers-Nameplates: Vogel, Bumgart, Terrazas	87.28
Imperial Printers – Business Cards: R. Williams	44.12
Mail Charges – February 2009	449.17
Ntl. Assoc. of Counties-Asst. Ret. Adm. Classified Ad	200.00
Office Supply	12.05
IV Press-Asst. Ret. Adm. Classified Ad	790.54
OVERHEAD REIMBURSEMENT	
ICERS Corp Rent for April 2009	2,000.00
April 2009 Overhead	3,500.00
TRAVEL OUT OF COUNTY-MISC	
Journal Entry Correction – Use of County Vehicle	(124.00)

Regular Budget (continued)

EXTRA HELP

Retirement Board Meeting of 05/20/09	500.00
--------------------------------------	--------

DISABILITY BUDGET:

PROFESSIONAL & SPECIAL SERVICES

MSLA-Medical Evaluation – R. Garcia	1,562.00
-------------------------------------	----------

TRAVEL OUT OF COUNTY-MISC

G. Anaya: Mileage Reimbursement	131.45
---------------------------------	--------

TOTAL:	\$42,630.32
---------------	--------------------

15. Administrative Agenda:

A. Enrollment Affidavits of New Members (21):

B. Termination of Membership – Return of Accumulated Contributions (5)

C. Service Retirement:

- | | | |
|----|---|--|
| 1. | Sharon M. Housouer
Department:
Effective Date: | Safety Member
Sheriff
03/27/2009 |
| 2. | Patricia J. Yarnall
Department:
Effective Date: | General Member
Behavioral Health
03/27/2009 |
| 3. | Robert Melgarejo
Department:
Effective Date: | General Member
County Properties
03/27/2009 |
| 4. | Jose R. Quiroz
Department:
Effective Date: | General Member
Public Works
03/27/2009 |
| 5. | Margarita Ortega
Department:
Effective Date: | General Member/Deferred
Public Health
03/24/2009 |
| 6. | Theresa Reichle
Department:
Effective Date: | General Member
Public Health
03/20/2009 |

D. Final Payment of Service Retirement Allowance & Death Benefit per Govt. Code Section 31676.11:

Ann Lamitie Deceased:	General Member 01/30/2009
--------------------------	------------------------------

- E. Final Payment of Survivor Non-Service Connected Disability Retirement Allowance per Govt. Code Section 31760.1:

Consuelo Evans	General Member
Deceased:	03/06/2009

- F. Final Payment of Survivor Service Retirement Allowance:

Arthur Campbell	General Member
Deceased:	02/18/2009

- G. Make-Up Buyback:

Adriana Ontiveros	General Member
Department:	Behavioral Health

- H. 60% Continuance of Service Retirement Allowance per Govt. Code Section 31760.1 & Death Benefit:

Valda Blume	General Member
Deceased:	12/23/2008

16. Manager Reports:

- A. Bradford & Marzec: Fixed Income Statement, March 31, 2009
- B. Dimensional: Report as of March 31, 2009
- C. Franklin Templeton Institutional: Portfolio Overview as of March 31, 2009

17. Seminars & Conferences (list available in Retirement office):

Plan Sponsor & Minority Manager 6 th Annual Consortium	June 17-18, 2009 Los Angeles, CA
Robert Toigo Foundation 20 th Annual Gala	June 18, 2009 Los Angeles, CA
Guns & Hoses	September 13-15, 2009 Mission Bay, San Diego, CA

OTHER ITEMS

Adjournment: Meeting was adjourned at _____ p.m.

BECKY FLAMMANG, Vice Chairman

JAMES E. RHODES, Secretary