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ICERS

IMPERIAL COUNTY EMPLOYEES' RETIREMENT SYSTEM

# BRIEF MINUTES

## REGULAR MEETING OF THE IMPERIAL COUNTY BOARD OF RETIREMENT

April 21, 2010

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 Board Member Tabarez.

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

MEMBERS ABSENT: None

MEMBERS ARRIVING AFTER ROLL CALL: Robert W. Williams

ALTERNATES PRESENT: Pompeyo Tabarez, Jr., Charles L. Jernigan

LEGAL REPRESENTATIVE: Linda S. Tucker, Deputy County Counsel

CLERK: Kathleen L. Kubler, Retirement Specialist

STAFF: David H. Prince, Retirement Administrator, Regina Rodrigues, Assistant  
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:

Item 11: Adoption of ICERS Administrative Budget for Fiscal Year 2010-2011 was pulled until the regular meeting of May 19, 2010.

## D. Emergency Items to be added: None

## E. Approval of the Agenda:

**MOTION** by Huskey, Second by Terrazas, and carried by the unanimous vote of members present, the board approved the agenda as modified.

## F. Approval of the Consent Agenda:

**MOTION** by Huskey, Second by Vogel, and carried by 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**ACTION CALENDAR**

## 4. Approval of the Minutes of the March 17, 2010 regular adjourned meeting:

**MOTION** by Huskey, Second by Vogel, and carried by the unanimous vote of members present, the board approved the Minutes of the March 17, 2010 regular adjourned meeting.

## 5. Presentation by Scott J. Whalen, Senior Investment Consultant, Wurts &amp; Associates:

## A. HarbourVest Investment:

Mr. Whalen and the board discussed their concerns and whether to fund the investment account through the Caymans or Delaware.

**MOTION** by Williams, Second by Terrazas, and carried by the unanimous vote of members present, the board directed Mr. Whalen to put in motion the necessary process to switch ICERS investments in HarbourVest from Cayman Funds to Delaware Funds.

## B. Update: Alternative Investments:

Mr. Whalen and the board discussed a broad range of present holdings and prospective investment opportunities and strategies.

**MOTION** by Williams, Second by Flammang, and carried by a roll call vote of 7-2, the board directed Mr. Whalen to make a recommendation, at the next board meeting, on the addition of Mergers and Acquisitions as an asset class for the system.

6. State Association of County Retirement Systems (SACRS) Board of Directors Elections – Recommended Amended Ballot:

**MOTION** by Williams, Second by McDonald and carried by the unanimous vote of members present, the board voted that either the Delegate or the Alternate should vote “informed but uninstructed” at the SACRS 2009 Spring Conference in May.

7. SACRS Nominating Committee Recommended 2010-2011 Nominees/Candidates:

**MOTION** by Williams, Second by McDonald and carried by the unanimous vote of members present, the board voted that either the Delegate or the Alternate should vote “informed but uninstructed” at the SACRS 2009 Spring Conference in May.

8. Adopt policy on use of Sick Leave upon retirement:

This policy, based upon County Employees’ Retirement Law, county ordinances, legal opinion, and the court ruling in the case of Hollingsworth v. ICERS, provides guidelines as to how to handle accrued sick leave upon retirement under certain circumstances.

**MOTION** by Vogel, Second by McDonald and carried by the unanimous vote of members present, the board adopted the policy on the use of Sick Leave upon retirement.

9. Adopt policy on Third Party Representation. (Placement Agents):

The purpose of this policy is to enhance the transparency of the investment decision-making process by requiring disclosure of the existence of relationships between ICERS compensated representatives of investment managers for the purpose of securing an investment and to ensure that ICERS investment decisions are made solely on the merits of the investment opportunity, and to comply with AB 1584, Chapter 301, signed in to law October 11, 2009.

**MOTION** by Huskey, Second by Williams, and carried by the unanimous vote of members present, the board adopted the policy regarding disclosure of third party representation fees, gifts, and campaign contributions.

**BOARD MEMBER TERRAZAS LEFT AT 9:40 A.M.**

10. Request by Imperial County Superior Court to add Administrative Leave Pay to benefits that are included in compensation earnable:

**MOTION** by Vogel, Second by Villeneuve, and carried by a roll call vote of 5-3, the board approved the request by the Superior Court to include unused Administrative Leave in a retiring member’s final calculation of compensation earnable.

**BREAK AT 10:00 A.M. RECONVENED AT 10:15 A.M.**

**DISCUSSION CALENDAR**

## 11. Reports/Correspondence/Announcements:

## A. Retirement Administrator:

## 1. Market Value Graph:

Mr. Prince discussed the period activity with the board.

## 2. Book vs. Market:

Mr. Prince discussed the holdings activity with the board.

## 3. Update on Pension Administration System (PAS) by Benjamin Oh, Project Manager, Linea Solutions, Inc.:

Mr. Oh gave the board a progress overview covering budget projections, software development and staff training.

## 4. Update on investments:

## a. HarbourVest:

Mr. Prince advised the board that commitment documents should be signed and delivered by the end of the week.

## b. Blackrock Commodities:

The account has been fully funded as of January 30, 2010.

## c. Victory Capital Management:

The account was terminated April 10, 2010 with account holdings split, \$8,054,000 to Franklin Templeton and \$5,200,000 to BlackRock for the EAFE Fund.

## 5. Retirement Board Educational Retreat Logistics:

Mr. Prince discussed the cost and services offered by the locations available locally, with the board. Mr. Prince will proceed to confirm the venue and agenda for July 2010.

## 6. Update: Request for Proposal (RFP) for Auditor services:

After discussing the bids submitted, the board selected Board Member Ann McDonald and staff members Regina Rodrigues, Assistant Retirement Administrator, and Scott W. Jarvis, Accountant-Auditor, to review and select the accounting firms best suited to present their qualifications to the board.

7. SACRS 2010 Spring Conference:

Mr. Prince discussed the conference agenda and events with the board.

8. Earthquake Update:

Mr. Prince reported no damages to the structure, minimal damage to furnishings at the ICERS building, and no injuries to staff. Other county properties and buildings across the Imperial and Mexicali Valley suffered major damages, displacing families from their homes in some cases.

9. Update regarding letter to county reference Government Code Section 31787, additional death benefit for safety members:

Mr. Prince informed the board that a letter and a follow-up email has been sent to County Executive Officer, Ralph Cordova, Jr. explaining the benefit, and asking whether the county would have any interest in adopting this section of the government code.

10. Sacramento Bee article regarding pension systems in California:

Mr. Prince and the board discussed the article.

B. Board Members:

Herbert Bumgart: CALAPRS Principals of Pension Management, Stanford University Law School, March 23-26, 2010:

Mr. Bumgart reported that he was very pleased with the classes offered. He also recommended the course to any new trustee.

James E. Rhodes: ING Clarion 10<sup>th</sup> Annual Investment Conference, The New York Palace, NY, April 19-20, 2010:

Mr. Rhodes also highly recommended the conference, which concentrated on real estate investments.

**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: (1 attachment)

Gary Tackett

Luis Avalos

- B. 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.
- C. 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.
- D. Government Code § 54956.9(b)(1) – Conference with Legal Counsel, potential litigation.

**OPEN SESSION**

13. Announcement of Closed Session Action.

Kayleen Smith, Disability Specialist, reported the following:

The board discussed but took no action regarding the disability retirement applications of Gary Tackett and Luis Avalos.

The board discussed but took no action regarding the conference with legal counsel of existing litigation.

The board discussed but took no action regarding the conference with real estate property negotiator

The board discussed and gave direction to staff, by motion, regarding potential litigation.

**CONSENT AGENDA**

14. BUDGET:

Approval of the following claims for the 2009-2010 Retirement Budget to include Board Members in attendance at the 04/21/2010 meeting, Govt. Code 31580.2 & 31521:

REGULAR BUDGET:

PERMANENT SALARIES	\$ 20,484.23
EXTRA HELP	7,333.13
BILINGUAL PAY	30.00
SOCIAL SECURITY-MEDICARE	397.65
SPECIAL TRAINING	
Career Track Seminar-Staff	445.00
CALAPRS Benefits RT Hotel (A Hardaway)	144.23
CALAPRS General Assembly Hotel (D Prince)	181.25
CALAPRS Adm. RT Hotel (D Prince)	93.92
SACRS IRS Conference Exp. Reimb. (L Tucker)	208.00
SACRS IRS Conference Exp. Reimb. (D Prince)	171.50
ICERS VS JPM Deposition NYC: Exp. Reimb. (D Prince)	330.00
COUNTY CONTR RETIREMENT	2,541.66

## REGULAR BUDGET (continued)

INS-WORKERS COMP	423.42
INS-UNEMPLOYMENT	214.67
GROUP INSURANCE	2,469.66
INS DENTAL/VISION	95.56
RETIREMENT PENSION BOND	1,394.92
RETIREMENT HEALTH PLAN	1,091.30
INS-VOLUNTARY LIFE	14.58
INS-LIABILITY	184.50
MAINTENANCE & EQUIPMENT	
Oracle Update	4,657.97
OFFICE EXPENSE	
Replacement Fluorescent Lights & FedEx Charges	233.59
Jones Bros. Glass-Desktop (D Prince)	511.00
Mailroom Charges for February 2010	520.87
Sparkletts Water	12.00
OFFICE EXPENSE	
OCE Copier Charges for March 2010	430.00
Office Depot	540.58
Imperial Printers-ICARE Newsletter	76.13
PROFESSIONAL & SPECIAL SERVICES	
Hanson & Bridgett LLP-Tax Attorney	97.50
SACRS/CERL/IRS Study	715.00
Manatt LLP-Sick Leave	6,753.00
Audit	10,750.00
OVERHEAD	
ICERS Corp.-Rent, Utilities, and CR&R for March 2010	4,584.86
LM Building Maintenance-February Janitorial Services	720.00
Attorney Fees for March 2010 (L Tucker)	3,500.00
EXTRA HELP	
Retirement Board Meeting 04/21/10	\$ 500.00
<b>TOTAL:</b>	<b>\$ 72,851.98</b>

## 15. Administrative Agenda:

- A. Enrollment Affidavits of New Members (8):
- B. Termination of Membership – Return of Accumulated Contributions (4):

C. Service Retirement:

- |    |  |  |
|----|--|--|
| 1. | Donald Bryam<br>Department:<br>Effective Date:   | Safety Member<br>Sheriff<br>02/17/2010 |
| 2. | Victor Linares<br>Department:<br>Effective Date: | General<br>Public Works<br>02/26/2010  |

D. Final Payment of Service Connected Disability Retirement Allowance per Govt. Code Section 31760.1 & Death Benefit:

Jesus G. Gomez Deceased:	General Member 01/11/2010
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C. Buyback – Make-Up:

- |    |                               |                                     |
|----|-------------------------------|-------------------------------------|
| 1. | Kim Lucas<br>Department:      | General Member<br>Behavioral Health |
| 2. | Mike Lizarraga<br>Department: | General Member<br>Probation         |

F. Buyback – Medical Leave:

Robert Aguilar Department:	General Member Behavioral Health
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G. Buyback – Redeposit:

Israel Hernandez Department:	General Member Air Pollution
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16. Conferences & Seminars:

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|-------------------|---|
| May 3-4, 2010     | Washington Legislative Update Conference<br>The Capital Hilton, Washington, DC                      |
| July 26-28, 2010  | Program for Advanced Trustee Studies<br>Harvard Law School, Cambridge, MA                           |
| August 9-11, 2010 | SACRS Public Pension Investment<br>Management Program<br>UC Berkeley Center for Executive Education |

**OTHER ITEMS**

**Adjournment:** Meeting was adjourned at 11:20 a.m. to May 19, 2010 at 8:30 a.m.

JULIE VILLENEUVE, Chairman

JAMES E. RHODES, Secretary