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ICERS

IMPERIAL COUNTY EMPLOYEES' RETIREMENT SYSTEM

BRIEF MINUTES

REGULAR MEETING OF THE IMPERIAL COUNTY BOARD OF RETIREMENT

May 19, 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, Robert Williams, Herbert Bumgart, Terry Huskey, James E. Rhodes

MEMBERS ABSENT:

MEMBERS ARRIVING AFTER ROLL CALL: Becky Flammang

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

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 to be added: None

E. Approval of the Agenda:

MOTION by Huskey, Second by McDonald and carried on the unanimous vote of members present, the board agreed to move Item 14, Closed Session, before the Action Calendar of the Agenda.

F. Approval of the Consent Agenda:

MOTION by Huskey, Second by Bumgart 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**CLOSED SESSION**

4. Convene into Closed Session:

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

BOARD MEMBER FLAMMANG ARRIVED AT 9:30 A.M.

- A. 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.
- 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 §54956.8 – 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.

OPEN SESSION

5. Announcement of Closed Session Action:

Linda S. Tucker, Deputy County Counsel reported the following:

Direction was given to staff regarding the Board of Trustees of ICERS v. JPMorgan Chase Bank litigation.

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

Direction was given to staff regarding the property located in the 1400 block of Clark Road, El Centro, CA.

ACTION CALENDAR

6. Approval of the Minutes of the April 21, 2010 regular adjourned meeting:
MOTION by Huskey, Second by McDonald and carried on the unanimous vote of members present, the board approved the Minutes of the April 21, 2010 regular adjourned meetings.
 7. Presentation by Investment Managers:
 - A. TimesSquare Capital Management, Michael B. Ray, Senior Vice President, Product Manager:

Portfolio Review Presentation:

Mr. Ray reviewed the assets under management. He presented an active analysis recap of stock value, price and quality growth.
 - B. T. Rowe Price, John D. Plowright, Vice President, Institutional Client Services Executive and Brian C. Dausch, CFA, Portfolio Specialist in the US Equity Division:
 1. Investment Report for the Month Ended March 31, 2010:

Mr. Plowright highlighted the changes and effects on the portfolio throughout the 15 year relationship with ICERS. Mr. Dausch discussed the process, performance, and updated the board on the current standings and projections for the account.
 8. Investment Consultant Quarterly Review: Scott J. Whalen, Senior Investment Consultant, Wurts & Associates:
 - A. Investments/Managers Quarterly Review:

Mr. Whalen discussed the affects of current global and domestic market activity, trends, and projections on the ICERS asset portfolio.
- BOARD MEMBER RHODES LEFT AT 10:50 A.M.**
- B. Update: Alternative Investments
 1. Recommendation on proposed new asset class: Merger-Arbitrage Strategy:

After presenting the options available, Mr. Whalen discussed the proposal with the board, recommending that ICERS not add this asset class to the portfolio at this time.

2. Rebalance of Real Estate investment class to policy target:

This item was continued until the meeting of June 16th, at which time Mr. Whalen will present educational material and a speaker to discuss distressed real estate.

- C. Request by Bradford & Marzec for a change of investment guidelines:

MOTION by Williams, Second by Huskey and carried on the unanimous vote of members present, the board accepted Mr. Whalen's recommendation to grant Bradford & Marzec's request to change its investment guidelines.

BREAK AT 11:30 A.M. RECONVENED AT 11:45 A.M.

9. Quarterly review of ICERS Corporation: David H. Prince, Corporate Executive Officer/President:

Mr. Prince discussed the growth in revenue and asset worth for the corporation since leasing another major portion of the property.

10. Action/Discussion: Resolution by the board to adopt Government Code Section 31529.9, which allows the retirement system to pay attorney fees with assets of the system:

MOTION by Williams, Second by Huskey and carried on the unanimous vote of members present, the board adopted Government Code Section 31529.9, which allows the retirement system to pay attorney fees with assets of the system.

11. Retirement Administrator: Action/Discussion of Proposed Administrative Budget for 2010-2011 Fiscal Year:

MOTION by Huskey, Second by Flammang and carried on the unanimous vote of members present, the board voted to pay the cost of the 2009-2010 audit and the county technology charges for January 2010 through June 2010 out of the projected budget balance for Fiscal Year 2009/2010.

MOTION by Huskey, Second by Terrazas and carried on the unanimous vote of members present, the board adopted the proposed Administrative Budget for the 2010/2011 fiscal year, with a contingency fund of \$52,000.

BOARD MEMBER TERRAZAS LEFT AT 12:15 P.M.

12. Fiduciary Liability Policy Renewal effective July 1, 2010:

MOTION by Villeneuve, Second by Huskey and carried on the unanimous vote of members present, the board authorized Mr. Prince to renew the annual Fiduciary Liability Policy effective July 1, 2010.

13. Authorize Retirement Administrator to negotiate and sign a contract with Brown Armstrong for auditing services for a three year period:

MOTION by Villeneuve, Second by Huskey and carried on the unanimous vote of members present, the board authorized Mr. Prince to sign a three year contract for auditing services with Brown Armstrong.

14. Action/Discussion by Retirement Administrator: Approval of Board of Retirement Retreat/July Meeting:

MOTION by Huskey, Second by McDonald and carried on the unanimous vote of members present, the board approved a educational retreat to be held in conjunction with the regularly scheduled retirement board meeting, July 21-22, 2010, with a cost not to exceed \$5,000.

DISCUSSION CALENDAR

15. Reports/Correspondence/Announcements:

A. Retirement Administrator:

1. Market Value Graph:

Mr. Prince discussed the market activity with the board.

2. Book vs. Market:

Mr. Prince reviewed the portfolio accounts activity with the board.

3. Update on Pension Administration System (PAS):

Mrs. Rodrigues gave a status report to the board.

4. State Association of County Retirement Systems (SACRS) 2010 Spring Conference:

Mr. Prince highlighted some of the session topics at the conference.

5. Fund Fire Article: PIMCO, T. Rowe Price, Top Inst'l Manager Rankings:

Mr. Prince shared the article with the board which highlights ICERS asset account managers as the top ranking in the investment field.

B. Board Members:

SACRS 2010 Spring Conference:

Board members who attended the conference referred to it as one of the best SACRS annual events in many years. Members who were not able to attend requested to borrow the compact disc recordings of the conference when they become available.

C. County Counsel:

SACRS 2010 Spring Conference:

Ms. Tucker shared new and ongoing legislation updates from the conference with the board.

CONSENT AGENDA

16. BUDGET:

Approval of the following claims for the 2009-2010 Retirement Budget and Disability Budget to include Board Members in attendance at the 05/19/2010 meeting, Govt. Code 31580.2 & 31521:

REGULAR BUDGET:

PERMANENT SALARIES	\$ 30,960.97
EXTRA HELP	14,020.18
BILINGUAL PAY	45.00
SOCIAL SECURITY-MEDICARE	643.70
SPECIAL TRAINING	
SACRS 2010 Spring Conference-Staff Registration	420.00
CALAPRS General Assembly-Hotel (D Prince)	400.17
Communication Skills Conference Exp. Reimb. (SE,AH,KK,KS,RR)	490.00
CALAPRS Accountants' RT Exp. Reimb. (S Jarvis)	268.85
COUNTY CONTR. RETIREMENT	3,841.56
INSURANCE – WORKERS' COMP.	999.42
INSURANCE – UNEMPLOYMENT	214.67
GROUP INSURANCE	3,704.49
INS DENTAL/VISION	143.34
RETIREMENT PENSION BOND	2,108.35
RETIREMENT HEALTH PLAN	1,649.42
INS-VOLUNTARY LIFE	21.87
COMMUNICATIONS – AT&T	67.28
INSURANCE LIABILITY	184.50
OFFICE EXPENSE	
Office Depot	219.14
Imperial Printers	488.79
OCE Imagistics-Copier charges for April 2010	430.30
Sparkletts Water	20.00
Mailroom charges for March 2010	564.92
OCE Imagistics-Copier Qrtly. usage charge	1,238.31
Federal Express Charges	133.35
Imperial Printers-ICARE Newsletter	236.88
PROFESSIONAL & SPECIAL SERVICES	
PRO Record Storage & Shredding	12.00
Manatt/Phelps & Assoc.-Sick Leave Issues	5,129.65

REGULAR BUDGET: (continued)

OVERHEAD

ICERS Corp. - Rent, Utilities and CR & R for April 2010	4,433.79
LM Building Maint. Janitorial Services for April 2010	720.00
Attorney fees for April 2010 (L Tucker)	3,500.00

DISABILITY BUDGET:

PROFESSIONAL & SPECIAL SERVICES

Medical Evaluation	\$ 72.00
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EXTRA HELP

Retirement Board Meeting 05/19/10	\$ 500.00
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TOTAL: \$ 77,882.90

17. Administrative Agenda:

A. Enrollment Affidavits of New Members (9):

B. Termination of Membership – Return of Accumulated Contributions (10):

C. Service Retirement:

Betty Rodriguez	Safety Member
Department:	Sheriff
Effective Date:	04/10/2010

D. Deferred Membership:

Jeffery Wells	General Member
Department:	Public Works
Effective Date:	03/17/2010

E. Intersystem Membership:

Jamie Alvarez	General Member
Department:	Purchasing
Effective Date:	10/09/2009

F. Final Payment of Survivor Service Retirement Allowance per Govt. Code Section 31760.1:

Erma Lee Stuerke	General Member
Deceased:	02/15/2010

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

Erma Lee Stuerke
Deceased:

General Member
02/15/2010

- H. 100% Continuance of Non-Service Connected Disability Retirement Allowance per Govt. Code Section 31786 & Death Benefit:

Luis Avalos
Deceased:

General Member
02/24/2010

18. Investment Manager Reports:

- A. Dimensional: Period Ending March 31, 2010 (1 attachment)
- B. Franklin Templeton Institutional: Quarterly Report Data as of March 31, 2010

19. Conferences and Seminars:

The Institutional Investor Summit June 3-4, 2010 New York, NY

OTHER ITEMS

Adjournment: Meeting was adjourned at 12:55 p.m. to June 16, 2010 at 8:30 a.m.

JULIE VILLENEUVE, Chairman

JAMES E. RHODES, Secretary