

ICERS

IMPERIAL COUNTY EMPLOYEES' RETIREMENT SYSTEM

MINUTES

REGULAR MEETING OF THE IMPERIAL COUNTY BOARD OF RETIREMENT

February 16, 2022

9:00 A.M.

1221 West State Street

El Centro, CA 92243

1. The meeting was called to order by Chairman Lizarraga at 9:03 a.m.

- A. Roll Call:

MEMBERS PRESENT: Patricia Lizarraga, Norma Jauregui

MEMBERS PRESENT VIA TELECONFERENCE: Karen Vogel, Lizandro Escobosa, Suzanne Bermudez, Jose Landeros, Thomas Garcia, David H. Prince, AJ Gaddis

MEMBER PRESENT VIA TELECONFERENCE; ARRIVING AFTER ROLL CALL:
Luis A. Plancarte

OTHERS PRESENT VIA TELECONFERENCE: Jeff Brothers, Chief Investment Officer and Tracy DeAndrea, Client Relations, Ducenta Squared Asset Management; Steve Buckley, Client Portfolio Manager and Heather Howell, Director Client Services, MacKay Shields, LLC; Scott J. Whalen, Executive Managing Director, Verus Investments

LEGAL REPRESENTATIVES VIA TELECONFERENCE: Christopher W. Waddell and Kristen Rogers, Board General Counsel

OTHER STAFF PRESENT: Scott W. Jarvis, Retirement Administrator, Regina Rodrigues, Assistant Retirement Administrator

CLERK OF THE RETIREMENT BOARD PRESENT:
Cristina Solis Vargas, Retirement Administrative Assistant

OPEN SESSION

- B. Pledge of Allegiance

Chairman Lizarraga led the Pledge of Allegiance.

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/Necessity Items to be added. None
- E. Approval of the Agenda

MOTION by Jauregui, Second by Vogel, to approve the Agenda. Motion carried by roll call vote (Vogel, Lizarraga, Bermudez, Landeros, Jauregui, Garcia, Prince, Escobosa)

- F. Approval of the Consent Agenda

MOTION by Jauregui, Second by Bermudez, to approve the Agenda. Motion carried by roll call vote (Vogel, Lizarraga, Bermudez, Landeros, Jauregui, Garcia, Prince, Escobosa)

- 3. Public Comments: None

This is the time for the public to address the Board concerning items that are not on this Agenda, but within the jurisdiction of the Board. Matters on the Action Calendar, Discussion Calendar, or Closed Session Agenda maybe addressed before or during consideration of the Agenda item. Speaking time is limited to three (3) minutes.

ACTION CALENDAR

- 4. Approval of the Minutes of the January 19, 2022 adjourned regularly scheduled meeting.

MOTION by Escobosa, Second by Vogel to approve the Minutes of the adjourned, regularly scheduled meeting of January 19, 2022. Motion carried by roll call vote (Yes: Vogel, Lizarraga, Bermudez, Landeros, Garcia, Prince. Abstain: Jauregui)

- 5. Presentations by Investment Managers:

- A. Ducenta Squared Asset Management: Jeff Brothers, Chief Investment Officer and Tracy DeAndrea, Client Relations:

Ms. DeAndrea expressed their appreciation to ICERS for the long-term client relationship and provided a brief firm update. Mr. Brothers reviewed the portfolio's current and quarterly performance.

TRUSTEE PLANCARTE JOINED VIA ZOOM AT 9:35AM

- B. MacKay Shields, LLC: Steve Buckley, Client Portfolio Manager and Heather Howell, Director Client Services:

Ms. Howell provided an update on the firm and thanked the ICERS Board for their continued support and business. Mr. Buckley presented the firm's performance throughout 2021 and previous quarter.

6. Presentation by Investment Consultants, Verus: Scott J. Whalen, Executive Managing Director.

- A. Discussion: 4th Quarter Investment Performance Review:

Mr. Whalen presented the board with the main drivers of market activity for the fourth quarter. He proceeded to review portfolio activity for the fourth quarter.

BREAK AT 11:15 A.M. RECONVENED AT 11:26 A.M.

TRUSTEE PLANCARTE LEFT THE MEETING AT 11:15AM

- B. Discussion/Action: Diversification Primer and Asset Allocation Review:

The Board took no action on revising ICERS' Asset Allocation based on Verus' recommendation.

TRUSTEE PLANCARTE REJOINED THE MEETING AT 12:15PM

- C. Discussion: Investment Manager Fee Analysis:

Direction was provided to try and renegotiate a better deal on fees for those managers identified as out of sync.

Direction to the AdHoc Governance Committee to consider recommending language to the Investment Policy that would provide for a periodic fee analysis.

TRUSTEE ESCOBOSA EXCUSED HIMSELF FROM THE MEETING AT 12:55PM

7. Discussion/Action: The Board will consider adopting the Actuary's recommended Retiree Cost of Living Adjustment (COLA) effective April 1, 2022:

MOTION by Bermudez, Second by Lizarraga, the Board voted unanimously (Vogel, Lizarraga, Bermudez, Plancarte, Jauregui, Garcia, Landeros, Prince) to approve a 2% Cost of Living Adjustment (COLA) increase and 2.5% bank to all retirees hired prior to April 1, 2022.

8. Discussion/Action: Instruct staff to request that the Imperial County Board of Supervisors direct the County Registrar of Voters to hold a special election for the 7th Seat, Safety Member Position for an initial term to coincide with the remainder of the current term of the 7th Seat, ending in December, 2023. Position to commence upon conclusion of election, according to ICERS adopted procedures.

MOTION by Vogel, Second by Prince, the Board voted unanimously by roll call vote (Vogel, Lizarraga, Bermudez, Plancarte, Jauregui, Garcia, Landeros, Prince) to Instruct staff to request that the Imperial County Board of Supervisors direct the County Registrar of Voters to hold a special election for the 7th Seat, Safety Member Position for an initial term to coincide with the remainder of the current term of the 7th Seat, ending in December, 2023.

9. Discussion/Action: The Board will discuss the ongoing Governance Policies and Bylaws revision project and will be asked to consider approving one revised Governance Policy as reviewed and approved by the Ad Hoc Governance Committee.

Kristen Rogers presented the Board with one revised Governance Policy previously reviewed and approved by the Ad Hoc Governance Committee.

MOTION by Vogel, Second by Garcia to approve the revised ICERS' Conflict of Interest Code Policy. Motion carried by roll call vote: YES by Vogel, Lizarraga, Bermudez, Plancarte, Landeros, Garcia, Prince and Jauregui.

DISCUSSION CALENDAR

10. Reports/Correspondence/Announcements:

A. Retirement Administrator:

1. Investment Graphs:

- a. Market Value Graph of the Retirement System's Assets for January 31, 2022:
- b. Book vs. Market Graph – compares the Market Value of the system's assets to the Book Value of Assets for January 31, 2022

Mr. Jarvis reviewed the graphs of overall investment performance for the subject period.

2. SACRS Spring Conference – May 10-13, 2022

Mr. Jarvis reminded the Board that the SACRS Spring Conference is coming up May 10-13 2022 and to contact Cristina Solis Vargas, Retirement Administrative Assistant to register.

3. Imperial Valley Telecommunications Authority Board Meeting Update

Mr. Jarvis provided an update on the latest IVTA Board Meeting.

B. Board Members: None

C. ICERS Legal Counsel:

Legislative review:

Mr. Waddell briefed the board on pending legislation.

11. Convene to Closed Session:

Pursuant to California Law (Government Code §54963) a person may not disclose any confidential information that has been acquired by being present in a Closed

Session. Unlawful disclosure of confidential information is a violation of California Law and could result in discipline and/or referral to the Grand Jury.

MOTION by Jauregui, Second by Bermudez and approved unanimously by roll call vote (Vogel, Lizarraga, Bermudez, Plancarte, Jauregui, Garcia, Prince, Landeros) the board convened in to Closed Session

BOARD MEMBER GARCIA STEPPED IN TO THE WAITING ROOM AT 1:07PM

CLOSED SESSION

12. A. Conference with Legal Counsel – Existing Litigation
(Government Code §54956.9(a).) Status report regarding pending disability applications:

- B. ICERS PENDING LITIGATION

Upon advice of its legal counsel, the ICERS Board will recess to Closed Session pursuant to Government Code §54956.9(a) to confer with its attorney regarding pending litigation which has been initiated formally and to which ICERS is a part.

IMPERIAL COUNTY SHERIFFS' ASSOCIATION, et. al., v. County of Imperial; Imperial County Employees' Retirement Association; Board of Administration of County Employees' Retirement System. Imperial County Superior Court Case No. ECU000786

OPEN SESSION

TRUSTEE GARCIA CAME BACK TO SESSION FROM WAITING ROOM AT 1:11PM

13. Announcement of Closed Session Action:

Mr. Waddell reported that in closed session the Board received a brief update on the status of the Imperial County Sheriff's Association case and no reportable action was taken.

CONSENT AGENDA

13. BUDGET:

Approval of the following Budget claims for the 2020–2021 fiscal year, to include Board Members in attendance at the January 20, 2021 meeting; Administrative Budget Expense Summary; and Treasurer's Cash Account Summary per Govt. Code 31580.2 & 31521:

- A. Administrative Budgets

- B. Treasurer's Cash

15. Administrative Agenda:

- A. Enrollment of New Members to ICERS: (17)

General Members

Department

Date

Esparza, Gabriela	Social Services	1/14/2022
Garcia, Carolina A.	Behavioral Health	1/14/2022
Lugo, Humberto	Social Services	1/14/2022
Luna, Griselda J.	Social Services	1/14/2022
Maciel, Jordana	Public Health	1/14/2022
Morales, Emily	Social Services	1/14/2022
Perales, Andrea	Social Services	1/14/2022
Ramirez, Kathleen E.	Sheriff's Office	1/14/2022
Rodriguez, Kiandra A.	Public Health	1/14/2022
Canchola, Diana R.	Social Services	1/28/2022
Cazares, Elizabeth	Public Health	1/28/2022
Figueroa, Janira A.	Behavioral Health	1/28/2022
Guzman, Cruz A.	Social Services	1/28/2022
Meza, Alexis D.	Social Services	1/28/2022
Nunez, Victor	Sheriff's Office	1/28/2022
Romero, Marcus R.	Probation & Corrections	1/28/2022

<u>Safety Members</u>	<u>Department</u>	<u>Date</u>
Lizarraga, Arturo	Sheriff's Office	1/28/2022

B. Terminations: (7)

<u>General Members</u>	<u>Department</u>	<u>Term Date</u>
Beltran, Samuel	Behavioral Health	12/10/2021
Cazares, Julissa	Public Health	10/27/2016
Delgado, Gilbert	Behavioral Health	12/10/2021
Gastelum, Melissa	Behavioral Health	11/29/2021
Gomez, Joshua	Public Health	11/19/2021
LeMert, Karen	Behavioral Health	10/25/2021
Lopez, Rebecca	Clerk of the Board	11/18/2021

C. Service Retirement:

1.	Duenas, Angie	General Member
	Department:	Social Services
	Effective Date:	12/31/2021
	Service:	25.889288 Years
	Sick Leave:	<u>00.386995 Years</u>
	Total:	26.276283 Years
2.	Hernandez, Tony	General Member
	Department:	Public Works
	Effective Date:	12/31/2021
	Service:	26.110038 Years
	Sick Leave:	<u>00.009351 Years</u>
	Total:	26.119389 Years

C. Service Retirement (Continued):

3.	Macias, Martha P.	General Member
	Department:	Superior Court
	Effective Date:	12/31/2021

- | | | |
|----|--------------------|--------------------------------|
| | Service: | 34.938856 Years |
| | Sick Leave: | <u>00.011481 Years</u> |
| | Total: | 34.950337 Years |
| 4. | McCleaf, Elaine S. | General Member |
| | Department: | District Attorney/Inter-System |
| | Effective Date: | 12/04/2021 |
| | Service: | 02.775120 Years |
| | Sick Leave: | <u>00.106423 Years</u> |
| | Total: | 02.881543 Years |
| 5. | Treviso, Reyes | General Member |
| | Department: | Agricultural Commissioner |
| | Effective Date: | 12/31/2021 |
| | Service: | 26.884611 Years |
| | Sick Leave: | <u>00.328048 Years</u> |
| | Total: | 27.212659 Years |
| 6. | Higginbotham, Chad | Safety Member |
| | Department: | Sheriff's Office |
| | Effective Date: | 12/02/2021 |
| | Service: | 18.076923 Years |
| | Sick Leave: | <u>00.037284 Years</u> |
| | Total: | 18.114207 Years |
- D. 60% Continuance of Service Retirement Allowance per Govt. Code Section 31760.1 & Death Benefit:
- | | | |
|--|------------------|----------------|
| | Figueroa, Sharen | General Member |
| | Deceased: | 12/26/2021 |
- E. 60% Continuance of Service Retirement Allowance per Govt. Code Section 31760.1:
- | | | |
|--|---------------|-----------------------|
| | Studer, Larry | General/Safety Member |
| | Deceased: | 12/15/2021 |
- F. Final Payment of Service Retirement Allowance & Death Benefit Per Govt. Code Section 31676.11:
- | | | |
|----|-------------------|----------------|
| 1. | Heineke, Sarah E. | General Member |
| | Deceased: | 11/23/2021 |
| 2. | Ritter, John | General Member |
| | Deceased: | 12/20/2021 |
15. Administrative Agenda (Continued):
- G. Final Payment of Survivor Non-Service Connected Disability Retirement Allowance per Govt. Code Section 31760.1:
- | | | |
|--|-------------|----------------|
| | Hill, David | General Member |
|--|-------------|----------------|

Deceased: 12/13/2021

- H. 100% Continuance of Service Connected Disability Retirement Allowance per Gov't. Code Section 31786 & Death Benefit:

Rouhotas Sr., Tony L General/Safety Member
Deceased: 11/28/2021

- I. Member Service Statistics (1 attachment)

OTHER ITEMS

16. Special Training:

ICERS' Previously Approved Training.

17. **ADJOURNMENT**

The meeting adjourned at 1:12 p.m. to the next regularly scheduled meeting, March 16, 2022, at 9:00 a.m.

Patricia Lizarraga, Chairman

Lizandro Escobosa, Secretary