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ICERS

IMPERIAL COUNTY EMPLOYEES' RETIREMENT SYSTEM

MINUTES

REGULAR MEETING OF THE IMPERIAL COUNTY BOARD OF RETIREMENT

January 18, 2023

9:00 A.M.

940 W. Main Street

County Administration Center, Second Floor
El Centro, CA 92243

Vice Chairman Jauregui summarized the current COVID 19 protocols.

1. The meeting called to order by Vice Chairman Jauregui at 9:02 a.m.

A. Roll Call

MEMBERS PRESENT: Patricia Lizarraga, Suzanne C. Bermudez, Norma K. Jauregui, Jose Landeros, Carl L. Armstrong, David H. Prince, A.J. Gaddis

MEMBERS PRESENT VIA TELECONFERENCE: Lizandro Escobosa

MEMBERS ABSENT: Luis A. Plancarte

LEGAL REPRESENTATIVES PRESENT: Board General Co-Counsel: Chris Waddell

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

CLERK OF THE RETIREMENT BOARD: Kathleen L. Kubler, Retirement Specialist.

OTHERS PRESENT: Neeraj Datta, Partner, Brown Armstrong, Certified Public Accountants, Retiree, Wilma Rose McKenzie, Disability Retirement Applicant

OTHERS PRESENT VIA TELECONFERENCE: Mario Salinas, Retirement Board Member Elect, Andrew J. Paulden, Partner, Brown Armstrong, Certified Public Accountants

OPEN SESSION

B. Pledge of Allegiance

Vice Chairman Jauregui led the Pledge of Allegiance.

2. Discussion of the Agenda:

A. Items pulled from the Action Calendar:

At the request of Retirement Administrator, Scott W. Jarvis, Item #7:
Direction/Action: The Board will consider direction for ICERS Corporation Executive Staff to hire a part-time security guard for ICERS building during working hours, was pulled from the Action Calendar.

The board will address this item at the February 15, 2023 regularly scheduled meeting.

B. Items pulled from the Discussion Calendar: None

C. Items pulled from the Consent Agenda: None

D. Emergency/Necessity Items added to the Agenda: None

E. Approval of the Agenda:

MOTION by Lizarraga, Second by Landeros, to approve the Agenda was carried unanimously by a roll call vote of those present (Lizarraga, Bermudez, Jauregui, Landeros, Prince, Escobosa; Absent: Plancarte)

F. Approval of the Consent Agenda:

MOTION by Bermudez, Second by Escobosa, to approve the Consent Agenda was carried unanimously by roll call vote of those present (Lizarraga, Bermudez, Jauregui, Landeros, Prince, Escobosa; Absent: Plancarte)

3. Public Comments:

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.

Retirement Administrator took this time to introduce newly elected retirement board General Member, Mario Salinas, who was seated in the audience. Mr. Salinas will take the third seat beginning with the February 15, 2023 regularly scheduled board meeting.

ACTION CALENDAR

4. Approval of the Minutes of the December 21, 2022 adjourned regularly scheduled meeting:

MOTION by Armstrong, Second by Bermudez to approve the Minutes of December 21, 2022 adjourned regularly scheduled meeting carried unanimously by a roll call vote of those present (Lizarraga, Bermudez, Jauregui, Landeros, Prince, Escobosa; Absent: Plancarte)

5. Discussion/Action: Presentation of ICERS' June 30, 2022 Financial Statements Audit by Brown Armstrong Accountancy Corporation, Neeraj Datta, Partner and Andrew J. Paulden, Partner:

Mr. Datta provided an overview of the firm's credentials and reviewed the purpose, focus areas and verification processes of the retirement system audit. Mr. Paulden provided a review of the firm's Report to the Board, which summarizes the components of ICERS' well-received "Clean Opinion" audit designation.

Board members thanked ICERS staff for their contributions and cooperation with Brown Armstrong staff to earn the merits of a clean audit.

MOTION by Lizarraga, Second by Bermudez to accept the Brown Armstrong audit report carried unanimously by a roll call vote of those present (Lizarraga, Bermudez, Jauregui, Landeros, Prince, Escobosa; Absent: Plancarte)

6. Discussion/Action: The Board will consider issuing a Request for Proposal for Actuarial Audit Services.

Mr. Jarvis reviewed the proposal to solicit qualified, actuarial firms and explained the requirements of the chosen firm to produce a full-scope, replication, parallel valuation study against ICERS current actuary, The Segal Company.

MOTION by Landeros, Second by Lizarraga to approve a Request for Proposal for Actuarial Audit Services carried unanimously by a roll call vote of those present (Lizarraga, Bermudez, Jauregui, Landeros, Prince, Escobosa; Absent: Plancarte)

7. Discussion/Action: The Board will consider direction for ICERS' Corporation Executive Staff to hire a part-time security guard for ICERS Building during working hours.

Consideration of this item was postponed until the February Regular Meeting.

8. Discussion/Action: Request that the Board of Supervisors reappoint one Public Member to the fifth Seat of the Retirement Board for a three-year term, to end on June 30, 2026.

MOTION by Bermudez, Second by Escobosa to request that the Board of Supervisors reappoint Norma K. Jauregui as the Public Member to the fifth Seat of the Retirement Board carried unanimously by a roll call vote of those present (Lizarraga, Bermudez, Jauregui, Landeros, Prince, Escobosa; Absent: Plancarte)

9. Discussion: The Board will be provided an update to the recently formed Ad Hoc Committee on ICERS'/County of Imperial Relationship Roles review project.

Consideration of this item was postponed until the February Regular Meeting.

10. Discussion: The Board will be provided an update to the ongoing Governance Policies and Bylaws revision project.

Board Counsel, Christopher W. Waddell reported to the Board that he expects a meeting of the Ad Hoc Governance Committee to take place during the month of February for the consideration of draft policies on procurement and document retention and to discuss his view that current County and ICERS laws and policies regarding nepotism are adequate.

Mr. Waddell stated that the Ad Hoc Committee would also be provided with information at the meeting regarding the roles between ICERS and the County Registrar of Voters, as they relate to retirement board member elections.

DISCUSSION CALENDAR

11. Reports/Correspondence/Announcements:

A. Retirement Administrator:

1. Investment Graphs:

- a. Market Value Graph of the Retirement System's Assets for December 31, 2021:
- b. Book vs. Market Graph – Compares activity against December 31, 2021:

Mr. Jarvis on the recent overall decline in return expectations for the period.

2. Annual report on Investment Manager Fees:

Mr. Jarvis summarized ICERS' annual reports on Investment Manager Fees.

Upon direction from the Board, Mr. Jarvis will also confer with investment consultant, Verus, proposals for training to the board.

3. Annual filing of Statement of Economic Interests, Form 700 Disclosure by April 1, 2023:

Mr. Jarvis reminded board members to file their disclosure statements by the deadline.

4. State Association of County Retirement Systems (SACRS) Board of Directors Elections for 2022-2023:

Mr. Jarvis provided information for interested board member inquiries. The board directed staff to reach out to SACRS to gather details on time obligations and travel costs associated with being a SACRS Board Trustee.

A. Retirement Administrator (Continued):

5. Imperial Valley Telecommunications Authority Board Meeting Update (no mtg)

No report expected until February.

BREAK AT 10:35 A.M. RETURNED AT 10:45 A.M.

B. Board Members: None

C. ICERS Legal Counsel:

Legislative review:

Mr. Waddell reported bills introduced by SACRS would be discussed at the February meeting.

Before the board convened into Closed Session, Mr. Waddell introduced Service-Connected Disability Applicant, Wilma Rose McKenzie to the board.

Mrs. McKenzie addressed the board with a request that they consider the long-standing effects of the condition she considers were not addressed when she initially filed and was denied a service-connected disability retirement.

12. 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 Lizarraga, Second by Bermudez to convene into Closed Session carried unanimously by a roll call of those present (Lizarraga, Bermudez, Jauregui, Landeros, Prince, Escobosa; Absent: Plancarte)

CLOSED SESSION

13. 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.

SAFETY MEMBER ARMSTRONG RECUSED HIMSELF FROM THIS ITEM AT 11:20 A.M.

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

14. Announcement of Closed Session Action:

Mr. Waddell announced the following:

On a **MOTION** by Prince, Second by Jauregui, the Board approved the Service-Connected Disability Application of Diane Worthington. Motion carried unanimously by a roll call vote of those present (Yes: Lizarraga, Bermudez, Jauregui, Landeros, Prince, Escobosa; Absent: Plancarte)

On a **MOTION** by Landeros, Second by Armstrong, the Board denied the Service-Connected Disability Application of Wilma Rose McKenzie. Motion carried unanimously by a roll call vote of those present (Yes: Lizarraga, Bermudez, Jauregui, Landeros, Prince, Escobosa; Absent: Plancarte)

Mr. Waddell provided an update to the board regarding the court case, with no reportable action taken.

CONSENT AGENDA

15. BUDGET:

Approval of the following Budget claims for the 2021–2022 fiscal year, to include Board Members in attendance at the January 18, 2023 meeting; Administrative Budget Expense Summary; and Treasurer's Cash Account Summary per Govt. Code 31580.2 & 31521:

- A. Administrative Budgets
- B. Treasurer's Cash

16. Administrative Agenda:

A. Enrollment of New Employee Members to ICERS: (22)

| <u>General Members</u> | <u>Department</u> | <u>Date</u> |
|----------------------------|----------------------------|-------------|
| Castellanos Tamayo, Alicia | County Clerk/Recorder | 12/02/2022 |
| Corral, Gregorio | CEO/GSA Budget & Fiscal | 12/02/2022 |
| Granados, Francisco | Behavioral Health Services | 12/02/2022 |
| Lopez, Samuel Ivan | Behavioral Health Services | 12/02/2022 |
| Luna, Martha A. | Library | 12/02/2022 |
| Marquez, Maria De Lourdes | Treasurer/Tax Collector | 12/02/2022 |
| Munoz, Felipe J. | Behavioral Health Services | 12/02/2022 |
| Oakley-Havens, Crista L. | Ag. Commissioner | 12/02/2022 |
| Ramirez, Pricila Vanessa | Behavioral Health Services | 12/02/2022 |
| Uribe, Aimee Marie | Behavioral Health Services | 12/02/2022 |
| Becerra, Jasmine A. | Behavioral Health Services | 12/16/2022 |
| Beltran, Diego A. | Social Services | 12/16/2022 |
| Henderson Veronica A. | District Attorney | 12/16/2022 |
| Davis, Lyndsay N. | Behavioral Health Services | 12/16/2022 |
| Gutierrez, Yesenia | Social Services | 12/16/2022 |

