

SCOTT W. JARVIS  
RETIREMENT ADMINISTRATOR

REGINA RODRIGUES  
ASSISTANT RETIREMENT  
ADMINISTRATOR

1221 State Street  
El Centro, CA 92243

Tel. (442) 265-7550

Fax (442) 265-7545

[icers@co.imperial.ca.us](mailto:icers@co.imperial.ca.us)

[www.icers.info](http://www.icers.info)



# ICERS

IMPERIAL COUNTY EMPLOYEES' RETIREMENT SYSTEM

## MINUTES

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

February 15, 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 9:00 a.m.

A. Roll Call

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

**MEMBERS ABSENT:** Luis A. Plancarte, Mario Salinas

**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:** Cristina Solis Vargas, Retirement Administrator Assistant

**OTHERS PRESENT:** Jeff Brothers, Chief Investment Officer, Brian Kim CFA, President, Ducenta Squared Asset Management; Steve Buckley, Client Portfolio Manager, MacKay Shields, LLC; Scott J. Whalen, Executive Managing Director and Brian Kwan, Senior Consultant, Verus

### 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: None
- 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 Escobosa, to approve the Agenda was carried unanimously by a roll call vote of those present (Lizarraga, Bermudez, Jauregui, Landeros, Prince, Escobosa, Armstrong)

- F. Approval of the Consent Agenda:

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

## 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 Alternate Safety Member, Jennifer Benavidez. Ms. Benavidez's official seating is pending taking oath of office.

**ACTION CALENDAR**

- 4. Teleconferenced Public Meetings: Submittal of a resolution authorizing ICERS to hold teleconferenced public meetings for a thirty-day period pursuant to AB-361.

Mr. Waddell announced that according to a Governor's notice, the state of emergency due to Covid-19 ends February 28, 2023.

**MOTION** by Bermudez, Second by Armstrong to adopt the resolution authorizing ICERS to hold teleconferenced public meetings from February 15, 2023 to February 28, 2023, pursuant to AB-361. Motion carried unanimously by roll call vote. (Lizarraga, Bermudez, Landeros, Armstrong, Prince, Jauregui, Escobosa).

- 5. Approval of the Minutes of the January 18, 2023 adjourned regularly scheduled meeting:

**MOTION** by Armstrong, Second by Escobosa to approve the Minutes of January 18, 2023 adjourned regularly scheduled meeting carried unanimously by a roll call vote of those present (Lizarraga, Bermudez, Jauregui, Landeros, Prince, Escobosa, Armstrong)

6. Presentations by Investment Managers:
- A. Ducenta Squared Asset Management: Jeff Brothers, Chief Investment Officer and Brian Kim CFA, President
- Mr. Kim provided a firm update and Mr. Brothers elaborated on ICERS' portfolio performance, economic outlook and current strategy.
- B. MacKay Shields, LLC: Steve Buckley, Client Portfolio Manager
- Mr. Buckley gave an overview of MacKay Shields, LLC and provided an update of ICERS' investment performance.

7. Presentation by Investment Consultants, Verus: Scott J. Whalen, Executive Managing Director and Brian Kwan, Senior Consultant.
- A. Discussion: 4th Quarter Investment Performance Review
- Mr. Whalen presented the Board with a market overview and Mr. Kwan provided ICERS' 4<sup>th</sup> quarter investment summary.

**BREAK FROM 10:44 AM TO 10:54 AM**

- B. Discussion: Internal Rate of Return vs. Time-weighted Return
- Mr. Whalen provided a simplified explanation of the difference between Internal Rate of Return and Time-weighted Return.
8. Discussion/Action: The Board will consider adopting the Actuary's recommended Retiree Cost of Living Adjustment (COLA) effective April 1, 2023.

The Board provided direction to Staff to reach out to Segal to provide input and guidance on anticipated "Contra-Fund" end date.

**MOTION** by Lizarraga, Second by Bermudez, to adopt a 2% Cost of Living Adjustment (COLA) increase and 6% bank to all retirees hired prior to April 1, 2023 carried unanimously by a roll call vote of those present (Lizarraga, Bermudez, Jauregui, Landeros, Prince, Escobosa, Armstrong)

9. Discussion/Action: The Board will consider approving an MOU with the Imperial County Office of Education for Team Building Training for the Board.

**MOTION** by Landeros, Second by Bermudez to approve MOU with the Imperial County Office of Education for Team Building training for the Board carried unanimously by roll call vote of those present (Lizarraga, Bermudez, Jauregui, Landeros, Prince, Escobosa, Armstrong)

10. Discussion/Action: The Board will consider approving an extension for Disability Counsel Services provided by Vivian Shultz.

**MOTION** by Jauregui, Second by Escobosa to approve an extension of three years for Disability Counsel Services provided by Vivian Shultz carried unanimously by roll call vote of those present (Lizarraga, Bermudez, Jauregui, Landeros, Prince, Escobosa, Armstrong)

11. Discussion/Action: The Board will consider amending the lease agreement with ICERS' Corporation to include the addition of part-time Security Guard services; approving the additional funds allocation to ICERS' Overhead Budget for 2022/2023 for those services; and providing direction to Staff to complete the necessary transfer of funds from its Budgetary Transfer Account.

**MOTION** by Prince, Second by Bermudez to amend the lease agreement with ICERS' Corporation to add part-time Security Guard services; approve the additional funds allocation to ICERS' Overhead Budget for 2022/2023 for those services; and providing direction to Staff to complete the necessary transfer of funds from its Budgetary Transfer Account, carried unanimously by roll call vote of those present (Lizarraga, Bermudez, Jauregui, Landeros, Prince, Escobosa, Armstrong)

12. Discussion/Action: The Board will consider the formation of an Ad-Hoc Committee for duties related to the recently approved Request for Proposal for Actuary Audit Services.

Trustees Landeros and Armstrong volunteered to be part of the Ad-Hoc Committee Panel formed to oversee the interviews of the Actuary Audit Services finalists. Trustee Prince volunteered to be an alternate member of said panel.

**MOTION** by Jauregui, Second by Escobosa to approve the formation of an Ad-Hoc Committee for duties pertaining to the Proposal for Actuary Audit Services carried unanimously by roll call vote of those present (Lizarraga, Bermudez, Jauregui, Landeros, Prince, Escobosa, Armstrong) Ad Hoc Committee to consist of Trustees Landeros and Armstrong; as alternate, Trustee Prince.

13. 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 March Regular Meeting.

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

Mr. Waddell informed that the Procurement and Document Retention Policies are ready for review by the Ad-Hoc Committee and scheduled a meeting date.

#### **DISCUSSION CALENDAR**

*Item 15 is for discussion only. Items requiring action will be placed on a future agenda.*

15. Reports/Correspondence/Announcements:

A. Retirement Administrator:

1. Investment Graphs:

a. Market Value Graph of the Retirement System's Assets for January 31, 2023

b. Book vs. Market Graph – compares the Market Value of the system's assets to the Book Value of Assets for January 31, 2023

Mr. Jarvis updated the Board on ICERS' portfolio performance activity for the current period.

## A. Retirement Administrator (Continued):

## 2. Report on Board Certified Training Hours

Mr. Jarvis provided a brief report on the Board Certified Training Hours and asked board members to let staff know of any updates needed before posting to ICERS' website.

## 3. Imperial Valley Telecommunications Authority Board Meeting Update

Mr. Jarvis reported the IVTA meetings resumed and there were no reportable updates directly affecting ICERS.

## B. Board Members

Trustee Lizarraga again welcomed newly elected Alternate Safety Member Jennifer Benavidez.

## C. ICERS Legal Counsel:

## 1. Legislative review

Mr. Waddell announced that no new CERL bills have been introduced as yet.

## 2. Remote participation in Board of Retirement meetings after February 28, 2023 pursuant to AB 2449

Mr. Waddell announced effective after February 28, 2023 remote meetings are not allowed under AB-361. Mr. Waddell explained that in its place the Governor has signed AB 2449, but it does not promote fully remote meetings. AB 2449 provides for individual participation by a Board Member remotely under specified, limited circumstances.

## 16. 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 Landeros, Second by Armstrong to convene into Closed Session carried unanimously by a roll call vote (Lizarraga, Bermudez, Jauregui, Landeros, Prince, Armstrong)

**CLOSED SESSION**

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

**TRUSTEE ARMSTRONG RECUSED HIMSELF FROM 12:02 PM To 12:12 PM**

Closed Session (Continued):

**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**

**18. Announcement of Closed Session Action:**

Mr. Waddell announced the following:

On a **MOTION** by Lizarraga, Second by Bermudez, the Board approved the Service-Connected Disability Application of Cristina Alvarado. Motion carried unanimously by a roll call vote (Lizarraga, Bermudez, Jauregui, Landeros, Prince, Escobosa, Armstrong)

Mr. Waddell provided an update regarding the status of the Deputy Sheriffs' case, with no reportable action taken.

**CONSENT AGENDA**

**19. BUDGET:**

Approval of the following Budget claims for the 2022-2023 fiscal year, to include Board Members in attendance at the 2/15/2023 meeting; Administrative Budget Expense Summary; and Treasurer's Cash Account Summary per Govt. Code 31580.2 & 31521:

A. Administrative Budgets

B. Treasurer's Cash

**20. Administrative Agenda:**

A. Enrollment of New Members to ICERS: (39)

<u>General Members</u>	<u>Department</u>	<u>Date</u>
Aguilar, Yozajandy	Social Services	12/30/2022
Aguirre, Deanna E	Social Services	12/30/2022
Avila, Nancy	Social Services	12/30/2022
Bastidas, Julia	Child Support Services	12/30/2022
Del Campo, Leticia Isabel	Social Services	12/30/2022
Esquer, Kytzia M	Social Services	12/30/2022
Estrada, Melissa	Social Services	12/30/2022
Flores, Rafael	Public Health	12/30/2022
Flores, Yesenia	Public Health	12/30/2022

C. Service Retirement:

Anderson, Devin	General Member
Department:	Social Services
Effective Date:	12/30/2022
Service:	24.769284 Years
Sick Leave:	<u>00.273942 Years</u>
Total:	25.043226 Years

D. 60% Continuance of Service Retirement Allowance per Govt. Code Section 31760.1:

Hendricks, Thomas G	General Member
Deceased:	01/06/2023

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

Vogel, Gilbert M	General Member
Deceased:	12/27/2022

F. Member Service Statistics

**OTHER ITEMS**

21. Special Training:

ICERS' Previously Approved Training

22. **ADJOURNMENT**

The meeting adjourned at 12:14 p.m. The next regularly scheduled meeting on March 15, 2023 at 9:00 a.m.

  
 Norma K. Jauregui, Vice Chairman

  
 Lizandro Escobosa, Secretary

## A. Enrollment of New Members to ICERS (Continued):

Gonzalez, Mario Adan	Air Pollution Control D.	12/30/2022
Gonzalez Lopez, Claudia	Social Services	12/30/2022
Herrera, Fernanda	Social Services	12/30/2022
Medina, Alvaro	Behavioral Health	12/30/2022
Medina, Karely	Public Health/Tobacco	12/30/2022
Mungarro, Raul	Public Works	12/30/2022
Rodiles, Andrea	Social Services	12/30/2022
Valdez-Cortez, Nelly	Social Services	12/30/2022
Velasco, Karen C	Social Services	12/30/2022
Velez, Priscilla	Behavioral Health	12/30/2022
Villareal, Diana	Social Services	12/30/2022
Aviles Padilla, Andrea	Behavioral Health	01/13/2023
Bell, Nashallah Iesha	Social Services BJMRH	01/13/2023
Benavides, Amanda	Public Health	01/13/2023
Dominguez, Angelica	Behavioral Health	01/13/2023
Figueroa, Fernando	Sheriff-Corrections	01/13/2023
Hawk, John	Board of Supervisors	01/13/2023
Llamas, Ana L	Behavioral Health	01/13/2023
Lopez, Juan A	Social Services	01/13/2023
Pino Perez, Betsy	Social Services	01/13/2023
Acosta-Martinez, Josue	Public Works	01/27/2023
Estrada, Melissa	Social Services	01/27/2023
Lara, Crystal Marley	Sheriff	01/27/2023
Lau, Ernestina	Social Services	01/27/2023
Pena, Micaela	Probation & Corrections	01/27/2023
Santiago, Vanessa	Social Services	01/27/2023
Terriquez, Michael	Social Services	01/27/2023
Zavala, Johana G	Social Services	01/27/2023

<u>Safety Members</u>	<u>Department</u>	<u>Date</u>
Valdez, Francisco Javier	Sheriff-Corrections	1/13/2023
Williams, Rickey Darnell	Sheriff	01/27/2023

## B. Terminations: (11)

<u>General Members</u>	<u>Department</u>	<u>Term Date</u>
Cardinal Lopez, Alberto	Courts	11/17/2022
Gomez, Diana	Social Services	12/01/2022
Jacobs, Ashleigh	Clerk Recorders	12/09/2022
Kerkorian, Laura	Ag Commissioner	11/10/2022
Pantoja, Erika	Child Support	03/04/2022
Quintero Ortiz, Govana	Behavioral Health	12/15/2022
Rodriguez, Luis	Behavioral Health	11/21/2022
Schultz, Kathryn	Public Defender	10/22/2022
Villasenor, Daveline	ICTC	11/30/2022

<u>Safety Members</u>	<u>Departments</u>	<u>Term Date</u>
Estrada, Jose	Sheriff's	11/23/2022
Soto, Andrea	Sheriff's	12/05/2022