



Retirement Chronicles

A quarterly publication of the Kern County Employees' Retirement Association

News & Views

October 2013

KCERA's Executive Director is Retiring

After ten years at the helm of KCERA, Anne Holdren in December will join the ranks of 3,800 other members who have retired during her tenure as executive director.

Ms. Holdren joined KCERA as the assistant executive director in July 2003. Six months later, upon the sudden resignation of the former executive director, the Board of Retirement appointed Ms. Holdren as the interim executive director. Within a few months, she was permanently appointed to run the county's retirement agency.

Before coming to KCERA, Ms. Holdren worked for the State of Washington's Department of Retirement Systems as an administrator. During this time, she earned the Governor's Distinguished Management Leadership Award as a sustaining leader.

Much has transpired in the county's pension plan (and the broader pension community) since Ms. Holdren's arrival in 2003, but she has navigated KCERA through the uncharted waters with great diligence and care. For this and many other reasons, Ms. Holdren will leave her successor with big shoes to fill.

With her retirement scheduled for mid-December, this will be the last newsletter produced under her



Anne Holdren

direction. To honor the occasion, *The Retirement Chronicles* has included a farewell message from Ms. Holdren on page 4.

Thanks for your faithful service, Anne. Enjoy your retirement!

Editor's Note: Recruitment for the executive direction position began this summer with the selection of a recruitment agency and a nationwide search for qualified candidates. The Board's Administrative Committee has reviewed applications and conducted first-round candidate interviews. Further interviews will be conducted by the Board in the coming weeks. The hiring process should be completed by the end of November.

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3 BOARD SEATS UP FOR ELECTION



An election will be held on November 19 to fill three slots on the Board of Retirement. The available positions are the Third Member seat, elected by general members, and the Eighth Member and Eighth Member Alternate seats, elected by retired members.

Elected trustees will serve on the Board for a three-year term starting on January 1, 2014. Elected Board members whose terms end this year include Konrad Moore (Third Member), Norman Briggs (Eighth

Member) and Phil Franey (Eighth Member Alternate). These trustees are able to run for reelection.

Nomination papers to file as a candidate were due by September 30, 2013 at the County Clerk-Elections Division. The write-in candidate deadline is November 5, 2013.

If you are eligible to vote, remember to return your mailed ballot by Election Day!

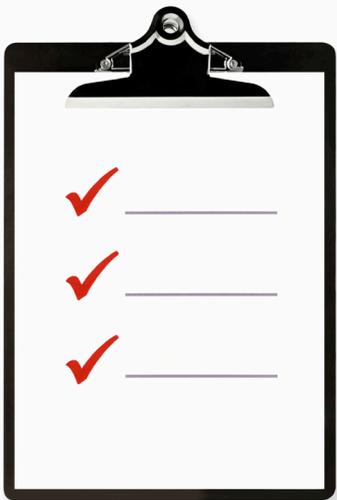
Retiree Remittances: UPDATE

In the last two months, several retirees have contacted KCERA with concerns about the payment remittances printed and mailed by Wells Fargo Bank, which was selected to replace Northern Trust as the printer of the monthly statements.

One concern was that the document text is too small and light. KCERA has worked with Wells Fargo to enlarge and darken it. The textual enhancements will be tested and implemented as soon as possible.

Retirees were also concerned that their remittances were delivered late. KCERA has modified the mail date so that retirees will begin receiving their remittances by the first day of the month.

KCERA will continue looking for ways to improve the services provided to members. For example, KCERA is exploring the idea of providing electronic access to monthly remittances, upon request. Stay tuned for more information about this option.



faq

What is terminal vacation and how does it work?

A. Terminal vacation is a benefit that allows you to run out your accrued vacation hours until your date of retirement. During this time, you continue to earn retirement service and receive your regular pay and health benefits. Your last day of vacation is also your last day of employment.

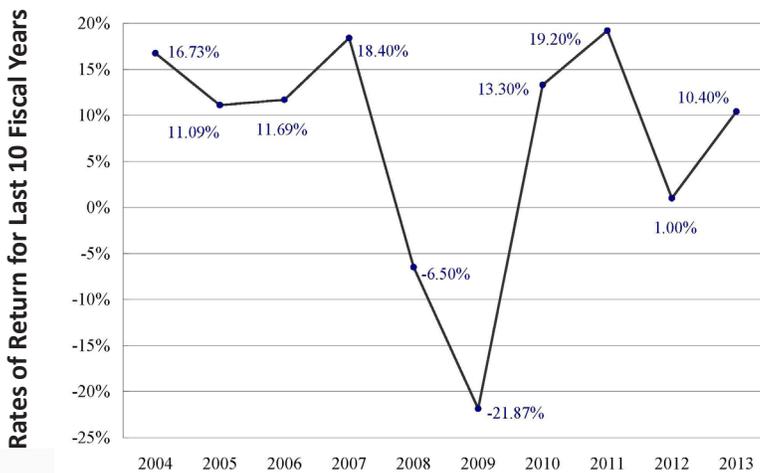
Be sure to obtain your department's approval of your request for terminal vacation *before* leaving employment. And remember to submit your retirement application at the time your terminal vacation begins.

KCERA TOPS 10% RETURN IN FISCAL YEAR!

Fiscal year 2012-13 proved to be another impressive equity bull market. Strong equity returns across many sectors lifted KCERA's annual rate of return to 10.4% (net of fees). Led by gains in domestic equity (21.5%) and international equity (16.3%), the total fund increased from \$2.8 billion to \$3.1 billion in the year ending June 30, 2013.

Other positive contributors included hedge funds (12.0%), private equity (7.3%), real estate (5.6%) and global fixed income (0.9%).

KCERA's 2012-13 performance buoyed its average three-year return to 10.0%, five-year return to 3.3%, and ten-year return to 6.6%.



UPCOMING EVENTS

Board of Retirement Meetings

October 9
November 6
December 11

Investment/Regular Board meetings are scheduled on the second Wednesday of each month at 8:30 a.m.

The public is invited to attend. Board meeting agendas are available at www.kcera.org.

The Board of Retirement meets in the KCERA Board Room located at 11125 River Run Blvd. Bakersfield, California 93311.



Retiree News

KEEP PERSONAL INFO UPDATED

It is important to keep your personal information updated to ensure your KCERA benefits continue to you (or your beneficiary) without interruption.

To update your name, address, "direct deposit" or tax-withholding information, you must complete a *Change Request Form* and return it with a copy of your current driver's license or state-issued photo ID card. If you need to designate a new beneficiary due to marriage, divorce or death, please complete a *Beneficiary Designation Form*.

All forms can be downloaded from www.kcera.org, picked up at the KCERA office or requested by calling (661) 381-7700. *Please note that your personal information cannot be updated by phone.*

Message from Executive Director Anne Holdren

A Fond Farewell

Over the last decade, I have had the privilege of leading KCERA's administration and supporting the Board of Retirement. It has been both professionally and personally rewarding to witness so many achievements, thanks to the KCERA staff's hard work and dedication and the Board trustees' support and guidance.

It is with pride that I look back at the milestones of my tenure at KCERA, which includes a new accounting system, a new pension administration system, a permanent office building to serve our members and accommodate board meetings, a strengthened KCERA infrastructure with the addition of a chief investment officer and in-house legal counsel, the implementation of multiple benefits tiers for both safety and general members, and so much more. Of course, much more is yet to come!

As Secretary to the Board, I have witnessed many changes to the plan and the Board. For example, we have been repeatedly challenged by tumultuous financial markets, resulting in plummeting funding ratios and higher required employer contributions. The Board has responded by strengthening the investment program to improve performance and revising its funding policy to increase the plan's funding ratio over time. These actions demonstrate that your Board is committed to protecting and delivering the "pension promise" to you, the KCERA member. I believe each of the 34 trustees I have worked with since 2003 was dedicated to this noble objective.

Thank you for providing the opportunity to serve you, alongside the great KCERA staff, for ten memorable years. All the best to you and yours!

Did you know ... ?

In 1945, the Board of Supervisors created a retirement association for county employees. It was aptly named the Kern County Employees' Retirement Association.

Unlike state retirement plans, KCERA would be governed by the County Employees Retirement Law of 1937 ("1937 Act"). In 2013, a new governing law known as the California Public Employees' Pension Reform Act ("PEPRA") also went into effect.

• RETIREMENT •

BOARD • OF

Jackie Denney, *Chairman*
Michael Turnipseed, *Vice-Chair*
Norman Briggs
Dominic Brown
David Couch
Lance Horton
Rick Kratt
Konrad Moore
Gayland Smith
Phil Franey, *Alternate*
Russell Albro, *Alternate*

• BOARD • OF • RETIREMENT •

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