



The Retirement CHRONICLES

A quarterly publication of the Kern County Employees' Retirement Association

ANNUAL STRATEGIC PLANNING MEETING

At its annual strategic planning meeting on January 25, the Board took an in-depth look at its numerous responsibilities, functions and mandates related to governance.

The daylong meeting also helped to familiarize the Board's five new members with their critically important roles as fiduciaries of KCERA's \$2.81 billion retirement fund.

The session began with Tom Iannucci, president of Cortex Applied Research Inc. Iannucci, who illustrated and explained the investment environment in which trustees must determine how to prudently invest pension funds.

Eileen Neill of KCERA's investment consultant firm, Wilshire Associates Inc., then shared her firm's overall approach to evaluating and advising KCERA's asset management.

Following Neill was Deputy County Counsel Patricia Randolph, who clarified the Board's legal roles and fidu-

ciary responsibilities in fulfilling its 1937 Act mandates.

Cortex's Tom Iannucci appeared a second time to explain KCERA's current Board governance framework, which he described as "a model of best practices" among other public pension plans in California.

In the afternoon, Karen Steffen, representing Milliman Inc., outlined the art and science of actuarial analysis. Milliman's carefully researched actuarial findings determine member and employer contribution rates for the following year.

Lastly, Deputy County Counsel Kirk Perkins outlined the legal obligations and considerations of Board members in the disability retirement process.

The 2006-07 Business Plan presentation by KCERA's executive director, Anne Holdren,

included updates on major initiatives at KCERA, such as its new accounting system, space-needs analysis report, disaster recovery plan and ongoing efforts to find new pension software to better service its members. Due to time constraints, Holdren's presentation was postponed until the Board met again on February 14.

"Today's meeting helped to demystify Board governance for our five new trustees," said Claude Fiddler, the new Board chairman. "With this common understanding, we will be able to make better decisions for the members."

The Board's new trustees are Bart Camps, Jackie Denney, Jeff Frapwell, Mike Maggard and Mark Ratekin. ■

In This Issue

Page 1: Annual Strategic Planning Meeting

Page 2: Newly Elected Board Members
Board Seeks Clarity from IRS

Page 3: 2007 Committee Assignments
Annual Activity Summary
Retirees' Corner

Page 4: Sign Up for Retirement Seminar



1115 Truxtun Ave., 1st Floor
Bakersfield, CA 93301
661.868.3790 ph
661.868.3779 fax
www.kcera.org

Newly Elected Board Members

Joining the Board in 2007 are Jeff Frapwell, Mark Ratekin and alternate Bart Camps. Each brings unique strengths to the service of the KCERA membership.



Jeff Frapwell

Jeff Frapwell, elected by General members to the Board's Second member seat, currently serves as

the assistant county administrative officer (CAO) for General Services. Prior to this, he spent 20 years in the Administrative Office in various roles. Before entering county service in 1984, he worked at the NASA Dryden Flight Research Center. Frapwell earned a B.S. degree in business administration and an MBA from CSUB.



Mark Ratekin

Mark Ratekin, elected by Safety members to the Board's Seventh member seat, has worked for the

Kern County Fire Department for the last four years and now serves as a fire engineer.

Prior to joining the county, he spent six years as an engineering manager at GE Wind and six years as a minor league pitcher for the California Angels.

(The July edition of *The Retirement Chronicles* will feature Bart Camps, the new Seventh Member Alternate.)

BOARD SEEKS CLARITY FROM IRS

In 1990, KCERA received a letter ruling from the Internal Revenue Service (IRS) stating that disability retirement benefit payments granted to a safety member under the heart presumption (Gov. Code §31720.5) must be treated as taxable.

However, a recent California appellate court case has called the IRS's ruling into question. The Board has authorized staff to request another letter ruling from the IRS to review its position on the taxability issue in light of this new case. KCERA will update its members when a final determination is received.



UPCOMING EVENTS & IMPORTANT DATES

Retirement Planning Seminar

Thursday, June 14, 2007
Board Chambers
1115 Truxtun Ave., 1st Floor

Benefit Payment Mailings

April 24
May 24
June 25

Investment Board Meetings

April 11
May 16 (combined)
June 13

Regular Board Meetings

April 25
May 16 (combined)
June 27

Board Meeting Location

Multi-purpose Room
1115 Truxtun Ave., 3rd Floor

Frequently Asked Questions

Q: Once I submit my retirement paperwork to KCERA, is there anything else I need to do?

A: Yes. Although you may be officially retired, you cannot receive your first pension check until your final election papers are signed.

These papers will be available 4 to 6 weeks after your retirement date. During that time, KCERA will obtain your last payroll feed and calculate your final benefit amount. Then a service representative will schedule an appointment with you to sign final election papers.

After the signing, you should receive your first pension check within 7 to 10 days. The check will include a retroactive amount for the unpaid weeks since your retirement date.

2007 COMMITTEE ASSIGNMENTS

Audit/Actuarial

John DeMario, Chair
Jackie Denney
Jeff Frapwell
Mike Maggard
Norman Briggs (Alt.)

Budget

Brad Barnes, Chair
Bart Camps
John DeMario
Jeff Frapwell

Disability Application

Joseph Hughes, Chair
Claude Fiddler
Mike Maggard
Mark Ratekin

Facility Assessment

Jackie Denney, Chair
Brad Barnes
Norman Briggs
Claude Fiddler

Human Resources

Joseph Hughes, Chair
Brad Barnes
Claude Fiddler
Mark Ratekin

Information Technology

Norman Briggs, Chair
Bart Camps
Jackie Denney
Jeff Frapwell
Joseph Hughes (Alt.)

Investment

John DeMario, Chair
Norman Briggs
Jackie Denney
Mark Ratekin
Brad Barnes (Alt.)

ATTENTION:
ACTIVE MEMBERS

Annual Activity Summary for 2006

KCERA had another record-setting year in 2006! Staff enrolled 1,199 new members and processed 370 retiree estimates, both increases from 952 members and 345 estimates in 2005.

In addition, active membership rose from 8,207 to 8,575, while the number of retirees and beneficiaries grew from 5,025 to 5,241 in the past year.

“It was a true pleasure serving our members in 2006,” said Anne Holdren, executive director at KCERA. “We look forward to growing with our membership this year and finding ways to provide even higher levels of service.”

Membership

Active	8,575
Retirees/Beneficiaries	5,241
Deferred/Reciprocal	952
Total Membership	14,768

New Members	1,199
New Retirees	333
New Beneficiaries	53

Member Services

Service Credit Purchases:	
Calculated	520
Lump Sum Payouts	277
Payroll Deductions	95
Withdrawals:	
Vested	48
Non-vested	330
Estimates	370

RETIREES' CORNER

COLA UPDATE

On April 1, each retiree or beneficiary will be entitled to a Cost of Living Adjustment (COLA) increase. The increased COLA amount will appear on April 30 retirement benefit payments. The COLA amount of 2.5 percent will be applied to annuity, pension and previous COLA amounts. The COLA is not applied to any amounts paid from the Supplemental Retiree Benefit Reserve (SRBR).

SATISFACTION SURVEY ONLINE

To help KCERA evaluate its active member services, we would like you to complete a short client satisfaction survey linked from www.kcera.org. It will be available through May 31. This survey was also mailed to 2,500 active members in March. A survey for retirees will be developed in the near future. Thank you!

Board of Retirement

Claude Fiddler, **Chair**
Brad Barnes, **Vice-Chair**
John DeMario
Jackie Denney
Jeff Frapwell
Joseph Hughes
Mike Maggard
Mark Ratekin
Norman Briggs, **Alternate**
Bart Camps, **Alternate**

Sign up for Retirement Seminar

Use this form to reserve a seat at the next Retirement Planning Seminar.

Name		SSN (Last 4 Numbers)	
Address			
City		State	Zip Code
Home Phone	Work Phone		Dept. Name/Number
Please add my name to the reservation list for the Retirement Planning Seminar to be held: <input type="checkbox"/> June 14, 2007 — FULL <input type="checkbox"/> December 6, 2007			
Mail reservation form to: KCERA 1115 Truxtun Avenue Bakersfield, CA 93301	You can also e-mail your reservation to servicerep@kcera.org or fax your reservation to (661) 868-3779.		Retirement Planning Seminars are designed for members within five years of retirement. Attendance at seminars is limited to about 130 people. Make your reservations early to ensure a seat at the next seminar.
