

# Retirement Chronicles

April 2006

## 2006 KCERA Strategic Planning Session



The KCERA Board of Retirement conducted its annual Strategic Planning Session at the Hilton Garden Inn on February 2, 2006. At the meeting, Trustees discussed several initiatives related to KCERA's future growth and direction.

Tom Iannucci, the meeting facilitator from Cortex Applied Research, Inc., began the meeting with an overview on investment basics and a review of the Board's governance structure and policies. Following was a discussion of the Board's self-evaluation for the 2005 calendar year. The results of the review were very positive, with very few board members noting any dissatisfaction. Many of the improvement opportunities noted by the Board were already in the process of being addressed. Also, the Communication Policy was revised to include a legislative platform and the creation of an Ad Hoc Legislative Committee. These changes will facilitate timely response to legislative matters which may arise throughout the year.

Executive Director Anne Holdren led the remainder of the session devoted to discussion of KCERA's proposed 2006/07 business plan. This section of the meeting focused on projects that are either underway or proposed for the next fiscal year. Some of the key projects and initiatives include:

- Development of Business Continuity and Disaster Recovery Plan
- Assessment of KCERA's operational space needs
- Assessment of Pension Benefit System
- Acquisition and installment of new Accounting Software
- Measurement of Member Satisfaction

Tom Iannucci has worked with the KCERA Board since 1999, when Cortex was hired to draft the Board's governance frame work. Iannucci has been highly complimentary of the Board's efforts over the years, noting that KCERA's governance program is "...one of the most progressive and sophisticated governance efforts among public funds in the nation."

## Contact KCERA

1115 Truxtun Avenue, 1st Floor  
Bakersfield, CA 93301  
Attn: Newsletter Editor

Phone (661) 868-3790  
Fax (661) 868-3779  
TTY (800) 735-2929  
Toll Free (800) 548-0738  
Web [www.kcera.org](http://www.kcera.org)  
E-mail [editor@kcera.org](mailto:editor@kcera.org)

## Upcoming Events

### Retirement Planning Seminar

Thursday, May 25, 2006 - Full  
Board of Supervisors Chambers  
1115 Truxtun Avenue, 1st Floor

### 2006 Investment Board Meetings

April 12, May 17\*, June 14

### 2006 Regular Board Meetings

April 26, May 17\*, June 28

\*May 17 is a combined Investment/  
Regular Board meeting.

Board Meeting Location  
Multi-purpose Room  
1115 Truxtun Avenue, 3rd Floor

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## FAQ's

### Q. What happens to my contributions if I leave County employment without retiring?

A. You have several options for your contributions if you leave County service without retiring:

- **Refund** - You may take a refund of your contributions and interest. However, a word of caution - if you do not reinvest your balance in a tax-deferred account, you may incur large tax penalties. You can avoid penalties by transferring your refund directly to another tax-deferred account.
- **Deferred Retirement** - If you have at least five years of service credit, you may leave your contributions on deposit and choose to receive a deferred retirement once you have met other eligibility requirements.
- **Reciprocity** - If you are going to work for another public retirement system within six months of your termination from Kern County, you may leave your contributions on deposit and choose a reciprocal retirement.
- **On Deposit** - You may leave your contributions on deposit with KCERA, where they will continue to earn interest until you decide to request a refund.

More information on your choices is available in the KCERA Retirement Benefits Information booklet available on the web at [www.kcera.org](http://www.kcera.org) or by calling the KCERA office.

### Board of Retirement

John DeMario, **Chair**  
Claude Fiddler, **Vice-Chair**

Brad Barnes  
Phil Franey  
Joseph Hughes  
Jordan Kaufman  
Sharon E. Lesser  
Donald Maben  
Tony Plante  
Norman Briggs, Alternate  
Jackie Denney, Alternate  
Howard Eddy, Alternate

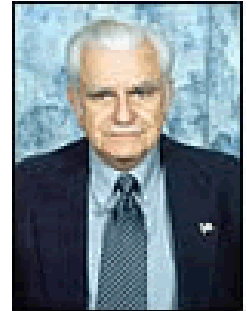
## 2006 Board Assignments



John DeMario

In January, the Board of Retirement elected John DeMario, eighth member representing retirees and beneficiaries, as the Chairman for 2006. Mr. DeMario, a Board trustee since 1998, served as Vice-Chairman for the past two years. Retired from the Kern County Treasurer-Tax Collector's Office, Mr. DeMario is also the Treasurer for the Retired Employees of Kern County.

Claude Fiddler, appointed by the Board of Supervisors as the fifth member in 2002, is the newly elected Vice-Chairman. Mr. Fiddler retired from Chevron in 1991, but stays active in the community, most notably with the Golden Empire Gleaners.



Claude Fiddler

Chairman DeMario and Vice-Chairman Fiddler look forward to a productive year serving KCERA's members.

## 2006 Committee Assignments

### Audit/Actuarial Committee

Phil Franey, Chairman  
Norman Briggs  
John DeMario  
Sharon Lesser  
Brad Barnes, Alternate

### Budget Committee

Sharon Lesser, Chairman  
Norman Briggs  
Jordan Kaufman  
Tony Plante  
Howard Eddy, Alternate

### Disability Application Committee

Joseph Hughes, Chairman  
Howard Eddy  
Claude Fiddler  
Donald Maben  
Sharon Lesser, Alternate

### Human Resources Committee

Claude Fiddler, Chairman  
Joseph Hughes  
Jordan Kaufman  
Tony Plante  
Howard Eddy, Alternate

### Information Technology Committee

Norman Briggs, Chairman  
Brad Barnes  
Phil Franey  
Donald Maben  
Joseph Hughes, Alternate

### Investment Committee

Brad Barnes, Chairman  
John DeMario  
Claude Fiddler  
Phil Franey  
Jordan Kaufman, Alternate

## Meet Your Board Trustees



Joseph Hughes

Joseph Hughes, appointed by the Board of Supervisors, has served as the Board's sixth member since August 2004. He is a partner in the law firm of Klein, DeNatale, Goldner, Cooper, Rosenlieb, and Kimball and holds a B.A. from the University of California at Santa Barbara and a J.D. from Santa Clara University School of Law.

Mr. Hughes is active in the community, serving on the Board of Trustees for the Kern County Law Library and the Board of Directors for Greater Bakersfield Legal Assistance. He has also served as a Small Claims Court Judge Pro Tem for the Kern County Superior Court.

When asked what he finds most rewarding about being a Board trustee, Mr. Hughes replied, "In addition to the interesting and unique issues that the Board must address, and the opportunity to serve the KCERA's members, I have enjoyed tremendously working with the trustees and staff whose professionalism and abilities have made the experience very worthwhile."

## Retirees' Corner

### Cost of Living Adjustment

On April 1, 2006 each retiree or beneficiary will become entitled to a Cost of Living Adjustment (COLA) increase. The increased COLA amount will appear on April 30, 2006 retirement warrants.

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.

### Income Verifications

Retirees and beneficiaries frequently request letters to verify their monthly retirement benefits. Verification letters are often needed when applying for loans or housing assistance. For faster service and to ensure timely receipt of income verification letters, always call or write the KCERA office directly. Sending requests to Northern Trust may result in a four to six week delay. KCERA staff are delighted to provide income verification letters and want to be sure you receive them as quickly as possible.

### Benefit Payment Mailing Dates

April 25, 2006  
 May 25, 2006  
 June 27, 2006

## KCERA Staff - Proud to Serve You!

KCERA had a record setting year in 2005, with increases in new retirees and new active members. Staff processed 458 new retirees and 952 new members. By comparison in 2004, 190 members retired and 623 new members were enrolled - an increase of 240 percent and 153 percent respectively.

These increased numbers are directly attributable to the adoption of the 3 percent at 60 Retirement Tier for General members, which became effective January 1, 2005.


### 2005 Year-End Activity Summary

Membership		Member Services	
Active	8,207	Service Credit Purchases:	
Retirees/Beneficiaries	5,025	Calculated	772
Deferred/Reciprocal	948	Lump Sum Payments	324
Total Membership	14,180	Payroll Deductions	126
		Withdrawals:	
New Members	952	Vested	33
New Retirees	458	Non-Vested	336
New Beneficiaries	50	Estimates	345

# Sign Up for Retirement Seminar

Use this form to reserve a seat at an upcoming Retirement Planning Seminar.

Name		SSN (Last 4 Numbers)	
Address			
City		State	Zip
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"/> December 7, 2006 <input type="checkbox"/> May 2007 (Date to be announced later.)			
Mail reservation form to: KCERA 1115 Truxtun Ave. Bakersfield CA 93301	You may also e-mail your reservation to <a href="mailto:servicerep@kcera.org">servicerep@kcera.org</a> 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 approximately 130 people. Make your reservation early to ensure a seat at the next seminar.

  
Kern County Employees' Retirement Association  
1115 Truxtun Ave  
Bakersfield CA 93301-4639  
Return Service Requested