



County of Santa Cruz

BOARD OF SUPERVISORS

701 OCEAN STREET, SUITE 500, SANTA CRUZ, CA 95060-4069

(831) 454-2200 FAX: (831) 454-3262 TDD: (831) 454-2123

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THIRD DISTRICT

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FOURTH DISTRICT

MARK W. STONE
FIFTH DISTRICT

AGENDA: 1/24/06

January 17, 2006

BOARD OF SUPERVISORS
County of Santa Cruz
701 Ocean Street
Santa Cruz, CA 95060

RE: ANNUAL REPORT OF THE DEFERRED
COMPENSATION ADVISORY COMMISSION

Dear Members of the Board:

Attached is the 2005 Annual Report of the Deferred Compensation Advisory Commission. I recommend that the Board accept and file this report and direct the Chairman to thank the members of the Commission for their efforts on behalf of the County.

Sincerely,

MARK W. STONE, Chair
Board of Supervisors

MWS:ted

cc: Deferred Compensation Advisory Commission

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County of Santa Cruz

DEFERRED COMPENSATION ADVISORY COMMISSION

701 OCEAN STREET, SUITE 520, SANTA CRUZ, CA 95060-4073

(831) 454-2100 FAX: (831) 454-3420 TDD: (831) 454-2123

2005 ANNUAL REPORT

ROLE OF THE COMMISSION

The Deferred Compensation Advisory Commission, established by Chapter 2.88 of the County Code, oversees operation of the County's Deferred Compensation Plan, recommends plan amendments to the Board of Supervisors, and selects the various investment options available to employee participants. The County's plan is established according to Section 457(b) of the Internal Revenue Code and Government Code Section 53212 and is administered under contract by Great-West Retirement Services of Denver, Colorado.

MEETING DATES, TIMES AND LOCATIONS

The Commission normally meets at 1:30 p.m. on the third Wednesday of each month in the County Administrative Office conference room (room 520 of the Governmental Center, 701 Ocean Street, Santa Cruz). Special meetings may be called to review hardship requests of an urgent nature or to complete the work of the Commission in a timely fashion. The Commission complies with the Brown Act, and members of the public are welcome to attend.

COMMISSION MEMBERSHIP

The Commission consists of eight members appointed by the Board of Supervisors. The County Administrative Office and County Counsel provide staff support for the Commission. Members are nominated by the following officials and employee organizations for appointment by the Board of Supervisors:

<u>Organization or County Office</u>	<u>2005 Representatives</u>
Service Employees International Union	Ed Huff
Mid-Management Association	Nancy McCollum
Operating Engineers	Bert Nabor
Auditor-Controller	Mary Jo Walker
County Administrative Office	Dinah Phillips
County Counsel	Jane Scott
Personnel Department	Lee Ann Shenkman
Treasurer-Tax Collector	David Zweig

2005 ACTIVITIES AND ACCOMPLISHMENTS

During 2005, the Commission met at ten regularly scheduled and special meetings. The commission considered three requests to withdraw funds due to hardship. During this time period, the Commission implemented a program in which participants can borrow a portion of their deferred compensation assets and recommended that a contract with the Resource Conservation District be approved, allowing employees of that agency to participate in the County's plan.

The Commission entered into a bid process for a Third Party Administrator of the Deferred Compensation program. The County contracted with Americh Massena & Associates to assist in the preparation of a Request for Proposals (RFP), evaluation of the responses, and negotiation of the resulting contract. Jayson Davidson has been the primary consultant for this process, and his assistance has been greatly appreciated.

The Commission issued the RFP in April 2005, and received eleven proposals. The consultant reviewed the proposals for cost, flexibility of fund line up and options, customer service and convenience, and experience in government plans. The Commission held finalist interviews with four applicants, and recommended that the contract be awarded to ICMA Retirement Corporation. The Board of Supervisors approved the contract with ICMA-RC on August 16, 2005. It is anticipated that the transition to ICMA-RC will be completed on February 3, 2006.

FUTURE GOALS AND RECOMMENDATIONS FOR 2006

During 2006, the Commission will monitor the transition of the Plan from Great-West to ICMA-RC, and will continue efforts to further improve the County's Deferred Compensation Plan for the benefit of the participants, and will initiate efforts to increase the number of employees participating in the plan.

2005 MEETING ATTENDANCE

Commissioner	Jan	Feb	Mar	Apr	Spec	May	June	Jul	Aug	Sept	Oct	Nov	Dec
Phillips	P	P	NM	P	P	P	P	P	NM	P	P	P	A
Huff	A	P	NM	P	P	P	P	P	NM	P	P	P	P
McCollum	P	P	NM	A	A	A	P	A	NM	P	P	P	P
Nabor	P	P	NM	A	A	P	P	P	NM	A	P	P	A
Scott	P	P	NM	P	P	A	P	P	NM	P	P	P	P
Shenkman	A	P	NM	P	P	P	A	A	NM	A	P	P	P
Walker	A	P	NM	A	P	P	P	P	NM	P	P	P	P
Zweig	P	P	NM	P	P	P	P	P	NM	P	P	P	P

NM - No Meeting
P - Present
A - Absent