

County of Santa Cruz

BOARD OF SUPERVISORS

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WALTER J. SYMONS
SECOND DISTRICT

MARDI WORMHOUDT
THIRD DISTRICT

TONY CAMPOS
FOURTH DISTRICT

JEFF ALMQUIST
FIFTH DISTRICT

AGENDA: 8/3/99

July 21, 1999

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 Annual Report of the Deferred Compensation Advisory Commission for calendar year 1998. I recommend that the Board accept and file this report and direct the Chairperson to thank the members of the Commission for their efforts on the County's behalf.

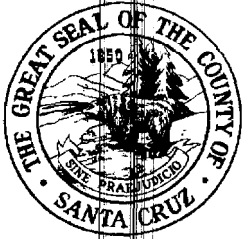
Sincerely,

JEFF ALMQUIST, Chairperson
Board of Supervisors

JA:ted

cc: Deferred Compensation Advisory Commission

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COUNTY OF SANTA CRUZ

SANTA CRUZ COUNTY DEFERRED COMPENSATION ADVISORY COMMISSION

701 OCEAN STREET, SUITE 520
SANTA CRUZ, CA 95060
(408) 454-3415 FAX: (408) 454-3420
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1998 ANNUAL REPORT

ROLE OF THE COMMISSION

The Deferred Compensation Advisory Commission, established by Chapter 2.88.010 of the County Code, oversees operation of the County's Deferred Compensation Plan, recommends 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 Life and Annuity Corporation 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. The Commission complies with the Brown Act and members of the public are welcome to attend.

COMMISSION MEMBERSHIP

The Commission has eight members appointed by the Board of Supervisors. Members are nominated by the following officials and employee organizations:

Organization or County Office

(Mid-Management Association
Operating Engineers
Service Employees International Union
Auditor-Controller
County Administrative Office
County Counsel
Personnel Department
Treasurer-Tax Collector

1998 Representative

Nancy McCollum
Jim Morris/Bert Nabor
Diane Moore
Suzanne Young
Madlyn Norman-Terrance
Jane Scott
Jo Warley
Deborah Lauchner

The County Administrative Office and County Counsel provide staff support for the Commission.

1998 ACTIVITIES AND ACCOMPLISHMENTS

The enrollment in the plan increased in 1998 by over 8%, from 1,167 to 1,265 participants. Employee funds invested in the plan grew from \$28.2 million on January 1, 1998 to \$31.8 million on December 31, 1998.

DEFERED COMPENSATION ADVISORY COMMISSION 1998 ANNUAL REPORT

During 1998, the plan took steps to comply with new Code requirements mandated in the Small Business Job Protection Act of 1996 that required that all plan assets be held in trust before year end 1998 to provide increased protection and security to plan participants by segregating plan assets from the general assets of the employer. The implementation of this Act provided the first substantial changes in the laws that govern Deferred Compensation Plans in many years. The Act also provided for changes in contribution limits, distribution regulations and other provisions of the plan. This required a number of changes in the Plan Document. These changes and the revised Plan document were presented to your Board.

The Commission closely monitored Great-West's progress on a quarterly basis to insure that they fully comply with Y2K requirements. Great-West appears to have met this task a full year ahead of schedule by completing all Y2K work by the end of 1998.

Every year the Commission reviews the annual plan and fund performance by Great-West. Based on the findings of the reviews, the Commission may make changes in investment options as appropriate. This is done to insure that the Commission meets its duty to maintain both a wide variety and a high quality of investment options.

FUTURE GOALS AND RECOMMENDATIONS FOR 1999

The Commission is working with Great-West to implement a series of educational seminars for plan participants. Education is a key component to insure that plan participants understand the plan and are able to take full benefit of the Deferred Compensation Plan.

1998 REGULAR MEETING ATTENDANCE*

Commissioner	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEPT	OCT	NOV	DEC
Norman-Terr	P	P	P	P	P	P	P	P	P	P	P	P
Morris/Nabor**	A	A	P	A	A	A	A	A	A	P	P	P
Scott	P	P	P	P	P	P	A	P	P	P	P	P
McColum	P	P	P	A	P	P	P	A	P	P	P	P
Moore	P	P	P	P	P	P	P	P	P	A	P	A
Lauchner	P	A	P	P	P	P	P	P	A	P	P	A
Warley	P	P	P	A	P	A	A	P	A	P	A	P
Young	P	P	P	P	P	P	P	P	P	A	P	P

* In addition, Special Meetings were held on May 1, July 15, October 8 and December 16.

**Nabor became a Commission member in October, 1998

NM - No Meeting
P - Present
A - Absent

MNT:mt/dcannual.rpt