



County of Santa Cruz 0217

BOARD OF SUPERVISORS

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

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

JANET K. BEAUTZ
FIRST DISTRICT

ELLEN PIRIE
SECOND DISTRICT

MARDI WORMHOUDT
THIRD DISTRICT

TONY CAMPOS
FOURTH DISTRICT

JEFF ALMQUIST
FIFTH DISTRICT

AGENDA: 1/23/01

January 9, 2001

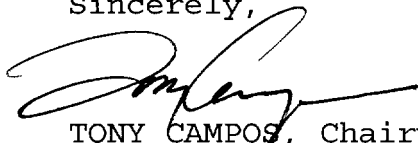
BOARD OF SUPERVISORS
County of Santa Cruz
701 Ocean Street
Santa Cruz, CA 95060

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 2000. 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 the County's behalf.

Sincerely,


TONY CAMPOS, Chairman
Board of Supervisors

TC:ted

cc: Deferred Compensation Advisory Commission

01165A6



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

TDD: (408) 454-2123

2000 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 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 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

2000 Representative

Nancy McCollum
Bert Nabor
Diane Moore
Suzanne Young
Madlyn Norman-Terrance (through 6/30/00)
Dinah Phillips (as of 7/1/00)
Jane Scott
Jo Warley (through 9/25/00)
Lee Ann Shenkman (as of 9/26/00)
Deborah Lauchner

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

2000 ACTIVITIES AND ACCOMPLISHMENTS

Plan assets totaled \$42.4 million as of September 30, 2000, an annual increase of 21.4%. Asset growth consisted of \$4.8 million in additional contributions and \$4.1 million in investment gain. \$1.4 million was distributed during the year. On September 30, 2000, there were 1,618 participants in the plan, approximately 60% of the County workforce.

DEFERRED COMPENSATION ADVISORY COMMISSION 2000 ANNUAL REPORT

During 2000, the Commission evaluated Great-West's performance and the satisfaction of plan participants. Based upon this evaluation, the Commission recommended that the contract with Great West be extended through October 31, 2004. The extension was approved by the Board of Supervisors on June 20, 2000.

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. In December 2000, the Commission reviewed the investment options available to participants. The decision was made to replace one poorly performing international fund with a fund with a better performance history. This change will be made in the spring of 2001 after all participants have been given notice.

During 2000, two representatives of the Commission attended the Annual Conference of the National Association of Government Defined Contribution Administrators. Attendance at the conference was funded by Great West under the terms of the new contract. The conference provided a wealth of information about the administration of deferred compensation programs and was found to be exceedingly useful.

FUTURE GOALS AND RECOMMENDATIONS FOR 2001

The Commission will continue to monitor the performance of Great-West and the investment options available to participants, and will continue to improve the educational component of the program for participants. In addition, the Commission will develop a written investment policy and a written hardship policy and will evaluate the possibility of expanding the types of programs available to participants.

2000 REGULAR MEETING ATTENDANCE*

Commissioner	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEPT	OCT	NOV	DEC
Norman-Terr	P	P	P	P	P	A	NM	-	-			
Phillips							NM	P	P	P	P	P
Nabor	A	P	P	P	P	P	NM	A	A	P	A	P
Scott	P	A	P	P	P	P	NM	A	P	P	P	P
McCollum	P	A	P	P	P	A	NM	P	P	P	P	P
Moore	P	P	P	P	P	P	NM	P	P	A	P	P
Lauchner	A	P	A	P	P	P	NM	A	A	A	P	A
Warley	P	A	P	P	P	P	NM	P	A	-	-	-
Shenkman	-	-	-	-	-	-	NM	-	-	P	P	P
Young	P	P	A	P	P	P	NM	P	P	P	A	P

* In addition, Special Meetings were held on January 27, April 25, June 28 and August 23, 2000

NM - No Meeting
P - Present
A - Absent