

# QUARTERLY REVIEW

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## NOW IS THE TIME! 2007 RETIREES OPEN ENROLLMENT

by County of San Bernardino Employee  
Benefits & Services Division

As we enter the 2007 Retiree Open Enrollment period, the County of San Bernardino's Employee Benefits and Services Division is pleased to inform you of many positive changes and opportunities available to you for the 2008 plan year.

The County recently conducted a survey of our retirees regarding health insurance needs, desires and concerns. According to the survey, the number one issue about the County's health plan offerings was the cost that retirees are paying for their health insurance premiums. The County actively responded to this concern through the premium negotiation process and by obtaining more cost effective options for our retirees.

"Now Is The Time" is the theme of the 2007 Retirees Open Enrollment. Our objective is to offer enticing plans to maintain our current enrollees and also to attract new enrollees to the County sponsored group health plans.

If you are currently enrolled in the plans, please take the time to review all options available to you.



If you are not currently enrolled in one of the County's retiree plans, we strongly encourage you to look at the variety of competitively priced options now available. Now Is The Time for you to strongly consider making the switch to enroll in a County-sponsored group health plan.

### WHAT'S NEW THIS YEAR

- Exclusively enhanced Medicare Street plans with LOW or NO monthly premium
- New customized Low Option plans to meet your needs
- More affordable new options for Out-of-State retirees (Continued on Page 2)



## NEWS FLASH

### HAPPY HOLIDAYS & SBCERA HOLIDAY SCHEDULE

The Board and staff at SBCERA extend warmest holiday greetings to our members and their families!

The association will be closed in honor of the following holidays: Veterans Day, November 12th; Thanksgiving, November 22-23; Christmas, December 24-25; New Year, December 31st-January 1st. Our office is normally open Monday through Friday from 8 a.m. to 5 p.m.

### RETIREE OPEN ENROLLMENT SEMINARS

The County of San Bernardino Employee Benefits & Services Division (EBSB) will host a series of workshops throughout November to support retirees with their benefit elections. For a schedule, please refer to Page 5 of your enrollment guide, or you can log on to [www.sbcera.org](http://www.sbcera.org) to obtain an electronic version of the guide. Also, retirees are always welcome to call EBSB at (909) 387-5787 with questions about their medical, dental and life insurance offerings from the County.

### BOARD OF RETIREMENT ELECTION RESULTS

The results of the election for three positions on the Board of Retirement will be published in the Winter edition of the Quarterly Review. As soon as they are available following the December 18th Board of Supervisors meeting, they will also be posted online at [www.sbcera.org](http://www.sbcera.org). The Registrar of Voters will conduct the election in accordance with the Uniform District Election Law. All balloting is conducted under a Mail Ballot procedure.

There are three positions that will be placed before our membership for voting: two General Member positions and the Retired Member position. One elected General Member and the elected Retired Member will each serve a three-year term, effective January 1, 2008. The other elected General Member is filling the remainder of a vacated term and will serve a two-year term, effective January 1, 2008.

Official ballots will be mailed to all SBCERA voting members between November 5th and November 21st. Election day is December 4th and all ballots must be received at the Registrar's office by 5 p.m. in order to be counted.

# SBCERA RECEIVES AWARD FOR EXCELLENCE IN GOVERNANCE



SBCERA was awarded the 2007 Award for Excellence in Governance and Fiduciary Responsibility in the category of medium municipal funds. The honor was bestowed by the Information Management Network (IMN) in partnership with Independent Fiduciary Services (IFS).

"We have received awards before for our phenomenal growth and well-diversified investment portfolio, like the 'Small Plan of the Year' Award from Money Management Letter," said SBCERA Trustee and Investment Committee Chair Dick Larsen. "But this is the first to acknowledge our 'prac-

ticating-what-is-preached' approach to corporate governance."

The award organizers are a duo of high-powered investment pioneers. IMN ([www.imn.org](http://www.imn.org)) is a global organizer of institutional finance and investment conferences. IFS ([www.fidserv.com](http://www.fidserv.com)) is an investment advisory firm that specializes in structuring and monitoring pension fund programs; they manage a large list of notable public fund clients across the nation.

This is the first year the awards have been given. Both organizations conducted an informal audit of public fund "shining stars" and developed a review of policies and procedures to help select those worthy of the award and notoriety. In the future, the awards will be given annually to up to six public pension funds demonstrating excellence in the pursuit of organizational governance and fiduciary responsibility in accordance with common and best practices. ■

## NOW IS THE TIME! (CONTINUED)

We are here to assist you in any way possible through the process. We encourage you to visit our new web page, at <http://www.sbcounty.gov/hr/benefits/retiree.asp>, where you can find a variety of information regarding the 2007 Retiree Open Enrollment, including the new meeting locations added this year, information about the Retiree Health Fair and much more. You may also contact the Employee Benefits Division at (909) 387-5787 for information or to schedule an in-office appointment.

**Remember... Now Is The Time!** ■

## SBCERA EARNS RECORD \$1 BILLION FOR FISCAL YEAR

by Timothy B. Barrett, CFA – SBCERA Executive Director/CIO

It is my distinct pleasure to report that SBCERA recorded earnings of more than \$1 billion for its fiscal year ending June 30, 2007.

"Our Board and members can't help but be proud of the accomplishments of our Fund," reported SBCERA Board Chairman, Marvin Reiter. "This year's performance speaks well to our core values. This Board is focused on doing things right and delivering strong consistent performance for the benefit of our members and Plan sponsors."

The total net return for the Fund during this time period was 19.7%. This performance ranked the Fund in the 6th percentile of the ICC (Independent Consultants Cooperative) Total Fund Universe for the year. As an alliance of 18 independent investment consulting firms and State Street Bank, the ICC is subscribed to by the Federal Reserve and the Employee Benefits Research Institute. It boasts the industry's largest and most robust performance universe.

The Plan's longer term performance in the ICC Total Fund Universe is in the top quartile, with three and five-year returns ranking in the 9th and 21st percentiles, respectively. Over the one-year period ending 6/30/07, the Fund outperformed its policy index by 180 basis points and bested the allocation index by 290 basis points.

"While we are very happy with the overall annual performance of the Fund, we are particularly pleased by the fact that the Fund had no down months during the period— including those difficult months of February and June," said SBCERA Trustee and Investment Committee Chair Dick Larsen. "Instead, the Fund was up 0.48% and 0.33%, respectively, while the Russell 3000 broad stock market index was down during those months. The Fund's performance during difficult months is testimony to the direction that we have taken over the last few years of increasing portfolio diversification and reducing our dependence on strong equity markets." As the Treasurer-Tax Collector for San Bernardino County, Larsen is an ex officio member of the Board of Retirement.

SBCERA finished its fiscal year with over \$6.2 billion in assets and has a current annual actuarial rate-of-return assumption of 8.0%. The Plan's 2007 fiscal year-end asset allocation included 49.9% in public equities, 15.8% in fixed income, 11.3% in real estate and 8.2% in private equity. ■

### Upcoming Benefit Pay Dates

- November 30th
- December 28th
- January 31st



## RETIREMENT 101: Updating Name and Address Information with SBCERA

Changing your address with the SBCERA is incredibly easy to do as an active member, and quite simple if you're a retiree or payee. Unfortunately, it is often overlooked and can impede the process of paying out your retirement benefits without the proper current information on file. To prevent payment delays to you or your beneficiaries, please review the following requirements:

**If you are an Active member:** Please follow the instructions for reporting name and address changes that are provided by your employer. Every pay period, your employer sends current information about members to SBCERA and the old information on file is automatically updated. So, any time you notice an error in your name and address on correspondence from SBCERA, please check with your employer first. Chances are, the incorrect information is being reported to us and both the employer and SBCERA require the most current data available.

**If you are a Retired member or Payee:** It is your responsibility to update SBCERA with any name and/or address changes you may experience. SBCERA must receive a correctly completed, signed Address Name Change Request form. You can obtain a form online at [www.sbcera.org](http://www.sbcera.org) under Communications (Forms); or, you can pre-fill the form while you are logged into your SBCERA account and print one for your signature from the Forms menu option. If you do not use a computer, we are happy to send a form to you; simply call (909) 885-7980 or (877) 722-3727 to make your request. ■

## SBCERA PURPOSE STATEMENT

It is the purpose of the San Bernardino County Employees' Retirement Association to provide the members and their beneficiaries with those retirement and related benefits and services which they have earned and which are commensurate with their years of service and compensation.

It is the responsibility of those charged with administration of the Association to:

- (a) effectively collect contributions to fund liabilities incurred;
- (b) diversify the investments of the system so as to minimize the risk of loss and to maximize the rate of return;
- (c) administer the benefits impartially, fairly and in accordance with the applicable law;
- (d) deliver service to the membership in an accurate, courteous, prompt, professional and cost-effective manner;
- (e) strategically plan for the future.

### Board of Retirement

Chairman – Marvin Reiter

Vice Chair – Harry Hatch

Allen Bulteman, Bret Henry, Dick Larsen,  
Robert McDonald, Paul Russ, Dawn Stafford, Ellen Weisser

### Executive Staff

Executive Director/CIO – Timothy B. Barrett, CFA

Chief, Member & Admin. Services – Christie L. Porter, PMP

Chief, Fiscal Services – Michael O'Kelly

Chief, Information Services – Mark Jolicoeur

Chief Counsel – Lance Kjeldgaard

Investment Officer – Brian Long, CFA

Investment Officer – James Perry, CAIA

Investment Officer – Donald Pierce, CFA

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Quarterly Review is published for members and retirees of the San Bernardino County Employees' Retirement Association. It is written by SBCERA Communications Officer Danielle Jaramillo (unless noted otherwise) and designed by the Spencer Lewis Group.

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