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Retirement systems to send members to Hawaii summit

February 27, 2013 | [Jennifer Gollan](#)



The Hilton Hawaiian Village Waikiki Beach Resort, site of this year's National Conference on Public Employee Retirement Systems, has five swimming pools.

When the head of one of the state's largest independent pension funds received an invitation recently for his staff to attend a conference in Hawaii, his response lacked the aloha spirit.

"I don't plan on approving anyone to attend this conference given its location. ... Hawaii is just not the right message to send at this time," William Raggio, interim general manager of the Los Angeles Fire and Police Pensions, warned in an email to his staff.

But other pension plans couldn't resist. Four of the state's 24 largest independent municipal retirement systems intend to send up to five board members each, a survey by California Watch has found.

They include the city of Los Angeles, as well as Contra Costa, Los Angeles and San Diego counties – which are short a combined \$17.5 billion to pay promised retiree pension benefits, according to figures provided by the plans.

Conference organizers expect about 1,000 pension trustees, money managers and consultants from across the nation to converge on the famed beaches of Waikiki from May 19 to 23 for the [National Conference on Public Employee Retirement Systems](#), billed as the largest gathering of its kind for public pension plans.

An agenda shows most conference sessions end by early afternoon, leaving ample time for surfing, golfing, tanning or relaxing at one of the conference hotel's five swimming pools. The total cost per attendee: \$2,600 or more, by some estimates, including airfare, hotel, registration and other expenses.

The conference website supplies board members hoping to shore up support for their expenses-paid trip a "[2013 Attendance Justification Tool Kit](#)." The site also includes "7 Tips for Building Your Case for Attending the Annual Conference," which suggests that trustees emphasize how the conference could help them "build a networking list" and identify ways to help "save your fund money."

Asked why pension officials needed a tool kit to rationalize their trip to Honolulu, Hank Kim, executive director and counsel for the trade association organizing the national conference, said, "In hindsight, maybe 'justification' wasn't the best choice of words."

Critics of government spending – and some pension officials – say travel to exotic destinations by those overseeing ailing pension funds is unseemly, especially as taxpayers watch their public services diminish to offset growing pension costs.

“There’s no such thing as a free trip to Waikiki,” said Joe Nation, a professor of the practice of public policy at Stanford University, who specializes in public employee pensions. “Everybody loses; taxpayers will have to pay more, or beneficiaries will have to pay more, or a combination of the two.”

Nation, a former Assembly Democrat from Marin, added that the pension managers “would have higher returns and their beneficiaries would be better off if they were to forgo this trip or travel close to home.”

The conference in Hawaii was planned and booked back in 2006, before the recent recession, Kim said. Still, organizers expect a strong turnout as trustees and money managers seek to gain an edge in a recovering economy.

“Being able to have discussions and network with pension officials from all over the country is one of the things that our members find most valuable,” said Kim, whose organization represents nearly 560 public pension plans nationwide.

Sessions are to include “Avoiding a Front Page Scandal at Your Pension Fund: Learning by Example,” and “How Do We Transform the Way People Think, Talk, and Act about Pensions?”

Richard Cabral, one of five board members from the [Contra Costa County Employees’ Retirement Association](#) who plans to attend, said he doesn’t think current and future retirees view “my travel as a boondoggle.”

“There are trustees who are trying to further their own personal wealth, who are looking for employment with money managers,” said Cabral, a board member since 1977. “But my job is here.

“The real big value is interacting with other trustees. It helps to get different points of view,” said Cabral, who also serves as president of the American Federation of State, County and Municipal Employees, AFL-CIO Local 512, a union that represents 300 employees in Contra Costa County.

But fellow Contra Costa pension trustee John Gioia questioned the plan to send a large delegation using public funds, especially to a place like Hawaii.

“Pension trustees should exercise self-discipline and consider public perception in deciding which conferences to attend, otherwise the pension board may have to set limits on the number of trustees it sends,” said Gioia, who also is a county supervisor.

Full travel costs for most local pension board members attending the conference have not been finalized. Along with the five board members from Contra Costa County, attendees will include three from the [San Diego County Employees Retirement Association](#), two from the [Los Angeles City Employees’ Retirement System](#) and one from the [Los Angeles County Employees Retirement Association](#).

Pension administrators in San Diego County estimate that they will spend a total of \$7,950 to send three trustees: board Chairman David Myers, Vice Chairman E.F. “Skip” Murphy and alternate board member Tim Hancock. That includes airfare, conference registration and a five- or six-night stay at the Hilton Hawaiian Village Waikiki Beach Resort.

Calls to Myers, Murphy and Hancock were referred to Brian White, the plan’s chief executive. Through a spokesman, White issued a statement that said: “California state law requires board members to fulfill an education requirement. SDCERA assists Board members in fulfilling this requirement to educate and continuously improve the knowledge and understanding of complex topics and trends involving the governance of a public pension fund. Educational seminars typically cover critical topics such as legal requirements, investing, and trustee ethics.”

Those new training requirements went into effect in January. Under a law amended by the state Legislature last year, boards overseeing pension systems in 20 California counties must ensure board members receive 24 hours of education every two years.

Some of the more frugal pension plans encourage their trustees to attend seminars in state.

“We want to save money,” said Greg Frank, a management analyst for the San Joaquin County Employees’ Retirement Association, a \$2 billion plan covering roughly 11,000 current and future retirees. “We give the trustees classes to attend that are local, in places like Berkeley. It’s real easy to keep it in California and keep costs down.”

The bill’s author, Assemblyman Bob Wieckowski, D-Fremont, said he did not believe pension board members – or, for that matter, groups of trustees – needed to travel to exotic locations to fulfill the new training requirements.

While the Hawaii conference would fulfill the requirements, so do programs set up through accredited academic institutions in California. Educational conferences scheduled over the next two years include those in Napa, Indian Wells, Sacramento and Monterey.

“I didn’t think that running up travel expenses and hotel rooms was a requirement of getting educated,” Wieckowski said. “We’re asking the public to show fiscal restraint, the cities and counties and the state are providing less services, and people are paying more taxes. So you would think these decision-makers would reflect that.”

This story was edited by Amy Pyle. It was copy edited by Nikki Frick and Christine Lee.

Pension board members attending the Hawaii conference

Los Angeles City Employees’ Retirement System

- Jeffrey Penichet, board vice president
- Elizabeth Greenwood, commissioner

Expenses have not been finalized. Penichet and Greenwood did not return calls and emails requesting comment.

Los Angeles County Employees Retirement Association

- Herman Santos, chairman of the Board of Investments

Hotel stay estimated to cost \$1,139.60. Other expenses have not been finalized. Santos referred questions to Gregg Rademacher, chief executive of the pension plan, who issued a written statement: “While conferences are generally held in the continental U.S., we are fortunate that our 50th state, Hawaii, is easier and more cost effective to attend than policy and investment conferences on the East Coast, namely, Washington D.C. and New York city. Although the flight times are approximately the same for Honolulu and Washington D.C., flying to and lodging in Hawaii is consistently more cost effective (and safe). The best case scenario is having a world-class conference, such as a NCPERS conference, in your home town, however, that is seldom the case.”

Contra Costa County Employees’ Retirement Association

- Terry Buck, trustee: registration is \$1,000
- Richard Cabral, trustee: registration is \$650
- Jerry Telles, trustee: registration is \$1,000
- Gabe Rodrigues, alternate trustee: registration is \$1,000
- Debora Allen, trustee: registration is \$650

Estimated travel costs for the board members have not been finalized. Buck, Telles, Rodrigues and Allen referred requests for comment to the plan’s chief executive, Marilyn Leedom, who did not return calls.

San Diego County Employees Retirement Association

- David Myers, board chairman
- E.F. “Skip” Murphy, vice chairman
- Tim Hancock, alternate board member

Travel estimated to cost \$2,650 each. Calls and emails to Myers, Murphy and Hancock were referred to the pension plan’s chief executive, Brian White. A spokesman for White issued a statement that said: “NCPERS makes the decision on the location, dates and other elements of the conference. ... NCPERS is a national organization and a preeminent resource for providing education to pension trustees and officials.”