

THE BOARD OF SUPERVISORS OF THE COUNTY OF STANISLAUS  
ACTION AGENDA SUMMARY

DEPT: StanCERA

BOARD AGENDA # \*B-6

Urgent

Routine

AGENDA DATE September 24, 2013

CEO Concurs with Recommendation YES  NO   
(Information Attached)

4/5 Vote Required YES  NO

SUBJECT:

Approval to Amend the Salary and Position Allocation Resolution to Reflect a Transfer of the Retirement Administrator Position from Band G\* to Band H, Salary Range of \$128,252.80 to \$192,358.40 Annually, and Change the Title to Executive Director

STAFF RECOMMENDATIONS:

Amend the Salary and Position Allocation Resolution to reflect a transfer of the Retirement Administrator position from Band G\* to Band H, \$128,252.80 to \$192,358.40 annually, and change the title to Executive Director, effective the next pay period, October 5, 2013.

FISCAL IMPACT:

The Retirement Administrator position resides in Band G\* with a salary of \$100,000 to \$150,000. The request is to move to Band H with a salary of \$128,253 to \$192,358. Government Code section 31580.2 states the expenditures for retirement administrative services shall be charged against retirement fund earnings and that the expense may not exceed 0.21% of the actuarial accrued liability of \$1,888,713,204. The Fiscal Year 2013-2014 budget is well below the maximum allowed of \$3,966,298. Any increases in salary for Fiscal Year 2013-2014 will be absorbed into the current StanCERA budget of \$2,214,985.

BOARD ACTION AS FOLLOWS:

No. 2013-478

On motion of Supervisor Withdraw, Seconded by Supervisor Monteith

and approved by the following vote,

Ayes: Supervisors: O'Brien, Withdraw, Monteith, De Martini and Chairman Chiesa

Noes: Supervisors: None

Excused or Absent: Supervisors: None

Abstaining: Supervisor: None

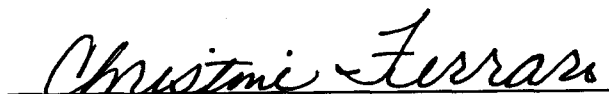
1) X Approved as recommended

2) \_\_\_\_\_ Denied

3) \_\_\_\_\_ Approved as amended

4) \_\_\_\_\_ Other:

MOTION:



ATTEST: CHRISTINE FERRARO TALLMAN, Clerk

File No.

Approval to Amend the Salary and Position Allocation Resolution to Reflect a Transfer of the Retirement Administrator Position and Incumbent from Band G\* to Band H with the Salary Range of \$128,252.80 to \$192,358.40 Annually and to Change the Title to Executive Director

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## **DISCUSSION:**

The Stanislaus County Employees' Retirement Association (StanCERA) is a California public pension plan that manages benefits and pension assets for approximately 8,000 members and beneficiaries, with eight participating employers. StanCERA is governed by its own board, the Board of Retirement, which acts as a fiduciary agent for the accounting and control of member and employer contributions, and investment income. StanCERA currently has \$1.5 billion in assets with a funding ratio of 76.9%.

Various legislative changes and regulations have helped to clarify the role of the Retirement Board and personnel for the Retirement systems.

- The California Employees Retirement Law of 1937 Section 31522.1 (1979) states that personnel shall be county employees and shall be subject to county civil service or merit system rules and shall be included in the salary ordinance or salary resolution adopted by the board of supervisors for the compensation of county officers and employees.
- California Constitution Article 16 Section 17 (1992) states the retirement board of a public pension or retirement system shall have the sole and exclusive fiduciary responsibility over the assets of the public pension or retirement system. The retirement board shall also have sole and exclusive responsibility to administer the system in a manner that will assume prompt delivery of benefits and related services to the participants and their beneficiaries.
- The California Employees Retirement Law of 1937 Section 31522.2 (2001) states the Administrator shall not be subject to county civil service or merit system rules. The person appointed shall be a county employee and the position of administrator shall be included in the salary ordinance or salary resolution adopted by the board of supervisors for the compensation of county officers and employees.
- The StanCERA By-laws with the following Statement of Independence was approved by the County Board of Supervisors on August 9, 2005:

*...To save the time and effort of establishing its own set of Personnel Policies and tracking labor laws (and in accordance with California State law), the Retirement Board hires staff who are Stanislaus County employees. This means that in general and in most instances, these staff will be treated (hired, paid, promoted, demoted, retired or fired) the same as other Stanislaus County employees in like classifications. However, given that StanCERA staff provide services to a variety of public agencies and are relegated to administering retirement benefits, staff are not subject to mandates from the Board of Supervisors or its agents that would interfere with or otherwise supersede the delivery of those services. To that end this Statement of Independent Operation acknowledges that from time to time, the Retirement Board may act to overrule or set aside a personnel decision or action that emanates from Stanislaus County personnel authority involving staff hired by the Retirement Board or its Administrator. In matters of retirement benefit administration, the Retirement*

Approval to Amend the Salary and Position Allocation Resolution to Reflect a Transfer of the Retirement Administrator Position and Incumbent from Band G\* to Band H with the Salary Range of \$128,252.80 to \$192,358.40 Annually and to Change the Title to Executive Director

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*Board shall have final say in its handling of staff. The Retirement Board has and will continue to utilize Stanislaus County Personnel staff to handle recruitments and Stanislaus County payroll with its contingent of payroll-related items such as: extra help, Personal Services Contracts, leave time and termination cash out payments, retirement benefits, Social Security coverage, deferred compensation program, group health insurances, unemployment insurance, long term disability, workers compensation insurance, professional development, employee assistance program, cafeteria plan cash out, auto allowance and mileage reimbursement the same as other Stanislaus County employees.*

Over the last several months the County has engaged in discussions with StanCERA on the compensation of the Executive Director and how best to implement this compensation. While StanCERA is a separate legal entity from the County, StanCERA employees are employees of Stanislaus County and fall under the County's compensation system. However, both the County and StanCERA recognize the need for the StanCERA board to have the autonomy needed to compensate the executive level staff of StanCERA as they see appropriate, as they are critical to the operations of StanCERA and do not share classifications with other County staff.

Given the continued level of complexity in the Capital Markets and following an exhaustive position and salary survey of similar sized pension systems, on August 14, 2013, the StanCERA board approved an annual salary range of \$128,252.80 - \$192,358.40 (Band H) for the Retirement Administrator position. Stanislaus County currently uses Band H for five other Director positions and the Assistant Executive Officer position.

In order to accommodate the change in salary range StanCERA is requesting the Retirement Administer position be transferred from Band G\* to Band H. StanCERA is also requesting that the title of Retirement Administrator be changed to Executive Director.

The proposed annual salary transfer from Band G\* to Band H is detailed in the table below:

Classification	Min Rate	Mid Rate	Max Rate
Band G*	\$100,000.00	\$125,000.00	\$150,000.00
Band H	\$128,252.80	\$160,305.60	\$192,358.40

**POLICY ISSUE:**

This policy change on how compensation is established for the Retirement Administrator at StanCERA meets the Board of Supervisors' priorities of Effective Partnerships and Efficient Delivery of Public Services. The Board of Supervisors' approval is required to amend the Salary and Position Allocation Resolution.

Approval to Amend the Salary and Position Allocation Resolution to Reflect a Transfer of the Retirement Administrator Position and Incumbent from Band G\* to Band H with the Salary Range of \$128,252.80 to \$192,358.40 Annually and to Change the Title to Executive Director

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**STAFFING IMPACT:**

Amend the Salary and Position Allocation Resolution for StanCERA to transfer the Retirement Administrator (Position #10119) from Band G\* to Band H, effective the next pay period, October 5, 2013 and to change the title to Executive Director.

**CONTACT:**

Darin Gharat, Board of Retirement Chair

525-6393