

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

DEPT: Chief Executive Office

BOARD AGENDA # *B-4

Urgent Routine

AGENDA DATE January 12, 2016

CEO Concurs with Recommendation YES NO
(Information Attached)

4/5 Vote Required YES NO

SUBJECT:

Approval to Add Two New Positions, One Confidential Assistant IV and One Confidential Assistant III, to the Stanislaus County Employees' Retirement Association (StanCERA)

STAFF RECOMMENDATIONS:

1. Approve the addition of one Confidential Assistant IV and one Confidential Assistant III to the Stanislaus County Employees' Retirement Association (StanCERA).
2. Amend the Salary and Position Allocation Resolution to add the new positions, as outlined in the Staffing Impacts section of this report, effective the first pay period following Board of Supervisors approval.

FISCAL IMPACT:

There is no impact to the County's budget for Fiscal Year 2015-2016. The Board of Retirement approved a budget adjustment to StanCERA's administrative budget for Fiscal Year 2015-2016 of \$64,938 to support 5 months' salary and one-time costs for computers, software and equipment for the two new staff as part of the approval process for the new positions. The annual cost for both positions including benefits is estimated at \$145,000. The full annual cost of these positions will be included in StanCERA's 2016-2017 budget. The cost of the new positions will be reflected in the 2017-2018 retirement rates.

BOARD ACTION AS FOLLOWS:

No. 2016-29

On motion of Supervisor Chiesa, Seconded by Supervisor Withrow

and approved by the following vote.

Ayes: Supervisors: O'Brien, Chiesa, Withrow, DeMartini, and Chairman Monteith

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
CHRISTINE FERRARO TALLMAN, Clerk

File No.

DISCUSSION:

The Stanislaus County Employees' Retirement Association (StanCERA) is a California public pension plan that manages benefits and pension assets for approximately 8,800 members and beneficiaries, and eight participating employers. StanCERA is governed by the Board of Retirement, which acts as a fiduciary agent for the accounting and control of member and employee contributions and investment income. StanCERA currently has \$1.8 billion in assets with a funding ratio of 88.2%.

On December 16, 2015, the StanCERA board approved the addition of two new positions, Confidential Assistant III and Confidential Assistant IV. Software and process improvements implemented in 2006 helped StanCERA maintain its budget and staff during the major downturn of 2008 and 2009. Membership has expanded by an additional 1,100 people since 2006 and workload continues to grow, however, StanCERA has not increased its full time positions in nine years. During the past three years, StanCERA did rely on agency and part-time staff to back up and supplement full-time staff maintaining core production and accomplishing critical projects.

Because of the constraints for part-time staff they do not provide for a long term solution. The Public Employees' Pension Reform Act of 2012 requires a six month break for retired employees thus limiting access to retirees, and regulations limit temporary agency staff to 90 billable days. In addition, the Affordable Care Act puts further limitations on the hours a part-time person can work before benefits and/or penalties must be paid.

These restrictions, staff demographics, succession planning, continued growth of the system, complexity of pension law and the average learning curve for new employees make it particularly cost ineffective to continue to utilize short term, temporary help for regular, on-going processes and permanent job functions. It will take at least two full time additional staff members to maintain current functionality and address the permanent needs of the organization.

StanCERA is in the beginning stages of several major information technology projects which will require experienced staff to back up key personnel and to assist with implementation over the next three to five years. The current pension system is built on an obsolete platform and, as the vendor has removed this product from its business model, replacement is inevitable. The pension software project alone will require at least two full-time subject matter experts and several other full- and part-time employees over the next five years.

In addition to pension software, there are several other major projects in process. In the last thirty years, employee salary and service records have been stored on multiple electronic systems. Consequently, StanCERA is in the process of auditing each member file to ensure accurate data can be maintained in the future. This is a very manual function requiring in-depth knowledge of history and the 1937 Act. Part of the new software project will include electronic member files. Once the audit is done, approximately 8,500 paper files will need to be scanned, verified and indexed.

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It will take two to four years to train and develop new employees that understand the law, StanCERA's processes, and are accurate and fast. The experts who will be working on the project will need to train the new employees while assisting with the pension software project and the member service file audit. Current core functionality and systems must also be maintained until new pension software is implemented.

POLICY ISSUE:

California Constitution Article 16 Section 17 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. In addition, the California Employees Retirement Law of 1937 Section 31522.1 states the personnel of the Retirement system shall be county employees and shall be subject to the county civil service or merit system rules and shall be included in the salary ordinance or resolution adopted by the Board of Supervisors for the compensation of county officers and employees.

Approval of this request meets the Board of Supervisors' priorities of Effective Partnerships and Efficient Delivery of Public Services.

STAFFING IMPACT:

Amend the Salary and Position Allocation Resolution for StanCERA to add one (1) Confidential Assistant IV and one (1) Confidential Assistant III position.

- The Confidential Assistant IV will have a working title of Member and Employer Services Specialist. Incumbent will be responsible for performing retirement benefits administration work involving the interpretation of pension benefit rules and related regulations, policies, and procedures, and resolution of the more complex member issues. Incumbent will conduct end-user evaluations and audits of personnel, payroll, and benefits administration systems and databases and perform calculations to assure accuracy, troubleshoot system problems and errors, present training sessions for member services staff and serve as the super-user for pension and retirement benefits systems. Incumbent may lead or supervise assigned staff. Incumbent will also interpret and accurately apply federal, state, and county regulations for pension administration, initiate changes as needed, as well as monitor and reconcile employee/member accounts, payroll checks, rate schedules, contributions, service credits, personal information, retirement/deferred status, reciprocity, and dissolution of marriage orders.
- The Confidential Assistant III will have a working title of Member and Employer Services Technician. Under direct supervision, incumbent will perform retirement

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benefit and administrative support work of average difficulty and perform routine personnel duties, such as: responding to member questions and requests for forms, information, and assistance; preparing correspondence; assisting members in navigating the StanCERA website; and explaining service credit purchases, vesting, and reciprocity. Incumbent will also plan and schedule retirement benefits workshops and new hire orientations, calculate projected benefit payouts, and maintain technical desk manuals and related forms.

The current annual salary for each position is detailed in the table below:

Classification	Min Rate	Mid Rate	Max Rate
Confidential Assistant III	\$36,212.80	\$45,260.80	\$54,308.80
Confidential Assistant IV	\$43,472.00	\$54,350.40	\$65,228.80

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