



Board Agenda Item 4

DATE: February 7, 2017

TO: Board of Supervisors

SUBMITTED BY: Eulalio Gomez, Chair
Fresno County Employees' Retirement Association
Personnel Committee

SUBJECT: Fresno County Employees' Retirement Association Salary Resolution Amendment

RECOMMENDED ACTION(S):

Approve Salary Resolution Amendment to adjust the flat annual salary of the Retirement Administrator for Fresno County Employees' Retirement Association as reflected on Appendix "D", effective February 13, 2017 and July 3, 2017.

Approval of the recommended action will increase the salary of the Retirement Administrator as requested by the Fresno County Employee' Retirement Association (FCERA) Board of Retirement on December 21, 2016.

ALTERNATIVE ACTION(S):

If the recommended action is not approved, the salary level will remain unchanged.

FISCAL IMPACT:

Budget appropriations for this position are included in the approved FCERA budget for fiscal year 2016-17 and are included as part of the retirement contribution rates charged to members and plan sponsors. When compared to statutory expenditure limits, FCERA is at 12.7 basis points, well below the limit of 21 basis points (or 0.21% of plan liabilities).

DISCUSSION:

FCERA provides a variety of complex services focusing on the administration and oversight of over \$4 billion dollars in assets, retirement benefits to over 17,500 plan members, and five plan sponsors. The system works with other retirement systems to ensure the integration of retirement benefits, investigates claims for disability benefits, processes monthly retirement benefits and demographic changes to over 7,000 retired recipients, monitors changes in statutory and regulatory requirements that impact the operation of the retirement program, and maintains the contribution and service records for over 10,000 active and deferred members.

The FCERA Personnel Committee conducted an evaluation of the Retirement Administrator's performance and completed a compensation study of similarly sized systems and systems located in the San Joaquin Valley. One study compared Fresno City, Kern County, San Joaquin County, and Tulare County. A second, expanded comparison, also included San Mateo, Ventura, Contra Costa, Sacramento, Stanislaus, and Merced counties.

The Personnel Committee found that the Retirement Administrator demonstrates his mastery of the duties required of his position and their studies show that his compensation is substantially trailing by 20% to 55% (or \$34,000 to \$94,000) on average.

These findings were presented to the FCERA Board of Retirement on December 21, 2016 and at that time the Board approved a recommended increase in two phases of \$12,251 effective February 13, 2017 and \$12,000 effective July 3, 2017, spreading a \$24,251 increase over two fiscal years and bringing the salary to approximately 5% below the average in the first study and making the salary equivalent to the County Counsel. The FCERA Board also recommended to the Board of Supervisors that the Retirement Administrator salary be linked to the County Counsel salary for any future adjustment.

One-year prior the Board of Retirement approved recommending an increase of \$50,000 and the Board of Supervisors did not approve the recommended action on February 9, 2016, instead asking that the Board of Retirement work with Human Resources on alternatives. The County considered all County Department Heads and adjusted salaries 5% effective September 26, 2016 based on the fact that Senior Management employees had been adjusted for compaction and all increases averaged approximately 5%. The Retirement Administrator's salary was increased by \$7,500 annually at that time.

ATTACHMENTS INCLUDED AND/OR ON FILE:

Appendix D

REFERENCE MATERIAL

December 21, 2016 Item 6(D) Board of Retirement Item
2/9/16 BAI #7 salary adjustment proposal for the Retirement Administrator up to \$200,000 (no action taken)
December 16, 2015 Item 6(G) Board of Retirement Item
11/4/14 BAI #23 authorizing salary adjustments for the Retirement Administrator up to \$150,000
1/14/2014 BAI Addendum A "department head salary survey"
6/12/12 BAI Addendum A Retirement Administrator appointment and compensation

CAO ANALYST:

Debbie Paolinelli