

# The Retirement View



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SUMMER 2016

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Office Closure Reminder:

We will be closed on Monday, July 4, 2016.

## Independent Operating Authority: Better Stability, Better Service, Better Outcomes

by your Retirement Administrator, Donald Kendig, CPA

The following subject will likely be one of the most controversial subjects approached by FCERA. What could be more controversial than increasing employer contribution rates or investing in alternative investment vehicles? Independence!

Independence is what America is known for. It is in our DNA and our national fabric. Why is independence so controversial for FCERA? Good question. Let me share the state of affairs and you can determine if there is a real controversy, or if we are actually in agreement.

FCERA has contemplated its operating authority for several years and the Board of Retirement (Board) is investigating options that would better fulfill its mission and meet the fiduciary responsibilities owed to our members. The default structure that FCERA currently operates under was established in 1937 with the County Employee Retirement Law (CERL) and implemented by Fresno County when FCERA was established on January 1, 1945. At that time, FCERA was a small, simple operation within the County Treasurer's office. In recognition of the growth of pension funds and their need for independence in their decision making, in 1992 voters approved an amendment to the California Constitution (Article XVI, Section 17), which placed both the fiduciary responsibility and plenary authority (duty to act in our member's best interest and the authority to do so) for the administration of the retirement system on the governing retirement boards. Consistent with this delegation of authority and responsibility, FCERA's budget is established by the Board. The funding for that budget originally came from the assets of the pension trust, but as a result of the adoption of the Public Employees Pension Reform Act of 2013 (PEPRA) is now funded through employer and member contributions.

The operating structure did not change substantially until fiscal year 2002-03 with

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### From your Retirement Administrator, continued...

the recruitment of FCERA's first Retirement Administrator. This was a sizable step towards independent operational authority; however, additional steps are necessary. Currently, all employees of FCERA are considered County employees and the County has chosen to retain tight control over position allocation and compensation. This has resulted in fiduciary decisions of the retirement Board not being implemented, complicating the ability of FCERA to carry out its duties effectively.

This evolutionary complication is not unique to FCERA; and 5 of the 20 CERL systems have adopted various forms of operating independence through the law, litigation or explicit agreement. Implicit agreements exist with other systems, and appear to be working well. The remaining systems, including FCERA, are looking to legislation that would provide all systems with the option to become more independent.

The proposed legislation is being sponsored by the State Association of County Retirement Systems (SACRS). If passed into law, each retirement Board would vote to decide whether or not to become independent.

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### Have You Experienced a Recent Life Event?

When did you start working for a FCERA employer? How much has changed in your life since then? Have you experienced the joy of the birth or adoption of a child? Has one of your children grown up, moved out, and started a family of their own? Have you gotten married, experienced a divorce, or lost a parent? Do you remember who you named as beneficiary at your New Hire Orientation?

Whether you've been working here for 1 year or 20, a lot may have changed. Many of those changes can affect who you would like to designate as your beneficiary. If your beneficiary is out of date, your pension death benefits may not go to the person you would like.

You can change your beneficiary with FCERA at any point up until retirement, and in some cases, even after retirement. In some situations, FCERA needs to have documents related to these life changing events in order to process your retirement. Stay ahead of the paperwork by providing FCERA with your marriage certificate, dissolution of marriage documents, or birth certificates for yourself and your beneficiary(ies).

You can complete a change of beneficiary form by visiting our website [www.fcera.org](http://www.fcera.org) and from the left hand menu, select Forms, Regulations, Charters and Policies > All Forms > Change of Beneficiary. Signed forms and related documents can be dropped-off or mailed to 1111 H St, Fresno, CA, 93721, or sent via County Stop Mail to #40. Copies of certificates (marriage, birth, divorce) can also be emailed to [fceraemail@co.fresno.ca.us](mailto:fceraemail@co.fresno.ca.us).

Note: Your employer may have a beneficiary on file related to a separate death benefit. Contact your Human Resources or Personnel Department to change that beneficiary.





THE RETIREMENT VIEW

From your Retirement Administrator, continued...

If FCERA became an independent agency, many things would stay the same. Governance of the system would remain the same, with all of the stakeholders having the same degree of representation and oversight as they have now. FCERA and the Board's primary responsibility would continue to be to our members. Transparency and accountability would not change. The administrative expenditure cap would not change. Meetings would continue to be open to all stakeholders and public comment would still be welcome. Board trustees would continue to be liable as fiduciaries for their decisions. The only significant change would be FCERA adopting its own salary resolution, job classes, personnel rules, employee MOU's, and employee benefits. Many of the benefits currently offered by Fresno County could still be offered.

Regardless of the outcome of the proposed legislation, FCERA will pursue independent operating authority that empowers our ability to recruit and retain top talent in the valley in order to provide you with excellent and consistent member service. Presently, we are struggling to stay fully staffed and current with member requests. We are losing institutional memory and are making preventable mistakes. You deserve better service and we want to provide it. We believe that independence will empower us to do so, and we hope that you will support us in this endeavor.

Employee Contribution Rates 2016-2017

New pension contribution rates are effective for the first paycheck issued in July 2016. Average rates for Tiers 1-4 are listed in the table below. Tier 5 is a flat rate. Please visit [www.fcera.org](http://www.fcera.org) for more information.

	General Member					Safety Member			
	Tier 1	Tier 2	Tier 3	Tier 4	Tier 5	Tier 1	Tier 2	Tier 4	Tier 5
FY 2016-2017 (Current Fiscal Year)	9.75%	6.91%	7.75%	6.89%	6.89%	12.68%	11.08%	9.86%	12.03%
FY 2015-2016 (Last Fiscal Year)	9.73%	6.98%	7.74%	6.68%	7.02%	12.52%	11.06%	9.83%	12.51%

Calendar



Next Regular Board Meeting:

- July 20, 2016
- August 3, 2016
- August 17, 2016

Location:

FCERA Boardroom  
1111 H Street  
Fresno, California 93721

Time: 8:30 A.M.

Pension Payroll Payment Schedule

- Friday, July 29, 2016
- Wednesday, August 31, 2016
- Friday, September 30, 2016

Live Audio Broadcast

FCERA broadcasts all board meetings live via streaming audio. Visit [www.fcera.org](http://www.fcera.org) for more information.

Board of Retirement

- Steven J. Jolly, Chair
- Dr. Rod Coburn, III, Vice Chair
- Laura P. Basua
- Gregory J. Baxter
- Vicki Crow
- Alan Cade, Jr.
- Robert Dowell
- Eulalio Gomez
- Mary Ann Rogozinski, Alternate



Summer 2016





## Fresno County Employees' Retirement Association

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Email: [FCERAwebmail@co.fresno.ca.us](mailto:FCERAwebmail@co.fresno.ca.us)

## Meet FCERA Staff: Kim Zepeda—Systems and Procedures Analyst



Kim began her career with the County of Fresno as an Office Assistant. She worked for the Department of Public Health as a Supervising Office Assistant for 17 years. Kim says she has many great friends at Public Health. In 2014, Kim earned a BA in Business Administration to advance her career with the County. She started at FCERA as a Systems and Procedures Analyst in April of 2015. Kim is great at finding ways to be more efficient, offering creative solutions to challenges, and she works really well with all staff. We are very happy she made her way here!

Kim says her main hobby is spending time with family, especially her children. At FCERA, we know that she also has a great talent: Baking! She makes delicious cupcakes with creative decorations for staff celebrations. During the long, hot Fresno weekends, the Zepedas really love to travel to the beach to spend time as a family.

