



The Retirement View

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WINTER 2014

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Reminder:**

December 25-26,
2014.

January 1-2, 2015

January 19, 2015

FCERA Welcomes Donald Kendig:



Photo by Pat Rhames

First and foremost, Happy Holidays! I hope the spirit of thanks and wonder have filled your heart and soul this time of year.

BACKGROUND

After extensive employment, education, financial, and criminal background checks, reference checks, and public deliberation, the Board of Retirement appointed Mr. Donald C. Kendig, CPA, as Fresno County Employees' Retirement Association's (FCERA's) Retirement Administrator.

As Retirement Administrator, under direction of the Board of Retirement, I plan, organize, direct and administer the activities of the FCERA, a 1937 County Employees' Retirement Act (1937 Act) agency. I am also responsible for directing the operations of FCERA, implementing and monitoring Board policy, and coordinating the activities of contracting, investing and consulting firms on behalf of the Board.

BIOGRAPHY

I want to assure you that I have extensive experience, with 11 years of retirement plan administration experience, previously serving as Retirement Administrator for the Ventura County Employees' Retirement Association (VCERA) for two (2) years, a similarly sized 1937 Act agency, and serving as a Trustee on the Board of Retirement for Santa Barbara County Employees' Retirement System (SBCERS) for nine (9) years, also a 1937 Act agency.

In addition to my eleven (11) year career in retirement plan administration, I served for approximately eight (8) years as the Business Manager/Financial Officer for the Santa Barbara County Air Pollution Control District (SBCAPCD), a local government agency that protects the people and the environment of Santa Barbara County from the effects of air pollution. While serving as the Business Manager, I was responsible for the facilities and financial activities, which included purchasing, accounts payable (A/P), accounts receivable (A/R), collections, payroll, internal & external financial reporting, budgeting, fixed asset depreciation & reserves, State and Federal grant administration, and contracting. I also served as the SBCAPCD's Safety Officer and Risk Manager.

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FCERA Welcomes Donald Kendig: (continued from Page 1)

Prior to joining the SBCAPCD, I served the County of Santa Barbara, for over eight (8) years, starting as an Accountant-Auditor in the Auditor-Controller's office, then advancing to a Budget Analyst in the Chief Executive Office, then advancing to an Administrative Analyst for the Superior Court, and ultimately advancing to a Financial Systems Analyst-Developer in the Auditor-Controller's office, creating the County's grants management system (GMS) and assisting in the data conversion of the County's internal payroll system upgrade.

My experience is complimented by my broad education: B.A. Business Economics with Accounting Emphasis (high honors), University of California, Santa Barbara; A.A. Liberal Arts & Sciences (honors), Palomar College; Certified Public Accountant, License No. 78000; Supplemental education that includes: Certificates for Hedge Funds, Real Estate and Other Alternative Investments; Advanced Investments Management; and, Fundamentals of Money Management from the University of Pennsylvania - The Wharton School; Principles of Pension Management and Fiduciary Law from the Stanford University Law School; Public Pension Investment Management from the University of California, Berkeley - Walter A. Haas School of Business; Covey's 7 Habits of Highly Effective People from the San Luis Obispo County Employee University; Labor Relations and Arbitration from the California Public Employers Labor Relations Association; and, Leadership Principles and Practices from Leadership Santa Barbara County.

I do manage to have fun. My extracurricular activities include participating in Toastmasters, supporting my growing family, hiking and biking, and exploring all that the San Joaquin Valley and neighboring Sierras, and national parks, have to offer.

VISION

My biography is all good and dandy, but what am I all about? What do I see for FCERA? What do I see for you?

My personal mission is to live life to the fullest by focusing on family, friends, work, coworkers, community, career, health, happiness, finances, and personal development, and by practicing my talents of humor, creativity, reasoning, logic, teaching, writing, collaboration, and applied learning, all towards the achievement of excellence in the World.

I value simple solutions to complex problems; working smart; open minds; tenacity and persistence; reliability and dependability; focusing on what matters; balancing the drive for perfection with the achievement of results; full transparency and honesty; and, leaving a person, place or thing better than when found.

I am honored to work for FCERA, whose core values lie in its commitment to deliver service in an accurate, courteous, prompt, and professional manner, and whose goal is to provide the highest level of service to its members, the public, staff, and the Board of Retirement. FCERA's core values include excellence, professionalism, integrity, accountability, teamwork, and innovation. I am proud of these values and I have placed them on FCERA's website: <http://www2.co.fresno.ca.us/9200/Attachments/CoreValues.pdf>. Who would not want to work here?

I look forward to developing with the Board of Retirement and staff, a vision (statement), a process that will involve assessing what FCERA does well, what are the most important things FCERA wants to achieve, what makes FCERA unique or special, what do the Board of Retirement, members, and employers expect from FCERA, and what makes them feel good about FCERA. Once sights are set on the vision, subsequent strategic planning and any difficulties experienced will be easily resolved because everyone will easily see what it is we are all trying to accomplish.



Winter 2014

As you will see in a number of the newsletter articles FCERA is taking steps to improve itself and its systems, with the implementation of a new pension system called Arrivos. Yes, it has finally arrived. As you will also see in the article of the cessation of the non-vested, supplemental Health Benefit Two, mistakes can be made. I found that staff and the Board were severely pained to have to break the bad news and to do what needed to be done. This mistake was made ten (10) years ago and was only found by accident while investigating something else. There was no ill will, no foul play, and the mission and values did not all of a sudden fly out the window. A stellar vision, mission and values cannot guarantee perfection, which is unachievable, but they can guarantee excellence and the drive to make things right. We will make things right!





FCERA's 2014 Election Results:

The results of the recent election for two General Trustees and one Safety Trustee are in! It saddens us to report that of the 7,769 General members, only 883 voted - that is an 11% turn out. Of the 1,038 Safety members, 233 voted which is a 22% turn out. The nine-member Board of Retirement is responsible for overseeing the investments and administration of your retirement system. The election is your opportunity to weigh in on the composition of the Retirement Board.

Your newly elected or re-elected Trustees are: Paul Dictos (special election General) will serve until December 31, 2015 in the seat vacated earlier this year by Alan Cade, while current Trustees Laura Basua (General) and Eulalio Gomez (Safety) were reelected to three year terms ending December 31, 2017. Congratulations to the Trustees and thank you to all who participated in voting.

Arrivos Update:

At last, FCERA's new retirement system is live! Effective November 15, 2014, Arrivos was up and running. The old Pension System served us well from 1997 to 2014, that is a lot of years and the technology has advanced so much it is sometimes hard to believe that we no longer require the use of pencil and columnar paper. Ok, the old Pension system was not quite that bad, but we are excited to be working with the new system. FCERA is working through the many processing changes required to successfully implement the system and it is slow going. Over the next several months, several more modules will be implemented until we are fully integrated and many of our manual calculations will no longer be necessary.

FCERA would like to thank you, our member, for your patience during the transition.

Non-Vested Health Benefit 2:

Since the mid- 1980's, the Board of Retirement has offered a non-vested health benefit funded with undistributed earnings of the system. This benefit is separate from the vested health benefit offered as a result of the 2000 Settlement Agreement (available on FCERA's website). This benefit paid out nearly \$8 million per year, although the Board has been unable to increase the funding of this benefit for a number of years. The latest actuarial valuation indicated that the benefit would deplete all available funding during the 2015-16 fiscal year. However, the correction of a recently discovered accounting error has resulted in an overdraft of this benefit and the need to suspend the benefit immediately. The Board of Retirement suspended paying the benefit as of November 1, 2014. In addition, the Board determined that it would not seek repayment from the recipients of any overpaid benefits. The overpayment will be repaid from future undistributed earnings. The decision to suspend this benefit has no effect on the vested health benefit offered as a result of the 2000 Settlement Agreement. Retirees and beneficiaries have already received direct notice of this action, but we wanted to ensure everyone received the news.





Happy New Year !!

As the New Year approaches we have updates to share with our retirees. By Federal law, your Form 1099R must be mailed to you no later than February 2, 2015. Our bank, Northern Trust, will be mailing the tax forms out as soon as possible; and per IRS guidance, your Social Security Number on the Form 1099R will be masked. If you have not received your Form 1099R by February 10th, please contact us.

As with prior New Years the income tax withholding amounts will change effective January 1st which may affect your tax deduction. Please contact your tax professional or the IRS for tax assistance. Withholding forms are available on FCERA's website if you wish to modify your income tax withholdings. The form must be received at FCERA by the 10th to be effective in that month.

Benefits to Economy of Fresno County:

Each and every month FCERA pays out benefits to retired members and their beneficiaries. Benefit payments are made whether the stock market is up or down; they are made in good times and bad. When other sectors of the economy shrink, FCERA benefit payments do not. FCERA profits the Fresno County economy by providing economic stimulus even during tough economic times.

75% of FCERA retirement benefits are paid to Fresno County recipients. Last month 4,987 Fresno County retirement recipients received an average of about \$2,979 each.

Moreover, these retirement benefit dollars circulate in the local economy as benefit recipients spend for their basic needs. The National Institute on Retirement Security (NIRS) has calculated that each dollar of pension benefit paid leads to \$2.36 in direct, indirect and induced economic impact. That's a \$35 million boost to the economy each month from Fresno County recipients; almost a \$421 million dollars a year.



Calendar



Next Regular Board Meeting:

January 7, 2015
January 21, 2015
February 4, 2015
February 18, 2015
March 4, 2015
March 18, 2015

Location:

FCERA Boardroom
1111 H Street
Fresno, California 93721

Time: 8:30 A.M.

Pension Payroll Payment Schedule

Friday, January 30, 2015
Friday, February 27, 2015
Monday, March 30, 2015

Live Audio Broadcast

FCERA broadcasts most Board meetings live via streaming audio. Visit www.fcera.org for more information.

Board of Retirement

- Dr. Rod Coburn, III, Chair
- Robert Dowell, Vice Chair
- Marion Austin
- Laura P. Basua
- Judith G. Case McNairy
- Vicki Crow
- Paul Dictos, CPA
- Eulalio Gomez
- Steven J. Jolly



Winter 2014





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Meet FCERA Staff: Merelle Sanderson-Office Assistant



Merelle began working for FCERA in July of 2013 as a temporary employee and accepted a permanent position as an Office Assistant I in May of 2014. Merelle comes from a very strong customer service background, having worked as a customer service representative in the Aetna Medicare Unit. Merelle enjoys her work as an office assistant, especially her interaction with the members.

On her free time she loves to spend time with her friends and family. Merelle relocated to Fresno from the Los Angeles area in 2009, and loves to take trips back to visit. Next time you have a question for FCERA and pick up the phone or come into the office, Merelle will be ready to greet you with a warm welcome and help wherever she can.

