



STANISLAUS COUNTY  
EMPLOYEES' RETIREMENT ASSOCIATION  
832 12<sup>th</sup> Street, Suite 600  
Modesto, CA 95354  
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Fax (209) 558-4976  
www.stancera.org  
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August 14, 2013

## **NOTICE OF PUBLIC MEETING**

To: Internal Governance Committee:  
Maria De Anda, Chair  
Joan Clendenin, Trustee  
Donna Riley, Trustee

From: Rick Santos, Executive Director

**SUBJECT: StanCERA INTERNAL GOVERNANCE COMMITTEE**

The Internal Governance Committee will meet at 1:00 p.m., Wednesday, August 14, 2013.

The Committee will meet in the Conference Room at StanCERA's Office, located at 832 12<sup>th</sup> Street, Suite 600, 6<sup>th</sup> Floor, Modesto.

### **AGENDA**

1. Annual Financial Audit - Macias Gini & O'Connell, CPAs
  - a. Entrance Conference [View](#)
  - b. Salary Band for Executive Director [View](#)



**Certified Public Accountants.**

Sacramento  
3000 S Street, Suite 300  
Sacramento, CA 95816  
916.928.4600

Walnut Creek

Oakland

LA/Century City

Newport Beach

San Diego

Seattle

July 9, 2013

To the Audit Committee  
Stanislaus County Employees' Retirement Association  
832 12<sup>th</sup> Street, Suite 600  
Modesto, CA 95354

We are engaged to audit the financial statements of Stanislaus County Employees' Retirement Association (StanCERA) for the year ended June 30, 2013. Professional standards require that we provide you with the following information related to our audit. We would also appreciate the opportunity to meet with the Finance Committee Chair and Chairman of the Board to discuss this information further since a two-way dialogue can provide valuable information for the audit process.

Our Responsibilities under U.S. Generally Accepted Auditing Standards and Government Auditing Standards

As stated in our engagement letter dated July 9, 2013, our responsibility, as described by professional standards, is to express opinions about whether the financial statements prepared by management with your oversight are fairly presented, in all material respects, in conformity with U.S. generally accepted accounting principles. Our audit of the financial statements does not relieve you or management of your responsibilities.

As part of our audit, we will consider the internal control of StanCERA. Such considerations are solely for the purpose of determining our audit procedures and not to provide any assurance concerning such internal control.

As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we will also perform tests of StanCERA's compliance with certain provisions of laws, regulations, contracts, and grants. However, the objective of our tests is not to provide an opinion on compliance with such provisions.

Planned Scope and Timing of the Audit

An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; therefore, our audit will involve judgment about the number of transactions to be examined and the areas to be tested.

Our audit will include obtaining an understanding of the entity and its environment, including internal control, sufficient to assess the risks of material misstatement of the financial statements and to design the nature, timing, and extent of further audit procedures. Material misstatements may result from (1) errors, (2) fraudulent financial reporting, (3) misappropriation of assets, or (4) violations of laws or governmental regulations that are attributable to the entity or to acts by management or employees acting on behalf of the entity. We will generally communicate our significant findings at the conclusion of the audit. However, some matters could be communicated sooner, particularly if significant difficulties are encountered during the audit where assistance is needed to overcome the difficulties or if the difficulties may lead to a modified opinion. We will also communicate any internal control related matters that are required to be communicated under professional standards.

Macias Gini & O'Connell LLP

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We expect to begin our audit on approximately August 19, 2013 and issue our report on approximately November 5, 2013.

This information is intended solely for the use of the Audit Committee and management of StanCERA and is not intended to be, and should not be, used by anyone other than these specified parties.

Very truly yours,

MACIAS GINI & O'CONNELL LLP  
Certified Public Accountants and  
Management Consultants

By:

A handwritten signature in cursive script that reads "Richard A. Green".

Richard A. Green, CPA  
*Partner*



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8/14/13  
Item b

**For the Retirement Board meeting  
Held on August 14, 2013**

TO: Internal Governance Committee

FROM: Kathy Herman, Operations Manager

- I. SUBJECT: Salary band for the position of Executive Director
- II. ITEM TYPE: Discussion and Action
- III. STAFF RECOMMENDATION: Recommend to the Board of Retirement a new salary band for the position of Executive Director
- IV. ANALYSIS:

*History*

In the summer of 2011 the Board of Retirement began the search for a new Administrator. During the search it became clear that many aspects of the position had changed and the Board of Retirement wanted an Executive Director with advanced education and skills.

Article 1.9 of the StanCERA Bylaws, Statement of Independent Operations approved by the Board of Supervisors on August 8, 2005 gives the Board of Retirement the full authority to make this decision and to determine the compensation. However, the County would need to make some changes to its payroll system to accommodate the new salary. This became apparent in November of 2012, when the County was not willing to implement the Executive Director's salary increase approved by the Board of Retirement. Since then StanCERA staff has been working with County staff to find a solution. The County now has determined it may be able to accommodate the Board of Retirement decision by moving the Executive Director position to a classification with a different salary range.

*Current Action*

This item is asking the Committee to discuss and weigh the information at hand and to make a recommendation to the Board of Retirement for approval regarding the salary range that most closely matches the responsibilities, qualifications, credentials and education level required of the position of Executive Director. Once the salary range has been decided, staff will then take this back to the County for implementation.

Note that this item is neither an assessment nor an endorsement of the skills or past performance of the Director. It merely sets the salary range for the position. After which, the Compensation Committee will decide where within the band the Director's salary should reside.

*Attachments*

Attached to this item are the following documents that may be of use for the Committee in deciding what classification is appropriate:

1. Available County Salary Ranges
2. Stanislaus County Salary Survey

V. RISK: None

VI. STRATEGIC PLAN: Goal 3. Board and Staff Development. StanCERA will maintain excellence in governance and customer service through continuous organizational improvement.

VII. BUDGET IMPACT: None



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Rick Santos, Executive Director



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Kathy Herman, Operations Manager

Available County Salary Ranges in Same Bargaining Unit and Salary Plan as of 7/30/13

JOB CODE	TITLE	EEO GRP	FLSA STATUS	BARG UNIT	SALARY AD PLN	GRADE /BAND
=====	=====	=====	=====	=====	=====	=====
977600	Retirement Administrator			1	M01	G*
	MIN RATE	MID RATE	MAX RATE			
HOUR	48.08	60.1	72.12			
BIWK	3,846.15	4,807.69	5,769.23			
MNTH	8,333.33	10,416.67	12,500.00			
YEAR	100,000.00	125,000.00	150,000.00			
972600				1	M01	H
	MIN RATE	MID RATE	MAX RATE			
HOUR	61.66	77.07	92.48			
BIWK	4,932.80	6,165.60	7,398.40			
MNTH	10,687.73	13,358.80	16,029.87			
YEAR	128,252.80	160,305.60	192,358.40			
993000				1	M01	H+
	MIN RATE	MID RATE	MAX RATE			
HOUR	64.74	80.92	97.1			
BIWK	5,179.20	6,473.60	7,768.00			
MNTH	11,221.60	14,026.13	16,830.67			
YEAR	134,659.20	168,313.60	201,968.00			
976000				1	M01	I
	MIN RATE	MID RATE	MAX RATE			
HOUR	75.41	94.26	113.11			
BIWK	6,032.80	7,540.80	9,048.80			
MNTH	13,071.07	16,338.40	19,605.73			
YEAR	156,852.80	196,060.80	235,268.80			

**Stanislaus County Salary Survey  
for Retirement Administrator as of 7/30/13**

<b>Survey Group</b>														
<b>Fund Size</b>	<b>Agency</b>	<b>Classification Title</b>	<b>Low Hourly</b>	<b>Mid Hourly</b>	<b>High Hourly</b>	<b>Low Annually</b>	<b>High Annually</b>	<b>CIO</b>	<b>Asst Admin/ CEO</b>		<b>Low Hourly</b>	<b>High Hourly</b>	<b>Low Annually</b>	<b>High Annually</b>
.362 billion	Medicino	Retirement Administrator	\$57.94	\$57.94	\$57.94	\$120,515.20	\$120,515.20							
.505 Billion	Merced	Retirement Administrator	\$50.41	\$40.87	\$61.32	\$104,852.80	\$127,545.60							
2.1 Billion	San Joaquin	Retirement Administrator	\$70.68	\$78.30	\$85.91	\$147,014.40	\$178,692.80	x	x	CIO	\$47.14	\$57.31	\$98,051.20	\$119,204.80
1.11 Billion	Tulare	Retirement Administrator	\$61.65	\$77.07	\$92.48	\$128,232.00	\$192,358.40		x					
1.94 Billion	Sonoma	Retirement Administrator	\$80.90	\$89.62	\$98.34	\$168,272.00	\$204,547.20	x	x	SIO	\$44.81	\$54.46	\$93,204.80	\$113,276.80
2.360 Billion	San Mateo	Retirement Administrator	\$80.24	\$90.27	\$100.30	\$166,899.20	\$208,624.00	x	x	CIO	\$74.14	\$92.68	\$154,211.20	\$192,774.40
1.495 Billion	Marin	Retirement Administrator	\$93.75	\$101.43	\$109.10	\$195,000.00	\$226,928.00		x					
<b>Average</b>			<b>\$70.80</b>	<b>\$76.50</b>	<b>\$86.48</b>									

<b>1.544 Billion</b>	<b>Stanislaus County</b>	<b>\$48.08</b>	<b>\$60.10</b>	<b>\$72.12</b>	<b>\$100,006.40</b>	<b>\$150,009.60</b>	<b>G*</b>
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**Comparison to Average Current Salary Range**

<b>\$ Difference</b>	<b>-\$22.72</b>	<b>-\$16.40</b>	<b>-\$14.36</b>
<b>% Difference</b>	<b>-47.2%</b>	<b>-27.3%</b>	<b>-19.9%</b>

<b>Stanislaus County</b>	<b>\$61.66</b>	<b>\$77.07</b>	<b>\$92.48</b>	<b>\$128,252.80</b>	<b>\$192,358.40</b>	<b>H</b>
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**Comparison to Average**

<b>\$ Difference</b>	<b>-\$9.14</b>	<b>\$0.57</b>	<b>\$6.00</b>
<b>% Difference</b>	<b>-14.8%</b>	<b>0.7%</b>	<b>6.5%</b>

<b>Stanislaus County</b>	<b>\$64.74</b>	<b>\$80.90</b>	<b>\$97.10</b>	<b>\$134,659.20</b>	<b>\$201,968.00</b>	<b>H+</b>
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**Comparison to Average**

<b>\$ Difference</b>	<b>\$65.21</b>	<b>\$81.17</b>	<b>\$97.30</b>
<b>% Difference</b>	<b>100.7%</b>	<b>100.3%</b>	<b>100.2%</b>

<b>Stanislaus County</b>	<b>\$75.41</b>	<b>\$94.26</b>	<b>\$113.11</b>	<b>\$156,852.80</b>	<b>\$235,268.80</b>	<b>I</b>
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**Comparison to Average**

<b>\$ Difference</b>	<b>\$75.41</b>	<b>\$94.26</b>	<b>\$113.11</b>
<b>% Difference</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>