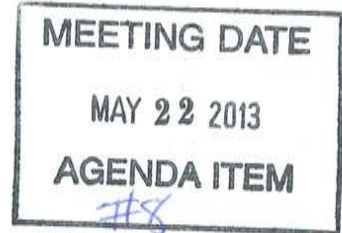


MEMO

Date: May 22, 2013
To: CCCERA Board of Retirement
From: Marilyn Leedom, Retirement Chief Executive Officer
Subject: Total Compensation Study for all CCCERA Positions
Recommendation: Direct staff to issue a RFI for a total compensation study for all retirement staff positions, and to contract with the most appropriate consultant to complete the compensation study at a cost not to exceed \$30,000.



Background:

In CCCERA's 2008 budget, the Board approved the issuance of a RFI for a professional compensation consultant to perform an overall compensation survey and report for unrepresented positions. The original salary study for unrepresented positions was completed through Fox Lawson, and was updated in 2010. Both of those studies indicated that equity adjustments were needed for some of our unrepresented positions, but no further Board action was taken. An independent survey has not been conducted for the represented positions at CCCERA.

Current Considerations:

Job market conditions in the economy have changed over the last few years, warranting a current review of CCCERA's compensation package for all employees as compared to other like positions in the industry.

Over the last few years the following changes have resulted in cuts to CCCERA staff net pay:

Pay reduction of 2.75% implemented by the Board of Supervisors, beginning 10/1/2011
Increased health care premium of up to \$ 380 per month
Increased retirement costs of up to 4 % of salary

Yet, with the decreases in net pay to employees, the overall cost of living has increased by 7.3% for the three years ended February 2013. The last cost of living adjustment for staff was provided in July 2008. At this point, we are concerned with current staff retention and new staff recruitment, as this is paramount to the successful management and administration of CCCERA.

Summary:

Changes in the job market and the overall economy should be recognized by the completion of an updated study for total compensation for all CCCERA positions so that the Board of Retirement has current knowledge of the economic value of these positions. It is prudent to complete this study for all retirement classifications as soon as possible.

Recommendation: There are a limited number of firms specializing in public retirement system salary/compensation studies. Several of these firms have conducted similar studies for other '37 Act systems. Staff is currently researching those firms with experience in the public retirement system area and recommends the following:

1. Issuance of a RFI to determine a qualified firm that has substantial presence in the Human Resources industry.
2. Board direction to contract with the most appropriate consultant at an amount not to exceed \$30,000 to complete this study for all CCCERA employees.