



March 30, 2017

TO: Stanislaus County, Board of Supervisors
Vito Chiesa, Chairman
1010 10th Street, Suite 6700
Modesto, CA 95354

Stanislaus County Superior Court
Hugh K. Swift, Court Executive Officer
800 11th Street
Modesto, CA 95354

City of Ceres
Chris Vierra, Mayor
2720 Second Street
Ceres, CA 95307

East Side Mosquito Abatement District
Kandy Schmidt, Chairman
2000 Santa Fe Avenue
Modesto, CA 95357

Stanislaus Council of Governments
Bill Zoslocki, Chairman
1111 I Street, Suite 308
Modesto, CA 95354

Keyes Community Services District
Jonathon Parker, Board Chair
PO Box 699
Keyes, CA 95328

Salida Sanitary District
Gary Horton, President
PO Box 445
Salida, CA 95368

Hills Ferry Cemetery District
Ken Moeller, District Manager
PO Box 657
Newman, CA 95360

RE: Fiscal Year 2017-2018 Retirement Contribution Rates and Funded Status as of June 30, 2016

On March 28, 2017, the Board of Retirement of the Stanislaus County Employees' Retirement Association (StanCERA) accepted the attached June 30, 2016 Actuarial Valuation.

The June 30, 2016 funded status using the market value of assets for the StanCERA is 69.1 percent. This compares with 75.8 percent for the previous fiscal year. The actuarially determined net employer contribution rate increased from 24.99 percent of payroll to 29.01 percent of payroll which reflects the second year of the three-year phase in of assumption changes. The specific contribution rates per employer, plan, and tier are presented on pages 30 and 31. Employee contribution rates are presented on pages 80-87.

The Board of Retirement is pleased to submit the 2016 valuation report to the employer agencies of StanCERA. Please don't hesitate to contact Kathy Herman or Rick Santos if you have any questions.

Respectfully,

Darin Gharat
Chair, Board of Retirement

Attachment

cc: Rick Santos, Executive Director
Kathy Herman, Fiscal Services Manager

**STANISLAUS COUNTY EMPLOYEES' RETIREMENT ASSOCIATION
ACTUARIAL VALUATION REPORT AS OF JUNE 30, 2016**

SECTION IV – CONTRIBUTIONS

Tables IV-3 and IV-4 contain the calculations of the employer contribution rates for each group and tier, and reflects the second year of the three-year phase-in of the assumption change.

Table IV-3 Development of the General Member Contribution Rate as of June 30, 2016 for FYE 2018							
	Tier 1	Tier 2	Tier 3	Tier 4	Tier 5	PEPRA	TOTAL
County and Former County							
A. Total Normal Cost Rate	21.63%	17.40%	4.32%	18.43%	20.62%	16.13%	19.23%
B. Member Contribution Rate	<u>8.43%</u>	<u>7.98%</u>	<u>0.00%</u>	<u>1.08%</u>	<u>9.56%</u>	<u>8.06%</u>	8.97%
C. Employer Normal Cost Rate (A-B)	13.20%	9.42%	4.32%	17.35%	11.06%	8.07%	10.26%
D. UAL Amortization Rate	17.49%	17.49%	17.49%	17.49%	17.49%	17.49%	17.49%
E. Administrative Expense Rate	<u>0.93%</u>	<u>0.81%</u>	<u>0.66%</u>	<u>1.06%</u>	<u>0.86%</u>	<u>0.77%</u>	0.84%
F. Net June 30, 2016 Contribution Rate (C+D+E)	31.62%	27.72%	22.47%	35.90%	29.41%	26.33%	28.59%
G. Impact of Phase-In of Assumption Changes	-2.72%	-2.72%	-2.72%	-2.72%	-2.72%	-2.72%	-2.72%
H. Phase-In June 30, 2016 Contribution Rate (F+G)	28.90%	25.00%	19.75%	33.18%	26.69%	23.61%	25.87%
Ceres and Other Districts							
A. Total Normal Cost Rate		16.25%		13.70%	21.80%	16.24%	20.45%
B. Member Contribution Rate		<u>7.78%</u>		<u>0.00%</u>	<u>8.95%</u>	<u>8.12%</u>	8.62%
C. Employer Normal Cost Rate (A-B)		8.47%		13.70%	12.85%	8.12%	11.83%
D. UAL Amortization Rate		18.87%		18.87%	18.87%	18.87%	18.87%
E. Administrative Expense Rate		<u>0.83%</u>		<u>0.99%</u>	<u>0.96%</u>	<u>0.82%</u>	0.93%
F. Net June 30, 2016 Contribution Rate (C+D+E)		28.17%		33.56%	32.68%	27.81%	31.63%
G. Impact of Phase-In of Assumption Changes		-2.72%		-2.72%	-2.72%	-2.72%	-2.72%
H. Phase-In June 30, 2016 Contribution Rate (F+G)		25.45%		30.84%	29.96%	25.09%	28.91%

Administrative expenses allocated based on projected Employer Normal Cost and UAL Amortization contributions. See Table IV-5.

STANISLAUS COUNTY EMPLOYEES' RETIREMENT ASSOCIATION
ACTUARIAL VALUATION REPORT AS OF JUNE 30, 2016

SECTION IV – CONTRIBUTIONS

Table IV-4 Development of the Safety Member Contribution Rate as of June 30, 2016 for FYE 2018					
	Tier 2	Tier 4	Tier 5	PEPRA	TOTAL
<u>County and Former County</u>					
A. Total Normal Cost Rate	29.49%	0.00%	33.37%	26.16%	31.29%
B. Member Contribution Rate	<u>12.60%</u>	<u>0.00%</u>	<u>13.44%</u>	<u>13.08%</u>	13.29%
C. Employer Normal Cost Rate (A-B)	16.89%	0.00%	19.93%	13.08%	18.00%
D. UAL Amortization Rate	24.72%	24.72%	24.72%	24.72%	24.72%
E. Administrative Expense Rate	<u>1.26%</u>	<u>0.75%</u>	<u>1.35%</u>	<u>1.14%</u>	1.29%
F. Net June 30, 2016 Contribution Rate (C+D+E)	42.87%	25.47%	46.00%	38.94%	44.01%
G. Impact of Phase-In of Assumption Changes	-3.79%	-3.79%	-3.79%	-3.79%	-3.79%
H. Phase-In June 30, 2016 Contribution Rate (F+G)	39.08%	21.68%	42.21%	35.15%	40.22%
<u>Ceres and Other Districts</u>					
A. Total Normal Cost Rate			33.35%	29.87%	32.96%
B. Member Contribution Rate			<u>12.96%</u>	<u>14.93%</u>	13.18%
C. Employer Normal Cost Rate (A-B)			20.39%	14.94%	19.78%
D. UAL Amortization Rate			24.63%	24.63%	24.63%
E. Administrative Expense Rate			<u>1.36%</u>	<u>1.20%</u>	1.34%
F. Net June 30, 2016 Contribution Rate (C+D+E)			46.38%	40.77%	45.75%
G. Impact of Phase-In of Assumption Changes			-3.79%	-3.79%	-3.79%
H. Phase-In June 30, 2016 Contribution Rate (F+G)			42.59%	36.98%	41.96%

Administrative expenses allocated based on projected Employer Normal Cost and UAL Amortization contributions. See Table IV-6.