

THE BOARD OF SUPERVISORS OF THE COUNTY OF STANISLAUS
BOARD ACTION SUMMARY

DEPT: Chief Executive Office

BOARD AGENDA #: *B-10

AGENDA DATE: November 22, 2016

SUBJECT:

Approval to Amend the Salary and Position Allocation Resolution to Include a New Classification of Retirement Investment Officer I/II/III (Block-budgeted) and to Add One Position to Stanislaus County Employees' Retirement Association's (StanCERA's) Position Allocation as Approved by StanCERA's Retirement Board Effective the First Pay Period After Board Approval

BOARD ACTION AS FOLLOWS:

No. 2016-578

On motion of Supervisor Withrow, Seconded by Supervisor O'Brien
and approved by the following vote,

Ayes: Supervisors: O'Brien, Chiesa, Withrow, DeMartini, and Chairman Monteith

Noes: Supervisors: None

Excused or Absent: Supervisors: None

Abstaining: Supervisor: None

1) Approved as recommended

2) Denied

3) Approved as amended

4) Other:

MOTION:

ATTEST: 
ELIZABETH A. KING, Clerk of the Board of Supervisors

File No.

**THE BOARD OF SUPERVISORS OF THE COUNTY OF STANISLAUS
AGENDA ITEM**

DEPT: Chief Executive Office

BOARD AGENDA #: *B-10

Urgent Routine

AGENDA DATE: November 22, 2016

CEO CONCURRENCE:



4/5 Vote Required: Yes No

SUBJECT:

Approval to Amend the Salary and Position Allocation Resolution to Include a New Classification of Retirement Investment Officer I/II/III (Block-budgeted) and to Add One Position to Stanislaus County Employees' Retirement Association's (StanCERA's) Position Allocation as Approved by StanCERA's Retirement Board Effective the First Pay Period After Board Approval

STAFF RECOMMENDATIONS:

1. Amend the Salary and Position Allocation to include a new block-budgeted classification series of Retirement Investment Officer I/II/III effective the first pay period after Board approval.
2. Add one (1) new Retirement Investment Officer I/II/III to StanCERA's position allocation effective the first pay period after Board approval.

DISCUSSION:

On September 27, 2016 the Board of Retirement approved adding a new classification series to StanCERA's position allocation, Retirement Investment Officer I/II/III. The decision by the Board of Retirement (attached) solidified a prior decision to significantly change StanCERA's asset allocation from a traditional one heavily weighted in public equities and fixed income to one that emphasizes awareness on managing benefit payments and total portfolio risk. StanCERA began this transition in October 2016. The recommended Retirement Investment Officer I/II/III position will provide efficiencies to the organization. Today, four (4) StanCERA staff members touch the investment governance process on a regular basis. The position will assist in providing oversight and governance including managing additional tasks that are not currently being performed, yet should be as part of a comprehensive investment government program.

As an organization, StanCERA is a separate legal entity from Stanislaus County. Stanislaus County is the employer of Record. StanCERA employees are employees of the County and fall under the County's classification and compensation system and personnel provisions. Both the County and the Board of Retirement understand the need for StanCERA to have a role in the classification and compensation system to ensure StanCERA's business operations are efficient, effective and aligned with their mission. StanCERA's Statement of Independence was approved by the County Board of Supervisors on March 16, 2016 as follows:

1.9. INDEPENDENT OPERATIONS - *StanCERA is a separate legal entity from Stanislaus County and is governed by the Retirement Board. California Constitution provides that the Retirement Board has the full responsibility and authority to invest StanCERA member retirement funds and provide necessary services in administering retirement benefits as provided in the 1937 Act, and as adopted in multiple employer-*

Approval to Amend the Salary and Position Allocation Resolution to Include a New Classification of Retirement Investment Officer I/II/III (Block-budgeted) and to Add One Position to Stanislaus County Employees' Retirement Association's (StanCERA's) Position Allocation as Approved by StanCERA's Retirement Board Effective the First Pay Period After Board Approval

employee agreements. To fulfill the mission of StanCERA, the Retirement Board hires staff, contracts with investment managers, hires consultants, and adopts an administrative budget.

To save the time and effort of establishing its own set of Personnel Policies and tracking labor laws (and in accordance with California State law), the Retirement Board hires staff who are Stanislaus County employees. This means that in general and in most instances, these staff will be treated (hired, paid, promoted, demoted, retired or fired) the same as other Stanislaus County employees in like classifications. However, given that StanCERA staff provide services to a variety of public agencies and administer retirement benefits, staff are not subject to mandates from the Board of Supervisors or its agents that would interfere with or otherwise supersede the delivery of those services. To that end this Statement of Independent Operation acknowledges that from time to time, the Retirement Board may act to overrule or set aside a personnel decision or action that emanates from Stanislaus County personnel authority involving staff hired by the Retirement Board or its Executive Director. In matters of retirement benefit administration, the Retirement Board shall have final say in its handling of staff. The Retirement Board has and will continue to utilize Stanislaus County Personnel staff to handle recruitments and Stanislaus County payroll with its contingent of payroll-related items such as: extra help, Personal Services Contracts, leave time and termination cash out payments, retirement benefits, Social Security coverage, deferred compensation program, group health insurances, unemployment insurance, long term disability, workers compensation insurance, professional development, employee assistance program, cafeteria plan cash out, auto allowance and mileage reimbursement the same as other Stanislaus County employees.

The Retirement Board has used and will continue to use its hired investment consultant to aid in its decision on specific investment managers to hire, their performance and possible termination, as well as providing education on investments.

The Retirement Board has used and will continue to use a variety of special consultants and attorneys.

Since fiscal year 2003-2004, the administrative budget for StanCERA has been approved and monitored solely by the Retirement Board. While the budget includes costs for Stanislaus County services through the Stanislaus County's cost allocation plan (CAP), these services are approved for payment since they support the staff in its mission to provide the promised retirement benefits. These costs include data processing services, staff payroll services, check processing services, postage and mail delivery services and other supportive services. The Retirement Board intends on continuing its use of Stanislaus County services as needed. These services may include, but are not limited to, banking, staff payroll, check writing, postage metering and handling, purchasing cards, general liability and workers compensation, telecommunications, some data processing services, some Purchasing services, and security, utilities and other building maintenance and service costs associated with the

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condominium space at the 12th Street office. While StanCERA may not utilize Stanislaus County services 100%, like that of a Stanislaus County Department (such as special or lower cost printing obtainable from a private vendor), StanCERA intends on continuing its use of and payment for the above listed services. StanCERA will not pay for general Stanislaus County costs to the extent that it does not receive services for such costs.

1.9. Amended 02/25/2014 by the Board of Retirement

1.9. Amended 12/16/2015 by the Board of Retirement

1.10. ADMINISTRATION OF EXECUTIVE DIRECTOR POSITION, INVESTMENT CLASSIFICATION AND OTHER EXECUTIVE LEVEL STAFF

Specifically regarding the position of Executive Director, future investment positions and any other executive level classifications, the Board of Retirement shall have full control over the creation, assessment and disposition of these positions, including salary, and will administer and achieve this control using the processes currently in place at the County. It is understood that the processes used to achieve this control should not be limited to the administration of existing executive level County classifications, as StanCERA, from time to time, may need to create and administer other executive level classifications that do not currently exist. The Retirement Board will continue to work with County Personnel to ensure that any other County classifications used by StanCERA in the administration of the retirement plan are properly structured within the County's salary and position guidelines.

1.10. Amended 02/25/2014 by the Board of Retirement

1.10. Amended 12/16/2015 by the Board of Retirement

In order to accommodate StanCERA's recognized need for investment oversight, StanCERA is requesting an additional classification series of Retirement Investment Officer I/II/III and one new full-time position. Currently, the County's Position Allocation Resolution recognizes another StanCERA specific classification, Retirement Administrator.

POLICY ISSUE:

The Board of Supervisors should consider the effect this classification will have on the policy direction and priorities of the Retirement Board. The Board of Supervisor's approval is required to amend the Salary and Position Allocation Resolution.

Approval to Amend the Salary and Position Allocation Resolution to Include a New Classification of Retirement Investment Officer I/II/III (Block-budgeted) and to Add One Position to Stanislaus County Employees' Retirement Association's (StanCERA's) Position Allocation as Approved by StanCERA's Retirement Board Effective the First Pay Period After Board Approval

FISCAL IMPACT:

There is no impact to the County's budget for Fiscal Year 2016-2017. Funding for this position is provided through investment earnings and employer contributions. The Board of Retirement approved an adjustment to StanCERA's administrative budget for Fiscal Year 2016-2017 of \$54,000 to support four month's salary and benefits. Following the annual Actuarial Valuation of the system, the cost of the new position will be reflected in the Fiscal Year 2018-2019 employer contribution rate as a % of payroll. The estimated increase of 0.05% annually in the employer rates will then be shared by all eight StanCERA employers.

BOARD OF SUPERVISORS' PRIORITY:

Approval of this item addresses the Board of Supervisors' priorities of Effective Partnerships and Efficient Delivery of Public Services.

STAFFING IMPACT:

Staff from the Chief Executive Office Human Resources Unit have reviewed the Board of Retirement's decision and concur with it. StanCERA's salary recommendation is based upon similar 1937 Act Counties who have this type of classification. It is recommended to add the new proposed Retirement Investment Officer I/II/III (block-budgeted) classification to the County's Position Allocation Resolution and to add one (1) new full-time position to StanCERA's position allocation. The new classification series will be designated as unclassified, management for labor relations purposes.

The recommended salary range is:

- Retirement Investment Officer I: \$57,659.60-\$86,486.40 (Band B)
- Retirement Investment Officer II: \$65,187.20-\$97,801.60 (Band C)
- Retirement Investment Officer III: \$81,910.40-\$122,844.80 (Band E)

CONTACT PERSON:

Kathy Herman, StanCERA, 209-525-6393

Tamara Thomas, Interim Human Resources Director, Chief Executive Office, 209-525-6333

ATTACHMENT(S):

- A. Board of Retirement Agenda Item dated September 27, 2016

Attachment A



Stanislaus County Employees' Retirement Association

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September 27, 2016

Retirement Board Agenda Item

TO: Retirement Board

FROM: Rick Santos, Executive Director

- I. SUBJECT: Retirement Investment Officer Series & Classification
- II. ITEM NUMBER: 8.a
- III. ITEM TYPE: Discussion and Action
- IV. STAFF RECOMMENDATION:
 1. Approve the addition of a Retirement Investment Officer's Series with three defined classifications to StanCERA's organization structure.
 2. Request that the Stanislaus County's Salary and Position Allocation Resolution be amended to reflect the addition of a Retirement Investment Officer's Series with three defined classifications with salary ranging between \$57,000 – \$121,000.
 3. Approve the funding and direct Staff to conduct a search to fill one position within the Retirement Investment Officer's Series.
 4. Approve a Fiscal Year 2016-2017 budget adjustment of \$54,000 for 6 months' salary and benefits to fund one Retirement Investment Officer Position.

V. EXECUTIVE SUMMARY

Earlier this year, the Board of Retirement made the decision to significantly change StanCERA's asset allocation from a traditional one heavily weighted in public equities and fixed income to one that emphasizes awareness on managing our benefit payments and total portfolio risk. This new allocation will acknowledge its benefit payments and total contributions on a rolling six year basis and invest in safe assets such as treasuries and high grade corporate bonds to fund the differences. With its short-term benefit payments covered, the portfolio has the ability to direct a significant amount of capital towards alternative assets that are less liquid and not needed to fund short to intermediate term liabilities. In October of this year, StanCERA will officially begin the process of transitioning its portfolio to meet this objective.

By nature, the alternative assets offer higher risk adjusted returns, yet are illiquid and more complex to administer. Currently, the portfolio invests roughly \$90 million in private credit. The new allocation directs an additional \$250 million (180% increase) to private credit *and* private equity. The portfolio will also direct \$250 million to risk parity and an additional \$63 million to real estate.

Currently, 4 StanCERA staff members touch the investment governance process on a regular basis, each spending on average, a total of 17% of their time in this area (60% to 70% of this time is spent on just the alternatives). These general touch points include regular correspondence, legal diligence, accounting, account reconciliation, cash movement, fee and expense monitoring, data gathering and assimilation and reporting. Given the intended dollar increase to private credit and equity, it is entirely reasonable to assume that demands on staff resources will at least double.

Additionally, there are many tasks that the System isn't currently performing that should be included in a comprehensive investment governance process.

As a result, staff is recommending the creation of a retirement investment officer series within the County's current structure and hiring an officer to assist in providing alternative oversight and governance and manage additional tasks that aren't currently being performed, yet should be a part of a comprehensive investment governance program.

VI. ANALYSIS:

The Investment Governance Process

In today's context, the investment governance process is grounded in the idea that StanCERA has evolved to a point where it should be taking on more responsibility monitoring, analyzing and reporting on investment issues that require enhanced oversight. The investment industry is constantly changing as ideas, technology and risk awareness continue to evolve. The Organization's need to gain familiarity with investment strategies, manager investment philosophy and fee and expense reconciliation is time consuming and will only continue to grow. Thus, the idea of a person dedicated solely to investment governance enhances our fiduciary requirements and allow StanCERA to grow its institutional knowledge base.

During 2017, the alternative asset class will grow to equal one third of StanCERA's total portfolio and assets invested in private equity and credit will be 19%. Additionally, StanCERA has now dedicated a portion of its portfolio specifically to paying benefits. This change should provide the Organization a more efficient portfolio that allows it to take risks that can provide the most value and avoid those that do not.

While these changes are in the best interests of the Organization, they require a greater degree of oversight and governance. Currently the Organization uses a full time equivalent body, roughly 40%, to maintain just the private credit governance process (see Attachment 2). Given the new asset allocation, the dollar increase to private credit and private equity will be approximately \$250 million (a 180% increase). Additionally, there are many tasks that can augment and enhance our current processes and several others that StanCERA currently doesn't perform. Some of these other tasks were realized out of an obvious need and some came from recommendations from our auditor. Attachment 1 specifically defines our current investment governance tasks and others that are necessary to enhance our fiduciary responsibilities and grow our institutional knowledge.

Contract Work

Attachment 1 describes specifically those tasks staff feels would define an adequate investment governance process and would be addressed and implemented through the position. Among this list, there are specific tasks that can be contracted out through private consultants. Using our custodial bank's suite of ad hoc services and information gathered in the RFP process for an investment consultant, staff was able to price certain tasks specific to StanCERA's goals (per annum)¹:

• Investment (including alternative) cash flow projection:	\$10,000
• Investment Policy Compliance:	15,000
• Asset Liability Management (FFP process):	30,000
• Custodial Bank Monitoring:	25,000
• Trade fee analysis:	<u>5,000</u>
	\$85,000

¹ Lowest cost estimates were used from all sources

While some of the necessary work can be contracted out, this list does not include some major tasks such as SOC/ADV monitoring and all tasks related to alternative investment monitoring such as expense and fee monitoring and benefit and contribution projection. Additionally, some staff time will always be necessary to monitor, understand and be able to explain the consultant's work.

The Retirement Investment Officer Series

Ideally, the series would contain a progressive classification of investment officer positions that would allow for personal growth and accommodate StanCERA's need for flexibility down the road (Attachments 3, 4 and 5). Staff proposes the following *Retirement Investment Officer Series* and possible annual salary ranges:

- Investment Officer I – \$57,000 to \$84,000
- Investment Officer II - \$80,000 to \$98,000
- Investment Officer III - \$99,000 to \$121,000

The salary ranges for the Officer classification is based on research from two other 1937 Act Systems similar in size to StanCERA. Both systems also include and employ either a Senior or Chief position within the series, however, these positions can be researched and added in the future should the Board ever see a need. The classification would be at will.

Candidate skill set and level of anticipated guidance that would be required of the Director and Investment Consultant dictates where within the range the position would fall. There is some uncertainty in the ability to address this question more precisely; since it is indeterminable at this point what skill sets may be brought to the potential candidate pool.

StanCERA Bylaws, Article 1.10 (*Administration of Executive Director Position, Investment Classification and Other Executive Level Staff*) added and adopted by the Stanislaus County Board of Supervisors on 02/24/2014 further clarifies the disposition of the Retirement Investment Officers Series.

Funding

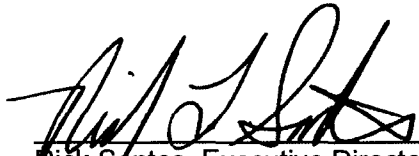
Under an assumption that StanCERA would hire the position at the upper end of the Investment Officer I salary range (\$84,000), annual costs to fund this position would be around \$109,000 including benefits. This equates to slightly more than half a basis point (0.61) in additional annual investment fees.

- VII. RISK: Additional investment governance will be required to maintain and/or enhance our current processes. If the Organization does not wish to proceed with the creation of the Retirement Investment Officer Series and filling one classification within that series, staff feels that the ability to maintain our current processes on the new commitments will be difficult and the successful implementation of the new pension administration software could be delayed, resulting in additional cost.

As a result of the additional risks, if the Organization does not wish to proceed at this time, staff recommends that the Board re-evaluate the asset allocation decision.

VIII. STRATEGIC PLAN: Strategic Objective IV: Refine StanCERA's business and policy practices in ways that enhance stakeholder awareness, the delivery of member services and the ability of the Organization to administer the System effectively and efficiently.

IX. ADMINISTRATIVE BUDGET IMPACT: Increase the Fiscal Year 2016-2017 budget by \$54,000, to include six month funding for one Retirement Investment Officer position, for a total Fiscal Year 2016-2017 budget of \$5,098,833.



Rick Santos, Executive Director



Kathy Herman, Fiscal Services Manager

Attachment 1

Required Job Duties of the Investment Officer Position

- Reconciliation of the alternative accounts
 - Analyze all expense items and audit manager reported numbers
 - Replicate and reconcile all management fees
 - Independent calculation and reconciliation of fund performance
 - Work with manager to project and analyze future expected cash flows
 - Monitor and analyze all subject matter pertaining to SOC/ADV reports (all accounts), potential contract changes, new investments, most favored nation clause, quarterly reports and summaries
- Reconciliation and review of general investment account financial information
 - Reconcile month to month fund balance changes
 - Reconcile monthly and quarterly performance
 - Replication and reconciliation of all fees
 - Provide accounting peer review on a quarterly basis
 - Monitor and reconcile custodial fees
 - Maintain and monitor foreign account requirements
- Monthly cash flow analysis
 - Project future cash flows into and out of the fund from alternative investments
 - Project and monitor benefit payments and pension contributions
 - Project and monitor annual administrative expenses
 - Analyze, review and facilitate liquidity transfers across portfolio asset classes
 - Monitor fund cash balances and adverse contingency requirements
- Monitor Investment Policy compliance
 - Individual holdings
 - Permissible allocation constraints (credit quality, weightings, etc.)
 - Manager thesis (compliance with strategy)
 - Risk budget/tracking error
- Rebalancing
 - Monitor target ranges
 - Work with consultant/director to manage the rebalancing process
- Auxiliary Investment Reporting
 - Work with director to maintain and enhance the reporting process
 - Download and input monthly investment data into StanCERA applications
- Assist in the maintenance of the functionally focused portfolio
 - Provide regular data to calculate and maintain a liability driven benchmark
 - Analyze and recommend potential cash flow transitions into the liquidity asset class
- Other tasks
 - Monitor global class action and shareholder litigation
 - Analyze and provide basic trading cost analysis
 - Monitor securities lending program
 - Maintain awareness of current pension and global macro-economic issues
 - Make presentations as required to the Board of Retirement

Attachment 2

Supporting Analysis for the Current Full Time Equivalent Needed to Maintain Today's Governance Process for the Private Credit Asset Class

- a) Current number of employees working on the investment governance process: 4
- b) Average percent of time spent by each employee on *total* governance process: 17%
- c) Average percent of time spent by each employee on private credit class: 60%
- d) Average percent of time spent by each employee on private credit class (b x c): 10%
- e) % of full time equivalent body currently dedicated to private credit class (a x d): **40%**

RETIREMENT INVESTMENT OFFICER I

Definition

Under close supervision, provides analytical and administrative support for the Investment Program of the Stanislaus County Employees' Retirement Association (StanCERA) by researching, analyzing and monitoring a variety of investment data and information and learning to prepare reports and presentation materials.

Distinguishing Characteristics

This is the entry level class in the Retirement Investment Officer series characterized by the responsibility to conduct detailed data collection and analysis for use by the StanCERA management team, the StanCERA Investment Consultant and the Board of Retirement in the evaluation of the Investment Program. The incumbent initially works under close supervision and is expected to require less guidance and supervision as experience, knowledge, and skills are gained. Incumbents are expected to gain the knowledge and skills to progress to the Retirement Investment Officer II level.

This class is distinguished from the class of Retirement Investment Officer II in that the latter is the journey-level in the series, and incumbents work under general supervision in exercising and performing required duties.

Typical Duties

Typical duties may include, but are not limited to the following:

Research and conduct analysis regarding investment policies or procedures, portfolio performance or management, asset class investing, asset allocation, or other related topics as directed.

Learns to and prepares Board of Retirement agendas and materials; attends monthly Board meetings; assists with the preparation of monthly reports and presentations covering investment performance, economic data reporting, and the monitoring of investment guidelines and policies; assists with the preparation of quarterly reports covering trade analysis, securities lending, asset allocation drift, and universe comparisons.

Learns to monitor and monitors account holdings and learns to perform compliance audits in accordance with investment policy; learns to prepare and summarize and prepares and summarizes Exception Reports for review.

Learns to monitor and analyze and monitors and analyzes market and economic data and the applicable regulatory environment; assists in evaluating risk management software systems and attribution/performance evaluation systems; assists investment staff with implementation of and compliance with Investment Program's practices and policies.

Monitors, compiles and analyzes financial data, and learns to prepare and prepares reports on companies for periodic review of performance; learns to verify and track fees for investment managers and consultants.

Learns to project and monitor and projects and monitors StanCERA benefit payments, administrative expenses and employee and employer contributions from all sources.

Learns to calculate, analyze and reconcile and calculates, analyzes and reconciles alternative investment account fee structures, expenses and performance measures.

Ability to learn, monitor and analyze and monitors and analyzes global class action and shareholder litigation, trading costs and the StanCERA securities lending program.
Attends due diligence meetings, conferences, and seminars.

Ability to provide peer review and/or execute cash transfers across various asset classes of the portfolio.

Ability to provide peer review and/or execute investment transactions such as asset allocation rebalancing as directed.

Ability to apply basic statistical principles and methodologies to data sets. Basic principles and methodologies include such things as linear regression, multiple linear regression, confidence intervals, hypothesis testing and tests for collinearity.

Performs special projects as assigned.

Performs related duties as assigned.

Knowledge, Skills, and Abilities

Basic Knowledge of: the principles and practices of institutional investing; financial analysis; benchmarking; projection; administrative analysis; and statistics.

Ability to: perform semi-complex financial analysis; prepare and write reports and present conclusions and recommendations; establish and maintain effective working relationships; effectively communicate verbally and in writing; interpret and explain laws, regulations, and policies; make presentations to Boards, management groups, department representatives, and others as needed; utilize personal computers to generate investment management analyses and presentations; analyze and evaluate systems; exercise appropriate judgment in answering questions and releasing information, utilize Bloomberg application and navigate various StanCERA data sources and programs.

Minimum Qualifications

Education and Experience: Any combination of education and experience that would provide the opportunity to acquire the knowledge and abilities listed. Normally, this would include possession of a Bachelor's degree, or equivalent, in economics, statistics, actuarial science, mathematics, applied mathematics, finance, or business/public administration which includes significant coursework in economics, quantitative analysis, financial accounting, and statistics, or a closely related field **AND** one year of experience which involved financial analysis, investment analysis, statistical analysis, economic analysis, and/or investment reporting or performance measurement; **OR** a Master's degree, or equivalent, with an emphasis in any of the above listed areas. Possession or pursuit of the Chartered Financial Analyst (CFA) designation is highly desirable.

License: Possession of a valid driver's license at the appropriate level including special endorsements, as required by the State of California, may be required depending upon assignment to perform the essential job functions of the position.

RETIREMENT INVESTMENT OFFICER II

Definition

Under general supervision, provides analytical and administrative support for the Investment Program of the Stanislaus County Employees' Retirement Association (StanCERA) by researching, analyzing and monitoring a variety of investment data and information and preparing reports and presentation materials.

Distinguishing Characteristics

This is the journey level class in the Retirement Investment Officer series characterized by the responsibility to conduct detailed and complex data collection, monitoring and analysis for use by StanCERA management team, the StanCERA Investment Consultant and the Board of Retirement in the evaluation of the Investment Program. The incumbent works under general supervision and guidance from the Executive Director and/or the StanCERA Investment Consultant.

This class is distinguished from the class of Retirement Investment Officer I in that the latter is an entry level class and requires the incumbent to work under close supervision. This class is distinguished from the class of Retirement Investment Officer III in that the latter assists in the administration of StanCERA's Investment Program and has more discretionary authority regarding various investment decisions.

Typical Duties

Typical duties may include, but are not limited to the following:

Research and conduct analysis regarding investment policies or procedures, portfolio performance or management, asset class investing, asset allocation, or other related topics as directed.

Prepares Board of Retirement agendas and materials; attends monthly Board meetings; prepares monthly reports and presentations covering investment performance, economic data reporting, and the monitoring of investment guidelines and policies; assists with the preparation of quarterly reports covering trade analysis, securities lending, asset allocation drift, and universe comparisons.

Monitors account holdings performs compliance audits in accordance with investment policy; prepares and summarizes Exception Reports for review.

Monitors and analyzes market and economic data and the applicable regulatory environment; assists in evaluating risk management software systems and attribution/performance evaluation systems; assists investment staff with implementation of and compliance with Investment Program's practices and policies.

Monitors, compiles and analyzes financial data, and prepares reports on companies for periodic review of performance; monitors, verifies and reconciles fees for investment managers and consultants.

Projects and monitors StanCERA benefit payments, administrative expenses and employee and employer contributions from all sources.

Calculates, analyzes and reconciles alternative investment account fee structures, expenses and performance measures.

Monitors and analyzes global class action and shareholder litigation, trading costs and the StanCERA securities lending program.

Attends due diligence meetings, conferences, and seminars.

Provide peer review and executes cash transfers across various asset classes of the portfolio.

Provide peer review and executes investment transactions such as asset allocation rebalancing as directed.

Apply statistical principles and methodologies to data sets. Principles and methodologies may include such things as linear regression, multiple linear regression, regime switching return models, mean reversion models, auto regressive/moving average models, asset liability modeling, confidence intervals, hypothesis testing and tests for collinearity.

Performs special projects as assigned.

Performs related duties as assigned.

Knowledge, Skills, and Abilities

Working knowledge of: the principles and practices of institutional investing; financial analysis; risk monitoring; projection; economic and market trends and conditions; applicable investment laws, rules, and regulations; benchmarking; administrative analysis; statistical and actuarial analysis.

Knowledge of: the principals of pension administration and retirement benefits administration.

Ability to: perform complex financial analysis; prepare and write reports and present conclusions and recommendations; establish and maintain effective working relationships; effectively communicate verbally and in writing; interpret and explain laws, regulations, and policies; make presentations to Boards, management groups, department representatives, and others as needed; utilize personal computers and the Bloomberg application to generate investment management analyses and presentations; analyze and evaluate systems; exercise appropriate judgment in answering questions and releasing information.

Minimum Qualifications

Education and Experience: Any combination of education and experience that would provide the opportunity to acquire the knowledge and abilities listed. Normally, this would include possession of a Bachelor's degree, or equivalent, in economics, statistics, actuarial science, mathematics, applied mathematics, finance, business/public administration which includes significant coursework in economics, quantitative analysis, financial accounting, statistics, or a closely related field **AND** two years of investment experience in a public agency or financial institution which involved financial analysis, investment analysis, economic analysis, and/or investment reporting or performance measurement; **OR** possession of a Master's degree, or equivalent, with an emphasis in any of the above listed areas and one year of professional investment experience in the above listed areas. Possession or pursuit of the Chartered Financial Analyst (CFA) designation is highly desirable.

License: Possession of a valid driver's license at the appropriate level including special endorsements, as required by the State of California, may be required depending upon assignment to perform the essential job functions of the position.

RETIREMENT INVESTMENT OFFICER III

Definition

Under direction, assists in the implementation and administration of the Investment Program of the Stanislaus County Employees' Retirement Association (StanCERA); monitors and analyzes investment performance; evaluates the performance of investment service providers; and assists in the planning and development of investment strategies and may coordinate the work of staff and the StanCERA Investment Consultant.

Distinguishing Characteristics

This is the senior level class in the Retirement Investment Officer series. This class is characterized by the responsibility to assist and provide direction in the management and implementation of the StanCERA investment strategy and policies and to monitor and analyze fund investments and maintain and discharge discretionary authority and responsibility over some aspects of the Program.

This class is distinguished from the class of Retirement Investment Officer I in that the latter's focus is on research and analysis in support of StanCERA's Investment Program and performs under close supervision. This class is distinguished from the class of Retirement Investment Officer II in that the latter performs the most complex and specialized investment related duties, works under general supervision and may play a role in coordinating the work of staff.

Typical Duties

Typical duties may include, but are not limited to the following:

Assists in developing objectives and guidelines for the StanCERA investment program and policies; assists in the formulation of investment strategies and tactics.

Researches and analyzes pension fund trends and new product developments in the institutional investment industry; analyzes economic and financial markets on a global basis.

Prepares special analyses of the investment portfolio; develops investment improvement recommendations; conducts research and screens investment opportunities and oversees the general investment process.

Prepares and presents written and oral reports to and conducts workshops for the StanCERA Board, County Board of Supervisors, retirees, employees, and other groups as directed.

Provides primary support to Investment Manager Searches, Watch Status and Terminations.

Oversees investment contract processes with knowledge of current market terms; prepares Request for Proposals; assists in benchmarking investment services providers performance; meets with investment managers to evaluate products and firms; assists in the review, negotiation and administration of contracts for services.

Attends monthly Board meetings; develops and presents the results of analytical projects to the Board; studies and make recommendations to the Retirement Board based on internal research and/or advice received from outside consultants; properly maintains and maintains the asset allocation plan approved

by the Retirement Board.

Participates in evaluating the investment performance of investment managers and StanCERA's portfolio; evaluates trade cost analysis of StanCERA's investment managers; acts as primary liaison to investment managers in monthly and quarterly reporting and monitors their compliance with Board established reporting deadlines and report formats; monitors and assists in ensuring compliance of the Retirement System's investment managers with the Board's investment policies and guidelines.

Coordinates portfolio rebalancing; monitors allocation mix of short-term investment funds; recommends changes to the StanCERA Investment Policy Statement.

Performs compliance audits of investment managers; verifies and tracks fees for investment managers and consultants.

Calculates, analyzes and reconciles alternative investment account fee structures, expenses and performance measures

Reviews investment training opportunities with the Board and Staff; attends Client and Investment Conferences; meets with banking, financial and investment organizations to discuss investments, financial markets and economic trends.

Apply statistical principles and methodologies to data sets. Principles and methodologies may include such things as linear regression, multiple linear regression, regime switching return models, mean reversion models, auto regressive/moving average models, asset liability modeling, confidence intervals, hypothesis testing and tests for collinearity.

Provide peer review and technical direction and guidance to staff.

Performs special projects as assigned.

Performs related duties as assigned.

Knowledge, Skills, and Abilities

Considerable knowledge of: the principals and practices of institutional investing; financial analysis; risk monitoring, economic and market trends and conditions; applicable investment laws, rules and regulations; benchmarking; administrative analysis; statistics and actuarial analysis.

Working knowledge of: the principals of pension administration and retirement benefits administration.

Ability to: think strategically related to the management of a public pension system investment portfolio; analyze and communicate the strategies related to complex financial investments; perform complex financial and statistical analysis; prepare and write reports or presentations; establish and maintain effective working relationships with all StanCERA stakeholders; effectively communicate verbally and in writing; make presentations to Boards and management groups; develop complex plans and reports; utilize personal computers, Bloomberg application and various StanCERA applications and data sources to generate investment management analyses; exercise appropriate judgment in answering questions and releasing information.

Minimum Qualifications

Education and Experience: Any combination of education and experience that would provide the opportunity to acquire the knowledge and abilities listed. Normally this would include possession of a Bachelor's degree, or equivalent, in finance, statistics, actuarial science, mathematics, applied mathematics, economics, business administration or closely related field **AND** four years of investment experience in a public agency or financial institution which involved investment portfolio management, formulating, recommending and implementing investment strategies, economic analysis, and/or investment reporting or performance measurement; **OR** a Master's degree, or equivalent, with an emphasis in any of the above listed areas and three years of experience in the above listed areas. Experience in retirement benefits administration and pursuit or possession of the Chartered Financial Analyst (CFA) designation is highly desirable.

License: Possession of a valid driver's license at the appropriate level including special endorsements, as required by the State of California, may be required depending upon assignment to perform the essential job functions of the position.