

RESOLUTION OF THE BOARD OF RETIREMENT OF THE VENTURA  
COUNTY EMPLOYEES' RETIREMENT ASSOCIATION TO PROVIDE A  
SUPPLEMENTAL TARGETED ADJUSTMENT FOR RETIREES COST-OF-LIVING  
(STAR COLA) BENEFIT TO THOSE ELIGIBLE RETIRED MEMBERS AND ELIGIBLE  
SURVIVORS AS OF OCTOBER 1, 2010

WHEREAS, Government Code Section 31874.3 subdivision (b) grants the Board of Retirement the right to provide supplemental cost-of-living increases, effective on a date to be determined by the Board, to those members whose accumulations established by Government Code Section 31870.1 equal or exceed 20 percent as of January 1 of the year in which the board of retirement adopts such an increase; and,

WHEREAS, the Board of Retirement first adopted a Resolution on October 20, 1997, for the purpose of providing a STAR COLA benefit to all eligible retired members and eligible survivors, and funded this benefit for a five year period by transferring \$9,100,000 to the reserve established for the payment of the STAR COLA benefit; and,

WHEREAS, the Board of Retirement has periodically renewed the STAR COLA benefit and has transferred funds into the Supplemental Targeted Adjustment for Retirees Reserve to permit periodic renewal of the benefit, and

WHEREAS, the Board of Retirement expressed its intention on January 7, 2008, to limit the eligibility of STAR COLA recipients to those currently eligible to receive the benefit by not changing either the group or the amount of the benefit to be provided based upon the accumulations provided in Government Code Section 31870.1 that equaled or exceeded 20% as of January 1, 2008; and,

WHEREAS, the STAR COLA benefit was last renewed on April 28, 2008, for a 30 month period and expired with the payment made on September 30, 2010; and,

WHEREAS, funding is available in the Supplemental Targeted Adjustment for Retirees Reserve, as detailed in the July 7, 2010 report from VCERA's consulting actuary The Segal Company to permit payment of the STAR COLA benefit through July 31, 2011; and,

WHEREAS, by his/her review and approval of this Resolution, an elected representative of the Retired Employees Association of Ventura County warrants that he/she and his/her constituents understand that the STAR COLA is not a vested benefit, and may be terminated prior to July 31, 2011, notwithstanding the availability of funding in the Supplemental Targeted Adjustment for Retirees Reserve; and

WHEREAS, the Board of Retirement indicated on September 20, 2010, that the STAR COLA benefit shall expire with the payment made on July 31, 2011 as there are not funds available to transfer to the Supplemental Targeted Adjustment for Retirees Reserve to enable continuation of the benefit beyond the July 31, 2011 expiration date.

NOW, THEREFORE, BE IT RESOLVED, DETERMINED AND ORDERED AS FOLLOWS:

1. The Board of Retirement of the Ventura County Employees' Retirement Association hereby adopts this Resolution for the purpose of extending the time period for payment of the STAR COLA benefit pursuant to the provisions outlined by Government Code Section 31874.3, subdivision (b), for the benefit of those members who retired on or before April 1, 1981, whose current accumulations as established pursuant to Government Code Section 31870.1 equal or exceed 20% as of January 1, 2008.
2. The STAR COLA benefit shall continue to be payable as part of the monthly retirement benefit, and shall terminate with the issuance of the **July 31, 2011** monthly retirement check.
3. The STAR COLA benefit shall be payable to those retired members and eligible survivors who retired on or before April 1, 1981, whose accumulations provided for in Government Code Section 31870.1 equal or exceed 20% as of January 1, 2008. The eligible categories of members, their current accumulations, and the amount of the STAR COLA adjustment granted by the Board of Retirement under this resolution are as follows:

<u>Date of Retirement</u>	<u>Accumulation as of January 1, 2008</u>	<u>STAR COLA Adjustment</u>
On or before 4/1/75	63.0%	43.5%
4/2/75 to 4/1/76	55.5	36.0
4/2/76 to 4/1/77	48.0	28.5
4/2/77 to 4/1/78	44.5	25.0
4/2/78 to 4/1/79	40.5	21.0
4/2/79 to 4/1/80	36.0	16.5
4/2/80 to 4/1/81	28.0	8.5

The STAR COLA benefit will be equal to the sum of the member's annuity, pension and cost-of-living, multiplied by the above STAR COLA Adjustment percentage. The above table shall remain in effect through July 31, 2011 unless modified by specific action of the Board of Retirement.

4. Nothing in this resolution shall be construed to limit or prevent the Board from terminating this benefit at any time. If the Board determines for any reason that this benefit should be terminated prior to the natural expiration date set forth in this resolution, the Board shall first provide 90 days written notice, by regular U.S. Mail, to (1) Retired Employees Association of Ventura County, Inc., and (2) the last known address of each recipient of the benefit. Notice of the early termination of this benefit shall be effective when placed in the custody of the U.S. Postal Service.



5. If, at any time, the Board of Retirement determines that the assets of the retirement system have decreased to a level where the balance of the Reserve for Contingencies is less than one percent as required by Government Code Section 31592.2, or less than such other higher funding level as the Board shall have adopted as the minimum funding for the Reserve for Contingencies, then nothing in this resolution shall prevent the Board of Retirement from taking appropriate acts, consistent with its fiduciary duties, including transferring sufficient funds from the Supplemental Targeted Adjustment for Retirees Reserve to restore the Reserve for Contingencies to at least the minimum required funding level.
6. Upon the adoption of this resolution, the Board of Retirement shall provide a copy of this resolution to the governing board of the Retired Employees Association of Ventura County Inc., and to each eligible retiree and eligible survivor receiving this benefit. This shall be done via U.S. mail within 45 days of the date of adoption of this resolution by the Board of Retirement.
7. The Supplemental Targeted Adjustment for Retirees Reserve shall be excluded from total assets available for benefits by the Retirement Association's actuaries in the annual actuarial valuation.

ADOPTED, this 4th day of October 2010



TRACY D. TOWNER, CHAIRMAN  
BOARD OF RETIREMENT

Reviewed and Approved:



ARTHUR E. GOULET, PRESIDENT  
RETIRED EMPLOYEES ASSOCIATION OF VENTURA COUNTY