

RESOLUTION OF THE BOARD OF RETIREMENT (Board of Retirement or Board) OF
THE VENTURA COUNTY EMPLOYEES' RETIREMENT ASSOCIATION (VCERA) TO
PROVIDE A SUPPLEMENTAL TARGETED ADJUSTMENT FOR RETIREES
COST-OF-LIVING (STAR COLA) BENEFIT TO THOSE ELIGIBLE RETIRED
VCERA MEMBERS AND ELIGIBLE SURVIVORS AS OF APRIL 1, 2008

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 Resolution adopted October 20, 1997, and the Resolutions renewing this benefit adopted each year thereafter, required the Board to take formal action on an annual basis to renew this benefit for an additional one year period; and,

WHEREAS, the STAR COLA benefit was last renewed on September 10, 2007, and expired with the payment made on March 31, 2008 due to limited available funding; and,

WHEREAS, the Board of Retirement expressed its intention on January 7, 2008, to transfer \$4.7 million from the reserve established for the payment of the \$27.50 monthly supplemental benefit to the STAR COLA reserve to pay STAR COLA benefits through September 30, 2010; 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; and,

WHEREAS, the Board of Retirement expressed its intention on January 7, 2008, to continue its practice of analyzing future STAR COLA funding requirements with its actuary on an annual basis; and,

WHEREAS, on January 28, 2008, VCERA provided 90-day notice to all members receiving the \$27.50 monthly supplemental benefit regarding the Board of Retirement's intention to modify the funding of that benefit in accordance with the terms of the March 17, 2003 Board of Retirement resolution that authorized its payment; 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 at a later date, notwithstanding the transfer of \$4.7 million to the Supplemental Targeted Adjustment for Retirees Reserve.

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

1. The Board of Retirement determines that, for the reasons set forth in the April 28, 2008 letter from VCERA's Retirement Administrator to the Board and its accompanying materials, it is in the overall best interest of VCERA members and beneficiaries for the Board to take the actions set forth in this Resolution.
2. The Board of Retirement hereby adopts this Resolution for the purpose of renewing 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.
3. The Board of Retirement hereby authorizes a transfer of \$4.7 million from the reserve established for the payment of the \$27.50 monthly supplemental benefit to the Supplemental Targeted Adjustment for Retirees reserve in order to fund the STAR COLA benefits through September 30, 2010. The Board of Retirement shall continue, with the assistance of its actuary, to review the adequacy of STAR COLA funding on an annual basis.
4. The STAR COLA benefit shall be payable as part of the monthly retirement benefit, commencing with the **April 30, 2008** monthly retirement check, and shall terminate with the issuance of the **September 30, 2010** monthly retirement check unless additional funding is allocated to the STAR COLA reserve by the Board of Retirement.
5. 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:

Date of Retirement	Accumulation as of January 1, 2008	STAR COLA Adjustment
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 September 30, 2010 unless modified by specific action of the Board of Retirement. Any future Board of Retirement action to make additional funding available for the STAR COLA benefit to extend the STAR COLA benefit beyond September 30, 2010 will not constitute a renewal of the STAR COLA benefit under Government Code section 31874.3(b) and will not require the modification of the above table.

6. 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.
7. 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.
8. 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.
9. 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 28th day of April 2008

TRACY D. TOWNER, CHAIRMAN
BOARD OF RETIREMENT

Reviewed and Approved:

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