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8/31/04
CWB

SONOMA COUNTY EMPLOYEES' RETIREMENT ASSOCIATION



SEP 14 REC'D

Gary J. Bei
Retirement Administrator
Leslie M. Garritson
Assistant Retirement Administrator
Cathy S. Lanz
Retirement Accounting Manager
Helen C. Olson
Retirement Benefits Coordinator

August 19, 2004

The Honorable Judge Allan Hardcastle
The Presiding Judge of the Sonoma County Superior Court
600 Administration Drive
Santa Rosa, CA 95403

Dear Judge Hardcastle:

We have reviewed the findings and recommendations of the 2003-2004 Grand Jury Report titled "Holes in the Employee Benefit Safety Net?" and developed responses to those sections that were addressed to the Retirement Board of the Sonoma County Employees' Retirement Association (SCERA). SCERA would like to clarify the information included in Findings #2 and #7. In addition, SCERA was specifically requested to respond to Recommendations #2, #3 and #5. Responses are noted below:

Finding #2 – The County provides extensive benefits administered by Risk Management, including health coverage, retiree health coverage, insurance, retirement pension and long term disability.

SCERA Response: We have one point of clarification. The retirement pension is not administered by Risk Management, but is administered by the Board of Retirement and Staff of SCERA.

Finding #7 – Since 1998, the average time for resolution for Long Term Disability Retirement, from application to the date of acceptance is 9.4 months.

SCERA Response: We have two points of clarification. First, the Disability Retirement benefit should not be confused with the Long Term Disability benefit. The term "Long Term Disability Retirement" could be confusing for some readers as it represents a combination of the common terms "Long Term Disability" and "Disability Retirement". Second, the 9.4 month average time for resolution for Disability Retirement would be more correctly stated as a current statistic rather than since 1998.

Recommendation #2 – The Disability Retirement Board and Risk Management must meet with union representatives as often as necessary, but at least monthly, to establish better communication and understanding.

SCERA Response: The specific recommendation will not be implemented because it is not warranted given existing circumstances. Staff representatives of the Sonoma County Employees' Retirement Association, County Counsel, and Risk Management have already met with the Coalition of Labor Unions and agreed to meet periodically as needed. As a result of the meetings that have been held, an action plan was developed and priorities were established. The Board of Retirement's Disability Committee already holds a monthly public meeting at which time matters of concern relating to disability retirement can be raised and discussed. Also, the Board of Retirement holds a separate monthly meeting that is open to all interested parties. SCERA does not believe that an additional monthly meeting is either necessary or feasible given staff's overall responsibilities and priorities for the entire organization. This will be especially true for the near future as SCERA is called upon to process a greater than normal number of retirements.

Recommendation #3 – All mid-level management, division directors, supervisors and employees must be instructed on a regularly scheduled basis and at least twice during the year beginning in September 2004 in the revised Illness and Injury Prevention Program with greater emphasis on department responsibility.

SCERA Response: The specific recommendation will be implemented in that SCERA already has an approved Illness and Injury Prevention Program (IIPP) plan, and the SCERA administration will be instructing and providing information to staff in accordance an approved schedule that will meet the requirements of the recommendation.

Recommendation #5 – For employees who develop an illness during their employment, the evaluation and recommendations of the employee's medical specialist should be given priority regarding accommodation and disability retirement if the County appointed Qualified Medical Examiner (QME) does not possess equal expertise.

SCERA Response: The recommendation will not be implemented because it is not warranted given the legal constraints within which SCERA must operate. The standards governing decisions regarding disability retirement applications are established by the County Employees' Retirement Law of 1937 (the "Act") and judicial precedent interpreting that Act. The Board of Retirement is required to make its determinations utilizing those standards based on the specific facts of each application. SCERA does not make use of Qualified Medical Examiners in the disability retirement process. However, the Board is authorized by the Act to obtain medical, investigatory and other services to assist it in carrying out its responsibilities. In the past, the Board has utilized a variety of medical experts to obtain advice depending on the nature of the issues presented. In addition, the County Medical Officer is required by law to advise the Board on medical matters.

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If you have any questions or need any additional information regarding the above responses, please feel free to contact us at our offices (565-8100).

Best regards,

A handwritten signature in black ink, appearing to be 'Gary Bei', with a stylized, looped structure.

Gary Bei
Retirement Administrator
SCERA

A handwritten signature in black ink, appearing to be 'Donald Head', with a large, sweeping loop at the end.

Donald Head
Chairman of the Retirement Board
SCERA

Cc: Members, Board of Supervisors
Denise Gordon, County Court Executive Officer
Mike Chrystal, County Administrator
Eeve Lewis, County Clerk