



Agenda Date: 1/29/2008  
Agenda Placement: 6Q

## NAPA COUNTY BOARD OF SUPERVISORS Board Agenda Letter

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**TO:** Board of Supervisors  
**FROM:** Gregersen, Mark - Director  
Human Resources  
**REPORT BY:** Caryn Fagundes, Benefits Administrator - 253-4488  
**SUBJECT:** Resolution of Intention to Amend Agreement No. 1464 with CalPERS for Safety Group

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### **RECOMMENDATION**

Human Resources Director requests adoption of a Resolution of Intention amending Agreement No. 1464 with the Board of Administration of the California Public Employees' Retirement System to provide for Fourth Level of 1959 Survivor Benefits to the Safety Group.

### **EXECUTIVE SUMMARY**

On October 9, 2007, the Board of Supervisors approved the Total Tentative Agreement dated September 28, 2007 between the Deputy Sheriff's Association (DSA) and the County. A provision of that Agreement included amending the contract between the County and CalPERS providing for Fourth Level of 1959 Survivor Benefits. Today's action is the first step in the CalPERS amendment process.

### **FISCAL IMPACT**

Is there a Fiscal Impact?	Yes
Is it currently budgeted?	Yes
Where is it budgeted?	Requested in recommended retirement line of each department budget.
Is it Mandatory or Discretionary?	Mandatory
Is the general fund affected?	Yes
Future fiscal impact:	The first year there is no cost increase to the County due to an excess in pool assets. Years two through five will be determined by CalPERS in May of each year. The future cost may be approximately \$5.40 per member per month or \$6,091 annually.

Consequences if not approved: Breach of Agreement between the County and DSA bargaining unit.

Additional Information:

### **ENVIRONMENTAL IMPACT**

ENVIRONMENTAL DETERMINATION: The proposed action is not a project as defined by 14 California Code of Regulations 15378 (State CEQA Guidelines) and therefore CEQA is not applicable.

### **BACKGROUND AND DISCUSSION**

On October 9, 2007, the Board of Supervisors approved the Total Tentative Agreement dated September 28, 2007, between the Deputy Sheriff's Association (or Safety group) and the County. A provision of that Agreement includes amending the contract between the County and CalPERS to provide for the Fourth Level of 1959 Survivor Benefits. The Safety group currently contracts for the Third Level 1959 Survivor Benefit. This change will standardize the 1959 Survivor Benefit with other employee groups. The Fourth Level 1959 Survivor Benefit provides a monthly allowance of \$950, \$1,900 and \$2,280 for one, two, and three eligible survivors of members respectively, who are covered for this benefit and who die before retirement.

Today's action is the first step in the amendment process. The purpose is to provide at a public meeting, pursuant to Government Code Section 7507, the future annual costs of the proposed contract amendment at least two weeks prior to the adoption of the final ordinance. The final ordinance will be presented to the Board on February 26, 2008. Attached is the CalPERS Contract Amendment Cost Analysis Valuation which was provided by CalPERS on August 27, 2007. The costs of this contract amendment as identified by CalPERS on the actuarial valuation include the following. The first year employer normal cost is \$6,091 which is offset by the five year amortization of unfunded liability excess assets of (\$6,507) leaving a first year total employer cost balance of \$0. Future annual employer costs will vary from year to year due to investment returns and experiences by the pool. In addition, members covered by the 1959 Survivor Benefits contribute \$2.00 per month.

### **SUPPORTING DOCUMENTS**

- A . Resolution of Intention
- B . Contract Amendment Cost Analysis

CEO Recommendation: Approve

Reviewed By: Karen Collins