



Agenda Date: 10/16/2007
Agenda Placement: 6C

NAPA COUNTY BOARD OF SUPERVISORS Board Agenda Letter

TO: Board of Supervisors

FROM: Patricia Tyrrell for Robert Westmeyer - County Counsel
County Counsel

REPORT BY: Sora O'Doherty, Paralegal, 251-1090

SUBJECT: Adoption of a resolution establishing a \$1,000 County Match for the 401(a) Retirement Savings Plan Participants for the 2008 calendar year

RECOMMENDATION

County Counsel and County Executive Officer request adoption of a resolution establishing a \$1,000 County Match for the benefit of 401(a) Retirement Savings Plan participants for the 2008 calendar year.

EXECUTIVE SUMMARY

In 2002, the County established the 401(a) Retirement Savings Plan enabling the Management, Confidential and Non-Classified officers and employees of the County, including elected officials, to increase significantly the amount of their annual compensation they are able to defer until retirement.

The 401(a) Retirement Savings Plan also provides for an Employer Contribution ("Match") to the sub-account of each eligible officer or employee who participates in, and has deferred an equivalent amount of of their income into, the County's existing 457 Deferred Compensation Plan. Match contributions are made in \$100 minimum payments. The payments are processed quarterly.

The Match is required to be established annually on or before January 1st by a duly adopted Resolution. The past practice of the Board has been to provide a \$1,000 Match in those years the Board has concluded to provide a Match. The Match for calendar year 2007 was \$1,000.

The County Executive Officer has recommended that the Match for the calendar year 2008 be set at \$1,000 per eligible employee. The funds to cover the Match were included in the Fiscal Year 2007/2008 budget approved in June.

FISCAL IMPACT

Is there a Fiscal Impact?	Yes
Is it currently budgeted?	Yes
Where is it budgeted?	Departments will absorb these costs in their respective FY2007/2008 budgets for those costs incurred on or before June 20, 2008. Match costs incurred during the 2008/2009 fiscal year will be included in each department's FY2008/2009 budget request.
Is it Mandatory or Discretionary?	Discretionary
Discretionary Justification:	The annual costs of the deferred compensation match contribution is approximately \$170,000.
Is the general fund affected?	Yes
Future fiscal impact:	Departments will include these costs in future budget requests. The decision to offer the Match will be made by the Board each year as part of the budget process.
Consequences if not approved:	The Board is under no legal obligation to adopt the resolution authorizing the \$1,000 Employer Match Contribution. A redetermination is required each year by the Board. Thus, approving a Match this year does not obligate the Board to approve a similar Match in the following year.
Additional Information:	None

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 August 6, 2002, the County established the 401(a) Retirement Savings Plan (hereafter the "Plan"), enabling the Management, Confidential and Non-Classified officers and employees of the County, including elected officials, to increase significantly the amount of their annual compensation they are able to defer until retirement.

Section 4.02-1 of the Plan also provides for an Employer Contribution ("Match") to the sub-account of each eligible officer or employee who participates in, and has deferred an equivalent amount of of their income into, the County's existing 457 Deferred Compensation Plan. Participants in the 401(a) plan must authorize a deferral of at least \$100 into their 457 Deferred Compensation Plan sub-account during a calendar quarter before they are entitled to receive a Match. The Match contributions are processed quarterly. If an employee fails to defer at least \$100 during a quarter, that amount is added to the amount deferred in the next quarter until the \$100 minimum is reached. Match transfers are processed within 30 days of the end of each calendar quarter.

Section 4.02 of the Plan specifies that the Match shall be established annually on or before January 1st by a duly adopted Resolution. The past practice of the Board has been to provide a \$1,000 Match in those years the Board has concluded to provide a Match. The Match for calendar year 2007 was \$1,000.

The County Executive Officer has recommended that the Match for the calendar year 2008 be set at \$1,000. Funds to cover the Match were included in the departments' budgets which were approved by the Board at its June Budget

hearing.

SUPPORTING DOCUMENTS

A . Resolution

CEO Recommendation: Approve

Reviewed By: Karen Gratton