



Agenda Date: 11/6/2007
Agenda Placement: 6Q

NAPA COUNTY BOARD OF SUPERVISORS Board Agenda Letter

TO: Board of Supervisors
FROM: Patricia Tyrrell for Westmeyer, Robert - County Counsel
County Counsel
REPORT BY: Patricia Tyrrell, Attorney IV , 259-8251
SUBJECT: Adoption of the Resolution Establishing a \$500 Employer Non-Match 401(a) Contribution

RECOMMENDATION

County Counsel requests adoption of a resolution establishing, for the 2008 calendar year, a \$500 direct contribution to the 401(a) pre-tax sub-account of each 401(a) deferred compensation participant whose department qualifies for the direct contribution.

EXECUTIVE SUMMARY

In previous years, the County adopted resolutions providing an employer direct contribution to the pre-tax sub-account of each officer or employee who is eligible to participate in the 401(a) plan, with no match requirement, provided certain conditions were met.

Based on standards adopted by the Board in prior years, the County Executive Officer recommends the Board approve a \$500 direct contribution to the pre-tax sub-account of each officer or employee who is eligible to participate in the 401(a) plan, with no match requirement, based on the following criteria for the period February 24, 2007 through August 24, 2007: (1) 100% of the performance evaluations and accompanying Personnel Action Request (PAR) are timely received by Human Resources; (2) the officer or employee must have been employed by the County from February 24, 2007 through August 24, 2007, in order to qualify for the \$500 direct contribution. The County Executive Officer, no later than December 31, 2007, shall review and determine whether this criteria has been met. The \$500 contribution will be paid during January 2008.

This will be the last such contribution recommended by the County Executive Officer because the Board has decided to discontinue the program for the 2008 calendar year and future years.

FISCAL IMPACT

Is there a Fiscal Impact? Yes

Is it currently budgeted?	No
What is the revenue source?	Departments will be expected to absorb these costs in their Fiscal Year 2007-08 budgets, to the extent this cost was not already budgeted. If a department is unable to absorb the costs, a transfer from General Fund contingency will be required.
Is it Mandatory or Discretionary?	Discretionary
Discretionary Justification:	The annual cost of the deferred compensation for the non-match contribution is approximately \$80,000 if all eligible employees were to receive a \$500 for successful completion of specific performance standards.
Is the general fund affected?	Yes
Future fiscal impact:	None. The Board has made a decision not to continue with this program.
Consequences if not approved:	The Board is under no legal obligation to implement the non-match contribution.
Additional Information:	

ENVIRONMENTAL IMPACT

ENVIRONMENTAL DETERMINATION: General Rule. It can be seen with certainty that there is no possibility the proposed action may have a significant effect on the environment and therefore CEQA is not applicable. [See Guidelines For the Implementation of the California Environmental Quality Act, 14 CCR 15061(b)(3)].

BACKGROUND AND DISCUSSION

On August 6, 2002, the County of Napa established a 401(a) Retirement Savings Plan, which provides in part that the County shall determine, in its sole discretion, the amount of the Employer Contributions to be made to the 401(a) Plan during each Plan Year and that the amount of the Employer Contributions, if any, shall be established annually on or before January 1st. The 401(a) retirement savings plan operates in a calendar year basis.

In recent years, the County has annually adopted resolutions providing a \$500 employer direct contribution to the pre-tax sub-account of each officer or employee who is eligible to participate in the 401(a) plan, with no match requirement, provided certain conditions were met.

For a calendar year 2007, and based on standards adopted by the Board in prior years, the County Executive Officer recommends the Board approve a \$500 direct contribution to the pre-tax sub-account of each officer or employee who is eligible to participate in the 401(a) plan, with no match requirement, based on the following criteria for the period February 24, 2007 through August 24, 2007 if the following conditions are met: (1) 100% of the performance evaluations and accompanying Personnel Action Request (PAR) are timely received by Human Resources; (2) the officer or employee must have been employed by the County from February 24, 2007 through August 24, 2007, in order to qualify for the \$500 direct contribution. The County Executive Officer, no later than December 31, 2007, shall review and determine whether this criteria has been met. The \$500 contribution will be paid during January 2008 to those eligible departments.

This will be the last such \$500 contribution recommended by the County Executive Officer because the Board has decided to discontinue the program for the upcoming years. The \$1,000 match for the eligible employees who

contribute that amount to their 457 deferred compensation account has not been discontinued and remains in effect for the 2008 Fiscal Year.

SUPPORTING DOCUMENTS

A . Resolution

CEO Recommendation: Approve

Reviewed By: Maiko Klieman