



Agenda Date: 12/13/2005
Agenda Placement: 6N

NAPA COUNTY BOARD OF SUPERVISORS Board Agenda Letter

TO: Board of Supervisors
FROM: Silva Darbinian for Robert Westmeyer - County Counsel
County Counsel
REPORT BY: Brandi Periera, Paralegal , 251-1090
SUBJECT: Adoption of the Resolution Establishing a \$500 Direct Contribution

RECOMMENDATION

County Counsel requests adoption of a resolution establishing, for the 2006 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 2006, the County intends to provide 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, if the following conditions are met: (1) the officer or employee's department complies with its designated performance measurement(s) as set forth in Exhibit A to the Resolution, and (2) on average, at least 95% of the performance evaluations and accompanying Personnel Action Request (PAR) are timely received by Human Resources, except that departments with fewer than 20 employees are allowed to miss one performance evaluation during the review period rather than meet the 95% figure. Additionally, the officer or employee must be employed by the County on December 3, 2005 and remain employed by the County through June 2, 2006 in order to qualify for the \$500 direct contribution.

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 2006-07 budgets. If a department is unable to absorb the costs, the necessary funds are available in designations set aside for employee salaries and benefits.

Is it Mandatory or Discretionary?	Discretionary
Discretionary Justification:	The annual cost of the deferred compensation for the non-match contribution is approximately \$68,000 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:	The decision to offer the non-match deferred compensation contribution will be made by the Board of Supervisors each year as part of the budget process.
Consequences if not approved:	The Board is under no legal obligation to implement the non-match contribution.
Additional Information:	None

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.

In 2006, the Employer intends to provide 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, if the following conditions are met: (1) the officer or employee's department complies with its designated performance measurement(s) as set forth in Exhibit A to the Resolution, and (2) on average, at least 95% of the performance evaluations and accompanying PARs are timely received by Human Resources, except that departments with fewer than 20 employees are allowed to miss one performance evaluation during the review period rather than meet the 95% figure. Additionally, the officer or employee must be employed by the County on December 3, 2005 and remain employed by the County through June 2, 2006 in order to qualify for the \$500 direct contribution.

SUPPORTING DOCUMENTS

- A . Resolution
- B . Attachment to Resolution

CEO Recommendation: Approve

Reviewed By: Maiko Klieman