



Agenda Date: 3/11/2008
Agenda Placement: 10A

NAPA COUNTY BOARD OF SUPERVISORS Board Agenda Letter

TO: Board of Supervisors
FROM: Michael Willihnganz for Gregersen, Mark - Director
Human Resources
REPORT BY: Caryn Fagundes, Benefits Administrator - 253-4488
SUBJECT: First Reading of an Ordinance Amending CalPERS Contract for Safety Employees

RECOMMENDATION

PUBLIC HEARING

First reading and intention to adopt an ordinance amending Agreement No. 1464 with the Board of Administration of CalPERS to provide Fourth Level 1959 Survivor Benefits for employees who receive safety retirement benefits.
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.

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 (employees who receive safety retirement benefits) 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. Today's proposed action is the next step required to amend the contract.

PROCEDURAL REQUIREMENTS

1. Chair announces agenda item.
2. Chair declares the Public Hearing open.
3. Staff reports on the item.
4. Questions by the Board.
5. Chair invites public comments.
6. Chair declares the Public Hearing closed.
7. Chair reads the Ordinance Title.
8. Chair invites a motion to waive the balance of the reading of the ordinance.
9. Member moves waiving the balance of the reading of the ordinance.
10. Another member seconds the motion waiving the balance of the reading of the ordinance.
11. Chair calls for the Vote on the motion waiving the balance of the reading of the ordinance.

12. Chair announces the result of the vote on the motion waiving the balance of the reading of the ordinance.
13. Chair invites a motion of intent to adopt the ordinance.
14. Member moves intention to adopt the ordinance.
15. Another member seconds the motion of intention to adopt the ordinance.
16. Board discussion and debate on the motion of intention to adopt the ordinance.
17. Chair calls for the Vote on the motion of intention to adopt the ordinance.
18. Chair announces the result of the vote on the motion of intention to adopt the ordinance.

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 1959 Survivor Benefit provides a fixed monthly allowance to a deceased employee's spouse and/or dependent children. The "fourth level" refers to one of the available levels of fixed monthly 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.

On January 29, 2008, the Board approved a Resolution of Intention to amend the Contract with CalPERS to provide Fourth Level 1959 Survivor Benefits to safety employees which was the first step in the amendment process. The purpose was 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 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.

Today's action is the first reading and intention to adopt an ordinance to implement Fourth Level 1959 Survivor Benefits to the Safety group. The second reading and adoption of the ordinance will be presented to the Board on March 18, 2008 with a contract amendment date of July 1, 2008.

SUPPORTING DOCUMENTS

- A . Ordinance
- B . Exhibit 'A'

CEO Recommendation: Approve

Reviewed By: Karen Collins