



Agenda Date: 3/18/2008
Agenda Placement: 7K

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: Second Reading and Adoption of an Ordinance Amending CalPERS Contract for Safety Employees

RECOMMENDATION

Second reading and adoption of an ordinance amending Agreement No. 1464 with the Board of Administration of CalPERS to provide Fourth Level of 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. On January 29, 2008, the Board approved a Resolution of Intention to amend the contract with CalPERS to provide Fourth Level 1959 Survivor Benefits. On March 11, 2008, the Board opened the public hearing and introduced the ordinance, read the title, waived reading the balance of the ordinance and declared its intention to adopt the ordinance on March 18, 2008. The ordinance is now before the Board for formal adoption.

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 costs may be approximately \$5.40 per member per month or \$6,091 annually.

Consequences if not approved: Breach of Agreement between the County and Deputy Sheriff's Association 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.

On March 11, 2008, the Board opened the public hearing and introduced the ordinance, read the title, waived reading the balance of the ordinance and declared its intention to adopt the ordinance on March 18, 2008. The ordinance is now before the Board for formal adoption. The contract amendment effective date will be July 1, 2008.

SUPPORTING DOCUMENTS

A . Exhibit 'A'

B . Ordinance

CEO Recommendation: Approve

Reviewed By: Karen Collins