



Agenda Date: 6/28/2005
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NAPA COUNTY BOARD OF SUPERVISORS Board Agenda Letter

TO: Board of Supervisors
FROM: Caryn Fagundes for Dennis Morris - Director
Human Resources
REPORT BY: Caryn Fagundes, Benefits Administrator, 253-4488
SUBJECT: Adoption of an Ordinance Amending CalPERS Contract for Safety Employees

RECOMMENDATION

First and final reading and adoption of an ordinance amending Agreement No. 1464 with the Board of Administration of CalPERS to provide for annual adjustments to the safety employees cost sharing contribution not to exceed 11.163% of payroll.

EXECUTIVE SUMMARY

On June 7, 2005, the Board approved a Resolution of Intention to amend the Contract with CalPERS to provide for annual adjustments to the safety employee cost sharing contribution not to exceed 11.163% of payroll. Approval of the ordinance before you today formalizes the contract amendment with an effective date of July 2, 2005.

FISCAL IMPACT

Is there a Fiscal Impact?	Yes
Is it currently budgeted?	Yes
Where is it budgeted?	In anticipation of approval of today's action, the FY 05-06 budgets reflect the revised rate for safety members in all the appropriate budget units.
Is it Mandatory or Discretionary?	Mandatory
Is the general fund affected?	Yes
Future fiscal impact:	The MOU negotiated with safety members calls for annual evaluation of retirement rates with any increases or decreases shared equally between the members and the County. CalPERS notifies the County of any rate changes each fall for the next fiscal year.

Consequences if not approved: The County and the safety members agreed in October of 2004 to a cost sharing formula. If today's action is not approved the safety members would not receive the benefit of the lower retirement rate.

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

Today's action is the last step in the process to implement annual adjustments to the safety employees cost sharing contribution not to exceed 11.163%. Currently, safety employees are contributing an additional 0.924% towards the retirement benefit. However, effective July 2, 2005 that amount will decrease to .453%.

On June 7, 2005, the Board approved a Resolution of Intention to amend the Contract with CalPERS to provide for annual adjustments to the safety employees cost sharing contribution not to exceed 11.163% of payroll. Following that action and pursuant to Government Code Section 20474, an election was held for all safety employees on June 8, 2005, due to the change in the employees' contribution rate. The election results were 36 in favor of proceeding with the contract amendment as opposed to 0 employees voting no.

Approval of the action today will decrease the employees total contribution rate from .924% to .453% effective July 2, 2005.

CalPERS required the contract amendment and election this year however, in subsequent years CalPERS will only require a letter from the County stating what the cost sharing percentage will be. As long as the employee cost sharing contribution does not exceed 11.163% CalPERS will not require an amendment or an election.

SUPPORTING DOCUMENTS

A . Ordinance

B . Exhibit 'A'

CEO Recommendation: Approve

Reviewed By: Helene Franchi