



Agenda Date: 6/7/2005  
Agenda Placement: 6Y

## 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:** Resolution of Intention to Amend CalPERS Contract for Safety Group

---

### **RECOMMENDATION**

Human Resources Director requests adoption of a Resolution of Intention amending the contract with the Board of Administration of the California Public Employees' Retirement System to provide for annual adjustments to the safety employees cost sharing contribution not to exceed 11.163% of payroll.

### **EXECUTIVE SUMMARY**

On October 12, 2004, the Board of Supervisors approved the Total Tentative Agreement dated September 30, 2004, between the Deputy Sheriff's Association (DSA) and the County. A provision of that Agreement included amending the contract between the County and CalPERS allowing employee's to share equally in both increases and decreases to the cost of the retirement benefit. CalPERS regulations require the maximum employee cost sharing contribution to be the normal cost plus the increase in the accrued liability due to the benefit improvement amortized over 20 years. In the case of the DSA, that amount would be 11.163% of payroll. Today's action is the first step in the amendment process and if approved will reduce the employees' contribution from .924% to .453% effective July 2, 2005.

### **FISCAL IMPACT**

Is there a Fiscal Impact?                      No

### **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 12, 2004, the Board of Supervisors approved the Total Tentative Agreement dated September 30, 2004, between the Deputy Sheriff's Association (DSA) and the County. A provision of that Agreement included amending the contract between the County and CalPERS allowing employee's to share equally any increases or decreases to the cost of the retirement benefit.

In fiscal year 2004-05 DSA employees were contributing .924% towards the employer's contribution. Based on the agreed upon blended rate methodology, CalPERS has determined the employer's rate for fiscal year 2005-06 is 26.703%. This represents a decrease of .941% split evenly between the County and DSA. If approved, today's action will begin the process of decreasing the amount employees contribute towards the employer's contribution to .453% effective July 1, 2005.

Pursuant to CalPERS regulations, employee cost sharing contribution cannot exceed 11.163%. The maximum employee cost sharing contribution is the normal cost plus the increase in the accrued liability due to the benefit improvement amortized over 20 years. In no event shall the employee cost sharing contribution attributable to the unfunded liability remain in effect beyond July 21, 2021. Thereafter, in any given contribution year, the maximum employee cost sharing contribution cannot exceed 4.343% of payroll.

In addition, Government Code Section 20474 requires a secret ballot election by the employees affected whenever the contract is amended to provide a benefit which changes the employees' rate of contribution. Because today's action will begin the process of decreasing the amount from .924% to .453%, Human Resources will be conducting an election which will take place June 8, 2005.

Today's action is the first step in the amendment process. The final ordinance will be presented to the Board on June 28, 2005.

**SUPPORTING DOCUMENTS**

A . Resolution of Intention

CEO Recommendation: Approve

Reviewed By: Helene Franchi