

SANTA BARBARA COUNTY BOARD AGENDA LETTER



Clerk of the Board of Supervisors
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Agenda Number:
Prepared on: 2/13/06
Department Name: Human Resources
Department No.: 064
Agenda Date: 2/21/06
Placement: Administrative
Estimate Time:
Continued Item: NO
If Yes, date from:

TO: Board of Supervisors

FROM: Susan Paul, Assistant CEO/HR Director
568-2817

STAFF CONTACT: Lila Deeds, Employee Relations Manager
568-2819

SUBJECT: Retirement System Comparison - CalPERS Study

Recommendation(s):

That the Board of Supervisors:

Authorize staff to request actuarial valuations from CalPERS for the purpose of a cost/benefit comparison with the County's current retirement system.

Alignment with Board Strategic Plan:

The recommendation(s) are primarily aligned with Goal No. 3. A Strong, Professionally Managed County Organization.

Executive Summary and Discussion:

The County of Santa Barbara provides retirement benefits by way of an independent local system pursuant to the County Employees Retirement Law of 1937. The County has never undertaken a cost/benefit comparison of the County's retirement system in relation to the other primary retirement system option, the California Public Employees' Retirement System (CalPERS). Staff believes that a comparison review with CalPERS would be prudent as well as informative and potentially serve as a vehicle to reduce retirement costs.

In addition to administering retirement benefits for California State employees, CalPERS contracts with over 1200 local California public agencies. Like the County's retirement system, benefits provided by CalPERS at retirement are based on the member's age, service and final compensation. However, there are some differences between the two systems in terms of eligibility, formula and benefit calculations.

Staff recommends that the County pursue a CalPERS actuarial evaluation for the purpose of comparison and for evaluating whether CalPERS may offer a cost-effective alternative to our current system. The County can initiate this process by submitting a questionnaire and related employee data and paying relatively minor costs for an actuarial study.

Fiscal and Facilities Impacts:

CalPERS charges a fee of \$700 for each actuarial component, and we may wish to have a number of configurations studied for comparison purposes. We estimate a total cost of approximately \$10,000 - \$14,000, to be funded from existing appropriations.

SP/LD

cc: Retirement Administrator
All Department Heads
All Recognized Employee Organizations

Negot/PERSstudy.bos