



BOARD OF SUPERVISORS
AGENDA LETTER

Agenda Number:

Clerk of the Board of Supervisors
105 E. Anapamu Street, Suite 407
Santa Barbara, CA 93101
(805) 568-2240

Department Name: County Executive
Office & various others
Department No.: 012
For Agenda Of: 3/19/2013
Placement: Departmental
Estimated Time: 90 min
Continued Item: No
If Yes, date from:
Vote Required: Majority

TO: Board of Supervisors
FROM: Chandra L. Wallar, County Executive Officer
Robert Geis, CPA, Auditor Controller
Dennis Marshall, County Counsel
Gary Amelio, SBCERS

Contact Info: Tom Alvarez, 568-3432

SUBJECT: County Employer Retirement Contribution Overview

Recommended Actions:

That the Board of Supervisors:

Receive and file a presentation from County and Santa Barbara County Employees' Retirement System (SBCERS) staff to provide the Board with an overview of the County's employer retirement rate setting and contribution process.

Summary Text:

On February 5, 2013, the Board approved the Fiscal Year 2013-2014 Retirement Rates for Pre-PEPRA (Public Employees' Pension Reform Act) Plans but requested that the CEO return to the Board with a presentation to provide an overview of employer retirement contributions, Board of Supervisor's roles and responsibilities and the rate setting process. County staff was directed to include the CEO of SBCERS and their actuary in the presentation.

Background:

The presentation is a joint effort of several parties including the CEO, County Counsel, Gary Amelio-CEO of SBCERS, SBCERS actuary EFI-Cheiron and the Auditor-Controller. The information covered will include the following topics:

- CEO – Introduction
- County Counsel –

- Purview of the SBCERS Board of Retirement
- Purview of the County's Board of Supervisors regarding retirement benefits and rate setting.
- SBCERS/Actuary – An explanation of
 - Elements that go into the calculation of rates including
 - Tri-annual experience study,
 - Prior years gains and losses,
 - Smoothing techniques,
 - Impact of the assumed rate of return,
 - Historic and projected contribution rates and
 - General perspective of common retirement challenges facing most government entities.
- Budget Director – Review of:
 - How rates are used in the budgeting process
 - Impact of historic and projected funding levels on the County of Santa Barbara's operating budgets.
 - Change in contribution rates for employees hired after January 1, 2013; now covered under post PEPRA rates.
- Auditor Controller – Review
 - Recent announcement by Moody's rating agency to adjust the rate of return to 5.5% when analyzing for pension plans an entity's unfunded liabilities.
- CEO – Closing statements and respond to Board questions.

Attachments: Presentation

Authored by: Tom Alvarez