



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: CEO
Department No.: 12
For Agenda Of: September 23, 2008
Placement: Administrative
Estimated Tme: 1 Hour
Continued Item: N/A
If Yes, date from: - -
Vote Required: Majority

TO: Board of Supervisors
FROM: Department Michael F. Brown, County Executive Officer
Director:
Contact Info: Michael F. Brown, County Executive Officer (568-3404)
Sue Paul, Assistant CEO/HR Director (568-2817)
Bob Geis, Auditor-Controller (568-2100)
SUBJECT: Adoption of Retirement Rates for FY 2008-09

County Counsel Concurrence

As to form: Yes

Auditor-Controller Concurrence

As to form: N/A

Recommended Actions:

That the Board of Supervisors:

1. Adopt the employer and member contribution rates recommended by the Santa Barbara County Employees Retirement System Actuary and approved by the Board of Retirement for fiscal year 2008-09 to be implemented on October 1, 2008, or for the payroll cycle in which that date occurs contained in the attached report.
2. Receive the revised actuarial evaluation for June 30, 2007, as transmitted by the Retirement Board. (Attached)

Summary Text:

As a result of the ongoing collaboration between the Board of Retirement and the County it is now possible for the Board of Supervisors to set final rates for 2008-09, as required by law.

As noted in the attached communication from the Retirement Administrator rates will include the financing of a 401h retiree health insurance program. In accordance with the County request certain assets have been counted as valuation assets to help fund this benefit.

Normally, this item would be presented to the Board earlier in the year, however, because of the ongoing discussion and studies related to the 401h and related matters this was not possible. For this reason, and because state law requires that the rates be adopted by September 30, 2008, it is necessary to bring these rates forward for adoption at this time.

Adoption of Retirement Rates for FY 2008-09

Page 2 of 2

This notwithstanding, and because of the complexity, the County Executive Officer and the Auditor-Controller should return in the future with a complete presentation about the status of the retirement system, the post retirement health benefit and related matters.

Separately, Auditor-Controller Geis is preparing an item to allocate part of the rates to cover the post retirement health benefit. It is projected that by transferring a portion of the assets that were not counted as valuation assets back into the corpus of the retirement fund, the cost of funding the post retirement help benefit will be covered in 2008-09.

Fiscal and Facilities Impacts:

Budgeted: Yes.

There are significant fiscal and budgetary impacts going into the future resulting the adoption of this recommendation. These include a reduction in the projected budgeted overall retirement rate from 26.45% to 23.06% and the establishment of a new rate for the post retirement health benefit of 3.53% .

Attachments:

Actuarial Evaluation