



**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.: 012
For Agenda Of: June 4, 2024
Placement: Administrative
Estimated Time: N/A
Continued Item: No
If Yes, date from:
Vote Required: Majority

TO: Board of Supervisors
FROM: Department Director(s) Mona Miyasato, County Executive Officer
Contact Info: Paul Clementi, Budget Director
Nancy Anderson, Chief Assistant CEO

DocuSigned by:
Mona Miyasato
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**SUBJECT: Adoption of Fiscal Year 2024-25 Employer and Member Retirement
Contribution Rates**

County Counsel Concurrence

As to form: Yes

Auditor-Controller Concurrence

As to form: Yes

Recommended Actions:

- a) That the Board of Supervisors, pursuant to Government Code Section 31454, adopts the Fiscal Year 2024-25 employer and member contribution rates, recommended by Cheiron, the Santa Barbara County Employees Retirement System (SBCERS) actuary, and recommended by the Board of Retirement on December 13, 2023, with an effective date of July 1, 2024 or for the payroll cycle in which that date occurs;
- b) That the Board of Supervisors, pursuant to Government Code Section 31873, elects to pay the portion of the normal cost of living adjustment that would be otherwise assessed to individual members who are not deemed to be new members pursuant to Government Code Section 7522.04(f), with an effective date of July 1, 2024 or for the payroll cycle in which that date occurs; and
- c) That the Board of Supervisors determines that the actions above are not a project under the California Environmental Quality Act (CEQA) pursuant to CEQA Guidelines Section 15378(b)(4), because they consist of government funding mechanisms or other government fiscal activities which do not involve any commitment to any specific project which may result in a potentially significant physical impact on the environment.

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Summary:

The proposed action will set an overall employer retirement contribution rate of 40.43% prior to the negotiated employee offsets of the County contribution rate. This is a 0.80% contribution rate decrease from the Fiscal Year 2023-24 rate of 41.23%. Employee-paid offsets, which were negotiated starting in June 2018 and became effective in Fiscal Year 2018-19, are expected to reduce the overall employer contribution rate by 1.57% to 38.86%, a decrease of 0.62% from the prior year net contribution rate of 39.48%. The Fiscal Year 2024-25 Recommended Budget includes these expected retirement contribution rates. The Santa Barbara County Employees Retirement System (SBCERS) reports that adjusting the rates of contribution as recommended will not reduce the individual benefits provided by either the County Employee Retirement Act of 1937 or the California Public Employees' Pension Reform Act (PEPRA) of 2013.

The Board of Retirement took action at its December 13, 2023 meeting to accept and approve the valuation and recommend the rates of contribution for approval to the Board of Supervisors.

Background:

In correspondence dated April 26, 2024, SBCERS requested that the recommended rates be brought to the Board of Supervisors for adoption. The referenced correspondence is Attachment A to this item and the employer and member contribution rates resulting from the June 30, 2023 Actuarial Valuation are included in Attachment B.

Fiscal and Facilities Impacts:

The Fiscal Year 2024-25 Recommended Budget, released on May 30, 2024, and scheduled for adoption on June 11, 2024 or June 13, 2024, if necessary, includes the employer contribution rates and employee offsets discussed above. It contains budgeted retirement costs of \$195.1 million and employee offsets of \$7.1 million, for a net budgeted County cost of \$188.0 million. This is an increase of \$9.4 million or 5% compared to the net retirement contribution of \$178.6 million included in the FY 2023-24 Adopted Budget. The recommended action formally adopts the rates recommended by the Board of Retirement in the letter dated April 26, 2024 (Attachment A), and is required by Government Code 31454.

Attachments:

Attachment A – April 26, 2024 Correspondence from SBCERS to County
Attachment B – June 30, 2023 Actuarial Valuation Report

Authored by:

Paul Clementi, Budget Director

cc:

Betsy Schaffer, Auditor-Controller
Kristine Schmidt, Human Resources Director
Rachel Van Mullem, County Counsel
Greg Levin, SBCERS, Chief Executive Officer