



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/Human Resources
Department No.: 064
For Agenda Of: 6/24/08
Placement: Administrative
Estimated Tme:
Continued Item: No
If Yes, date from:
Vote Required: Majority

TO: Select_Board(s)
FROM: Select_From Michael F. Brown, County Executive Officer, 568-3404
Susan Paul, Assistant CEO/HR Director, 568-2817
Contact Info: Jeri Muth, Assistant HR Director, 568-2816
SUBJECT: *Early Retirement Incentive Program – Certain Unrepresented Management Positions*

County Counsel Concurrence

As to form: Select_Concurrence

Other Concurrence: Select_Other

As to form: Select_Concurrence

Auditor-Controller Concurrence

As to form: Select_Concurrence

Recommended Actions:

In accordance with County Ordinance Number 3829, that the Board of Supervisors adopt a resolution authorizing two (2) years additional retirement service credit as part of an Early Retirement Incentive Program for certain classifications in the following departments:

- Alcohol, Drug and Mental Health Services
- Agricultural Commissioner
- County Executive Office
- General Services
- Public Health
- Public Works
- Social Services

Summary Text:

Due to the significant FY 2008-2009 budget challenges facing the County of Santa Barbara, County departments are cutting programs, eliminating positions, and reorganizing for

increased efficiency. Offering two years additional service credit to certain management classifications in various County departments who are eligible for retirement will assist the departments in reorganizing their offices for efficiency and allow them to operate more effectively within budgetary constraints. Positions will remain vacant for two years or will be deleted once operational efficiencies have been achieved.

Background:

Government Code Section 31641.04 provides the Board of Supervisors the authority to offer additional service credit, not to exceed two (2) years, to eligible employees when the Board determines that it is to the benefit of the County “because of an impending curtailment of service or change in the manner of performing service, savings of money, or other economic benefit resulting to the county.” 31641.04 also outlines the eligibility requirements for employees offered additional service credit which includes:

- Classification is identified in the resolution adopted by the Board of Supervisors;
- Board of Supervisors may identify eligible classifications by “job classification, county department, or other county organizational unit;”
- Employees must be eligible to retire;
- Employees must retire on or between the dates specified by the Board of Supervisors (eligibility period cannot exceed 180 days); and
- County transmits to the retirement fund an amount equal to the actuarial equivalent of the difference between the allowance the employee receives after the additional service credit and the amount he/she would have received without the additional service credit.

The Government Code also requires the Board of Supervisors to adopt the provision by Ordinance prior to offering additional service credits. Government Code Section 31641.04 was adopted by Ordinance No. 3829 on February 27, 1990. The budgets of the designated departments are fragile and would benefit from offering such an incentive to key classifications.

Staff recommends offering two years service credit as part of an “Early Retirement Incentive Program” to 16 managers/executives in various departments as follows:

Department	Classification	Division/Program (if applicable)	# of Eligible Employees
Alcohol, Drug and Mental Health Services	Enterprise Leader	Special Projects, Housing, and Peer Services	1
Agricultural Commissioner	Program/Business Leader	All eligible	2
County Executive Office	Program/Business Leader	All eligible	1
	Enterprise Leader	Clerk of the Board	1
	Enterprise Leader	Budget Production	1

Department	Classification	Division/Program (if applicable)	# of Eligible Employees
		Coordinator/Retirement	
General Services	Program/Business Leader	Purchasing	1
	Program/Business Leader	Risk Management	1
Public Health	Program/Business Leader	Human Services	1
	Enterprise Leader	Nursing	1
Public Works	Team/Project Leader	All eligible	1
Social Services	Asst Departmental Leader	Administration	1
	Asst Departmental Leader	Client Services/Benefits	1
	Program/Business Leader	Systems & Program Dev	1
	Program/Business Leader	Administration & Support	1
	Team/Project Leader	All eligible	1

The recommended open period is July 1, 2008 to July 31, 2008 as established by approval of the attached Resolution. Positions that are vacated as part of the Early Retirement Incentive Program will either be deleted or remain vacant for two years. Should all the eligible employees take advantage of the incentive, the actuary of the Santa Barbara County Employees' Retirement System (SBCERS) estimates the cost at \$1,008,063. The savings that will be realized by either deleting the vacated positions or maintaining them as vacant for a minimum of two years is estimated at \$3,345,083 resulting in General Fund savings at the end of two years of approximately \$1,237,681. Costs and savings would be reduced commensurate with the number of employees who opt to decline the offer.

Fiscal Analysis:

These savings are based on the assumption that all those offered the additional service credit will take advantage of it. Both costs and savings will be reduced should fewer employees take advantage of the Early Retirement Incentive Program.

Special Instructions: Return signed copy to Susan Kean in CEO/Human Resources

Attachment: Resolution

cc: