



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: May 27, 2008
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 – County Counsel***

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:

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 County Counsel Office in accordance with County Ordinance Number 3829.

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 key individuals in the County Counsel's operation who are eligible for retirement will assist the Department in operating more effectively within its budget.

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;
- Employee must be eligible to retire;
- Employee retires 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 budget of the County Counsel Office is 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 11 employees in the County Counsel’s Office in the following classifications:

- Assistant Departmental Leader
- Chief Deputy County Counsel
- Deputy County Counsel Senior
- Deputy County Counsel IV

The recommended open period is June 1, 2008 to June 30, 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 \$900,923. 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 \$4,213,848 resulting in General Fund savings at the end of two years of approximately \$3,312,925. 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.