



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 7, 2016
Placement: Administrative
Estimated Tme:
Continued Item: No
If Yes, date from:
Vote Required: Majority

TO: Board of Supervisors
FROM: Department Mona Miyasato, County Executive Officer – 568-3400
Contact Tom Alvarez, Budget Director – 568-3400
Info:
SUBJECT: Adoption of Fiscal Year 2016-2017 Employer and Member 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 2016-2017 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 16, 2015, with an effective date of July 1, 2016 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, 2016 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.

Summary Text:

The proposed action will set an overall employer contribution rate of 36.55%. This is a 1.39% contribution rate decrease from the Fiscal Year 2015-2016 rate of 37.94%. Although the contribution rate declined expressed as a percentage, the actual dollar cost of benefits increased \$756,000 or 0.6% over the previous year budget due to increased salaries and a 9.1 increase in FTEs. 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 16, 2015 meeting to accept and approve the valuation and recommend the rates of contribution for approval to the Board of Supervisors.

Background:

In correspondence dated May 11, 2016, SBCERS requested that the recommended rates be brought to 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, 2015 Actuarial Valuation are included in Attachment B and Attachment C, respectively.

Fiscal and Facilities Impacts:

Assuming an approximate \$329.7 million of retirement eligible payroll, total employer pension costs are estimated to increase by \$756,000 or 0.6% for Fiscal Year 2016-2017 over the prior year adopted contribution of \$122.2 million. The Fiscal Year 2016-2017 Recommended Operating Plan (budget) includes these expected retirement contribution rates.

Attachments:

Attachment A – May 11, 2016 Correspondence from SBCERS to County
Attachment B - June 30, 2015 Actuarial Valuation – Employer Contributions Rates
Attachment C - June 30, 2015 Actuarial Valuation – Member Contributions Rates

Authored by:

John Jayasinghe, CEO Fiscal & Policy Analyst

cc:

Theodore A. Fallati, CPA, Auditor-Controller
Michael C. Ghizzoni, County Counsel
Greg Levin, SBCERS, Executive Officer