



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: SBCERS
Department No.: 810
For Agenda Of: 10/6/2015
Placement: Administration
Estimated Time: N/A
Continued Item: No
If Yes, date from:
Vote Required: Majority

TO: Board of Supervisors
FROM: SBCERS CEO Gregory Levin, CPA 805-568-2940
Contact Info: N/A
SUBJECT: SBCERS Budgeted Position Allocations

County Counsel Concurrence

As to form: Yes

Other Concurrence: Human Resources

As to form: Yes

Auditor-Controller Concurrence

As to form: Yes

Recommended Actions:

That the Board of Supervisors:

- A) Adopt the Resolution in Attachment A that updates changes to the Santa Barbara County Employees Retirement System's position allocation effective September 28, 2015; and,
- B) Determine that this action is exempt from the California Environmental Quality Act (CEQA) review as it is not a project pursuant to CEQA Guidelines section 15378 (b) (2).

Summary Text:

The recommended actions will add three new FTEs in the classification of Retirement Financial Accounting Analyst to the Santa Barbara County Employees Retirement System (SBCERS) in order to replace the SBCERS legacy benefits administration system. Two of the positions will be needed for approximately four years to support this effort and the positions are expected to be deleted at the end of the replacement. The other position is anticipated to be retained to maintain the system into the future.

Background:

Pursuant to Article 16, Section 17 of the California Constitution, the Board of Retirement has plenary authority and fiduciary responsibility for the investment of moneys and administration of the retirement system, subject to certain provisions described further in the constitution. As part of exercising its responsibilities, the Board of Retirement adopts an annual budget after detailed study and not less than two public hearings.

During the annual budget process for the fiscal year ending June 30, 2016, the Board of Retirement, at the recommendation of the SBCERS CEO, adopted a budget that included funding for three new Retirement Financial Accounting Analyst positions. The Board of Retirement acknowledged at that time that two of these positions would be required for approximately four years.

Position reclassifications:

1. An Enterprise Leader position was reclassified to the Assistant Department Leader classification.
2. A Financial Accounting Analyst position was reclassified to a Program Business Leader position.

Position Creation:

1. A Retirement Financial Accounting Analyst position was created.
2. **Two temporary** Retirement Financial Systems Analyst Positions were created.

One Retirement Financial Accounting Analyst position was funded by a vacant Financial Systems Analyst position. The shorter-term positions are intended to be part of the SBCERS for a period of approximately four years. They are being created to support the replacement of SBCERS legacy benefits administration system which is 16 years old and operating on out of date technology. The initiative is expected to take approximately four years to fully implement. These positions are planned for elimination at the conclusion of the implementation initiative. The elimination of these positions will occur through a future budget reduction and lay off process targeted for Fiscal year ending June 30, 2020.

Legislative Background:

Pursuant to Government Code Section 31522.1, the Board of Retirement may appoint such personnel as is required to accomplish the necessary work of the Board. The code section also provides that the Employees of SBCERS shall be deemed County Employees and establishes the parameters for those appointments. Accordingly, the Board of Supervisors role in this function is ministerial in that it is only to ascertain compliance with the County Code and civil service and merit system (human resources has concurred) and is not exercising personal judgement or discretion surrounding the appointment of SBCERS employees.

Performance Measure:

Not Applicable

Fiscal and Facilities Impacts:

Budgeted: Yes

Fiscal Analysis: As a result of budget reductions in services and supplies and the un-funding of a Financial Systems Analyst position, the total SBCERS operating budget was reduced by \$288,213 after adjusting for the effect of increased benefit payments to retirees.

Of this amount a first year reduction \$73,610 relates to salaries (not including benefits and other wage costs), the savings are derived principally by removed funding for a vacant FSA position and offset by increases related to the re-classification of existing positions and an increase to the System's budget for extra help labor and a Financial Accounting Analyst position expected to be hired in January.

The amounts budgeted for the limited term Financial Systems Analysts are to be appropriated in a Capital Projects Fund. The cost of the limited term Financial Systems Analyst positions is \$254,000 annually. However, due to the time it takes to recruit and fill these positions, the budgeted amount for the fiscal year ending June 30, 2016 budget is \$127,286.50, which is based on the assumption that the positions will be filled for one half of the fiscal year.

Key Contract Risks:

Not applicable

Staffing Impacts:

Legal Positions:
2 amended and 2 created

FTEs:
2 new

Special Instructions:

Please return one copy of the approved and signed Resolution to Maya Barraza in Human Resources.

Attachments:

Attachment A: Resolution

Authored by:

Gregory Levin, CPA
SBCERS CEO

cc:

Mona Miyasato, CEO
Jeri Muth, Human Resources