

SANTA BARBARA COUNTY BOARD AGENDA LETTER



Clerk of the Board of Supervisors
105 E. Anapamu Street, Suite 407
Santa Barbara, CA 93101
(805) 568-2240

Agenda Number:
Prepared on: 5/30/06
Department Name: Human Resources
Department No.: 064
Agenda Date: 6/6/06
Placement: Administrative
Estimate Time: N/A
Continued Item: NO
If Yes, date from:

TO: Board of Supervisors

FROM: Susan Paul, Assistant CEO/HR Director
568-2817

STAFF CONTACT: Joe Pisano, Senior HR Analyst
568-2839

SUBJECT: Memoranda of Understanding with Recognized Employee Organizations

Recommendation(s):

That the Board of Supervisors:

- A. Adopt a resolution to make the following changes to safety member retirement configurations:
1. Effective July 3, 2006: convert safety member employees hired on or after October 10, 1994 who are in Plan 4B and represented by the Deputy Sheriffs' Association (DSA), the Sheriff's Managers Association (SMA), or who serve as Sheriff-Coroner, from "full rates" to "half rates" and change the Final Average Salary period for affected employees from one year to three years.
 2. Effective February 25, 2008: convert safety member employees represented by the DSA, the SMA, or who serve as Sheriff-Coroner to a 3% at age 50 benefit formula for all past and future service.
 3. Effective July 3, 2006: convert safety member employees who are in Plan 4B and represented by the Probation Peace Officers' Association (PPOA) from "full rates" to "half rates" and change the Final Average Salary period for affected employees from one year to three years.
 4. Effective January 14, 2008: convert both 1) safety member employees represented by the Santa Barbara County Fire Fighters Local 2046 (Local 2046) who were hired on or after October 10, 1994 and who are in Plan 4B and 2) employees who are in Plan 4B and who serve in the classifications of Fire Battalion Chief, Fire Division Chief, and Fire Deputy Chief and who were hired on or after October 10, 1994, from "full rates" to "half rates" and change the Final Average Salary period for affected employees from one year to three years.

Alignment with Board Strategic Plan:

The recommendations are primarily aligned with Goal No. 3: A Strong Professionally Managed County Organization.

Executive Summary and Discussion:

These resolutions implement provisions of Memoranda of Understanding with employee organizations that your Board has already approved; in addition, the resolutions include certain unrepresented managers and executives who are safety employees in the Fire and Sheriff's Departments.

Fiscal and Facilities Impacts:

The fiscal impact of these changes for the Fire and Probation Departments was made public at the Board meeting of May 23, 2006. The fiscal impact related to the changes for the Sheriff's Department was made public at the Board meeting of August 16, 2005. The costs associated with these changes have been included in the County's Strategic Financial Plan and in the financial projections of the respective departments.

The additional annual employer contribution associated with implementing a 3% at age 50 benefit formula for all past and future service, and of providing employee half-rates and three year Final Average Salary for safety member employees hired on or after October 10, 1994 who are in Plan 4B and represented by the DSA or the SMA or who serve as Sheriff-Coroner is approximately \$1,827,546.

The additional annual employer contribution associated with providing employee half-rates and three year Final Average Salary for safety employees who are in Plan 4B in the Probation Department is approximately \$443,937.

The additional annual employer contribution associated with providing employee half-rates and three year Final Average Salary for safety employees in the Fire Department hired on or after October 10, 1994 who are in Plan 4B is approximately \$295,619.

Special Instructions:

Return two signed copies of the resolution to the Human Resources Department

Cc: Auditor-Controller
County Counsel
Deputy Sheriffs' Association
Fire
Santa Barbara County Fire Fighters Local 2046
Probation
Probation Peace Officers Association
Retirement Administrator
Sheriff
Sheriffs' Managers Association

**BOARD OF SUPERVISORS
OF THE COUNTY OF SANTA BARBARA**

A RESOLUTION AMENDING
RETIREMENT SAFETY PLAN 4B
FOR CERTAIN SAFETY MEMBERS
AND ESTABLISHING A 3% at 50
SAFETY PLAN FOR SHERIFF
DEPARTMENT PERSONNEL

Resolution No. _____

RECITALS

a. Background

1. The Santa Barbara County Employees Retirement System (“SBCERS”) was established pursuant to the County Employees’ Retirement Law of 1937 (Government Code §31450 et seq.);
2. All County employees who are eligible to participate in the Retirement System are members of the SBCERS;
3. Current County employees who are safety members of the SBCERS are enrolled in Safety Plan 4A or Safety Plan 4B;
 - a) Safety Plan 4A includes safety employees of the Fire Department and Sheriff Department that were hired before October 10, 1994 and provides the following benefits:
 - 1) “Final compensation” is based on the highest average annual compensation earnable by a member during any year elected by a member, pursuant to Government Code Section 31462.1;
 - 2) Member normal contribution rates are calculated pursuant to Government Code Section 31639.5, which are commonly referred to as “half rates”.
 - 3) A member’s service retirement allowance is calculated pursuant to Government Code Section 31664.2 (3% at 55).
 - b) Safety Plan 4B includes safety employees of the Fire Department and Sheriff Department that were hired on or after October 10, 1994 and all safety employees of the

Probation Department regardless of their date of hire. Safety Plan 4B is identical to Safety Plan 4A except member normal contribution rates are calculated pursuant to Government Code Section 31639.25, which are commonly referred to as “full rates”.

b. Deputy Sheriffs’ Association (DSA), Sheriff’s Managers Association (SMA) and Sheriff- Coroner

1. The Board of Supervisors has reached agreements with the DSA, SMA and the Sheriff-Coroner to change the member normal contribution rates for Safety Plan 4B members from “full rates” (Government Code Section 31639.25) to “half rates” (Government Code Section 31639.5); and to change the calculation for “final compensation” from one year (Government Code section 31462.1) to three years (Government Code section 31462). These changes apply to all Safety Plan 4B members represented by the DSA or the SMA, and to the individual who serves as Sheriff-Coroner (if hired on or after October 10, 1994) and shall become effective July 3, 2006.

2. The Board of Supervisors has also reached agreements with the DSA, SMA and Sheriff-Coroner to change their service retirement allowance from “3% at 55” (Government Code Section 31664.2) to “3% at 50” (Government Code Section 31664.1) for all future service credit. Member normal contribution rates will be calculated pursuant to Government Code Section 31639.5 “half rates”; “final compensation” will be calculated pursuant to Government Code Section 31462.1 (one year final average salary) for members hired before October 10, 1994 who are currently in Safety Plan 4A, and pursuant to Government Code Section 31462 (three years final average salary) for members hired on or after October 10, 1994 who are currently in Safety Plan 4B. Prior service credit accrued, in Safety Plan 4A or 4B, by active or deferred members, will be converted to “3% at 50” (Government Code Section 31664.1). The conversion of the prior service credit is authorized by Government Code Section 31678.2. No member contributions will be collected from the members to fund the conversion of prior service credit. These changes apply to all members represented by the DSA, all members represented by the SMA and the Sheriff-Coroner, and shall become effective February 25, 2008. The retirement plan with one year final average salary will be known as “Safety Plan 6A”. The retirement plan with three year final average salary will be know as “Safety Plan 6B”.

c. Probation Peace Officers’ Association (PPOA)

The Board of Supervisors has reached an agreement with PPOA to change the member normal contribution rates from “full rates” (Government Code Section 31639.25) to “half rates” (Government Code Section 31639.5); and to change the calculation for “final compensation” from one year (Government Code section 31462.1) to three years (Government Code section 31462). These changes only apply to members represented by the PPOA and shall become effective July 3, 2006

d. County Fire

The Board of Supervisors has reached an agreement with the Santa Barbara County Fire Fighters Local 2046 (Local 2046), to change the member normal contribution rates from “full rates” (Government Code Section 31639.25) to “half rates” (Government Code Section 31639.5); and to change the calculation for “final compensation” from one year (Government Code section 31462.1) to three years (Government Code section 31462). These changes only apply to Santa Barbara County Fire employees, who are represented by Local 2046 and are Safety Plan 4B members; and apply to Santa Barbara County Fire employees, who are in Safety Plan 4B that serve in the classifications of Fire Battalion Chief, Fire Division Chief, and Fire Deputy Chief. These changes shall become effective January 14, 2008.

e. Actuarial Studies

Actuarial studies of the financial implications of the benefits set forth in this resolution were prepared and presented to the Board of Supervisors in accordance with Government Code Sections 7507, 23026, 31515.5 and 31516;

IT IS HEREBY RESOLVED by the Board of Supervisors of the County of Santa Barbara as follows:

- 1) Effective July 3, 2006, member normal contribution rates shall change from “full rates” (Government Code Section 31639.25) to “half rates” (Government Code Section 31639.5); and the calculation for “final compensation” shall change from one year (Government Code section 31462.1) to three years (Government Code section 31462), for Safety Plan 4B members of the Sheriff’s Department and for the members represented by PPOA, as set forth in the above recitals;
- 2) Effective January 14, 2008, member normal contribution rates shall change from “full rates” (Government Code Section 31639.25) to “half rates” (Government Code Section 31639.5); and the calculation for “final compensation” shall change from one year (Government Code section 31462.1) to three years (Government Code section 31462), for Safety Plan 4B Santa Barbara County Fire personnel represented by Local 2046, and for those Safety Plan 4B members that serve in the classifications of Fire Battalion Chief, Fire Division Chief, and Fire Deputy Chief, as set forth in the above recitals;
- 3) Effective February 25, 2008, Government Code Section 31664.1 (“3% at 50”) is adopted in accordance with the terms and conditions set forth in this resolution. Under this retirement formula, member normal contribution rates will be calculated pursuant to Government Code Section 31639.5 (“half rates”); “final compensation” will be calculated pursuant to Government Code Section 31462.1 (“one year”) for those members hired before October 10, 1994 and who are within Safety Plan 4A, and pursuant to Government Code Section 31462 (“three years”) (for those hired on or after October 10, 1994 and who are within Safety Plan 4B. These new safety retirement plans shall be known as Safety Plan 6A and as Safety Plan 6B respectively, and shall be applicable to all active

members represented by the DSA, all members represented by the SMA, the Sheriff-Coroner and safety members hired by Sheriff on or after February 25, 2008. Prior service credit accrued, in Safety Plan 4A or 4B, by active or deferred members, will be converted to "3% at 50" (Government Code Section 31664.1). The conversion of the prior service credit is authorized by Government Code Section 31678.2. No member contributions will be collected from the members to fund the conversion of prior service credit;

PASSED AND ADOPTED by the Board of Supervisors of the County of Santa Barbara, State of California, this _____ day of _____, 2006, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

Chair, Board of Supervisors
County of Santa Barbara

Attest:

Michael F. Brown
Clerk of the Board

By _____
Deputy Clerk

Approved as to Form:
Stephen Shane Stark
County Counsel

Deputy County Counsel

Approved as to Form:
Robert W. Geis
Auditor-Controller

By _____

Approved as to Form:
Oscar Peters
Retirement Administrator
