



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 23, 2015  
Placement: Administrative  
Estimated Tme:  
Continued Item: No  
If Yes, date from:  
Vote Required: Majority

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**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 2015-2016 Employer Contribution Rates**

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**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 2015 -2016 employer contribution rates, which include what would otherwise be the employee share of the cost of living increase, recommended by Cheiron, the Santa Barbara County Employees Retirement System (SBCERS) actuary, and approved by the Board of Retirement on January 21, 2015, with an effective date of July 1, 2015 or for the payroll cycle in which that date occurs.

**Summary Text:**

The proposed action will set an overall employer contribution rate of 37.94%. This is a 1.0% contribution rate decrease from the Fiscal Year 2014-2015 rate of 38.94%. Although the contribution rate declined expressed as percentage, the actual dollar cost of benefits increased 1.1 million over the previous year budget due to increased salaries and a 31.5 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.

**Background:**

In correspondence dated April 30, 2015, SBCERS requested that the recommended rates be brought to Board of Supervisors for adoption. The referenced correspondence is Attachment A to this item and contribution charts resulting from the June 30, 2014 Actuarial Valuation is included on Attachment B.

**Fiscal and Facilities Impacts:**

Assuming an approximate \$316.8 million of retirement eligible payroll, total employer pension costs are estimated to be will increase by \$1.1 million for Fiscal Year 2015-2016 over the prior year adopted contribution of \$120.8 million. The Fiscal Year 2015-2016 Recommended Operating Plan (budget) includes these expected retirement contribution rates.

**Attachments:**

Attachment A – April 30, 2015 Correspondence from SBCERS to County

Attachment B - June 30, 2014 Actuarial Valuation Charts – Contributions

**Authored by:**

Richard Morgantini, CEO Fiscal & Policy Analyst

**cc:**

Robert W. Geis, CPA, Auditor-Controller

Michael C. Ghizzoni, County Counsel

Greg Levin, SBCERS, Executive Officer