




**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: 9/15/09
Placement: Administrative
Estimated Time:
Continued Item: No
If Yes, date from:
Vote Required: Majority

TO: Board of Supervisors
FROM: Susan Paul, Assistant CEO/HR Director, 568-2817 
Contact Info: Joseph Pisano, Employee Relations Manager, 568-2839

SUBJECT: *Retirement Incentive Program*

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:

In accordance with County Ordinance Number 3829, that the Board of Supervisors:

1. Adopt a resolution authorizing two (2) years additional retirement service credit as part of a Retirement Incentive Program for employees in all job classifications in all County departments excluding the Deputy District Attorney, Senior classification, who will reach age 60 on or prior to January 24, 2010 who are otherwise eligible to retire as of that date and who identify themselves as accepting the incentive by November 13, 2009, and
2. Amend resolutions 08-211 and 08-252 to reflect the statutory limit of 960 hours that any member who qualifies for additional service credit can reenter County service to work on a temporary basis in any one year.

Summary Text:

Due to continuing and significant budget challenges facing the County of Santa Barbara in Fiscal Year 2009-2010, County departments are cutting programs, eliminating positions, and reorganizing for increased efficiency. Offering two years additional service credit to employees

in all job classifications in all County departments excluding the Deputy District Attorney, Senior classification who are at least age 60 and otherwise eligible for retirement will assist the departments in rebalancing staffing levels, reorganizing their offices for efficiency, and operating more effectively within budgetary constraints. Employees in the classification of Deputy District Attorney, Senior are eligible for a separate Retirement Incentive Program that is tailored to the fiscal and operational needs in the District Attorney's office. Positions will be expected to remain vacant for at least the period of time sufficient to recover the costs of the retirement incentive and may then be filled at lower levels or deleted once operational efficiencies have been achieved. Further, employees who accept the retirement incentive may not be rehired as extra help for a minimum of six months. After that time, with approval, these individuals may be considered for rehire to fill critical needs but they may not work more than 960 hours in any one year. Any rehiring will be carefully examined since the incentive is being offered to operate more efficiently and effectively within reduced funding and to achieve budgetary savings.

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."

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. Additionally, as required, the County must transmit 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.

Staff recommends offering two years service credit as part of a Retirement Incentive Program to all employees, excluding employees in the Deputy District Attorney, Senior classification, who will reach age 60 on or before January 24, 2010, are otherwise eligible to retire at that time, and who notify their Department Heads, Retirement, and CEO/Human Resources of their intention to participate in this Retirement Incentive Program no later than November 13, 2009.

The open period for electing to participate in this Retirement Incentive Program is September 15, 2009 to November 13, 2009 as established by approval of the attached Resolution. Participating employees must retire on or before January 24, 2010. Positions that are vacated as part of this Retirement Incentive Program will either be deleted or remain vacant for at least the period of time sufficient to recover the cost of the retirement incentive and may then be filled at lower levels or deleted once operational efficiencies have been achieved.

Fiscal Analysis:

The costs and savings of the Retirement Incentive Program will depend on the number of employees who opt to participate in the program, their salaries, and other components of their compensation. The table below estimates the costs and savings associated with various levels of participation by all eligible employees, excluding employees in the Deputy District Attorney, Senior classification, based on the fully loaded costs associated with the number of employees. Once employees have decided to participate in the incentive program, the retirement system will provide the County with the estimated costs prepared by their actuary based on the actual individuals who elect to participate in the incentive program.

Retirement Eligible Employees Age 60 and Over as of Jan. 24, 2010					
Savings by % Participation	# Ees	Estimated Annual Salary	Cost of Retirement Incentive	1st Year Savings	Annualized Savings
100%	279	27,107,361	13,553,681	13,553,681	27,107,361
90%	251	24,396,625	12,198,312	12,198,312	24,396,625
80%	223	21,685,889	10,842,944	10,842,944	21,685,889
70%	195	18,975,153	9,487,576	9,487,576	18,975,153
60%	167	16,264,417	8,132,208	8,132,208	16,264,417
50%	140	13,553,681	6,776,840	6,776,840	13,553,681
40%	112	10,842,944	5,421,472	5,421,472	10,842,944
30%	84	8,132,208	4,066,104	4,066,104	8,132,208
20%	56	5,421,472	2,710,736	2,710,736	5,421,472
10%	28	2,710,736	1,355,368	1,355,368	2,710,736
5%	14	1,355,368	677,684	677,684	1,355,368
4%	11	1,084,294	542,147	542,147	1,084,294
3%	8	813,221	406,610	406,610	813,221
2%	6	542,147	271,074	271,074	542,147
1%	3	271,074	135,537	135,537	271,074

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Special Instructions: Return one signed copy of the resolution to Susan Kean in
CEO/Human Resources and an additional signed copy to Lila Deeds at
SBCERS

Attachment: Resolution

cc: County Executive Officer
Auditor Controller
County Counsel
Department Heads
CEO, SBCERS

**RESOLUTION OF THE BOARD OF SUPERVISORS OF THE COUNTY OF SANTA
BARBARA, STATE OF CALIFORNIA**

In the Matter of Implementing Retirement Service)
Credits for Certain County Employees Pursuant to) Resolution No. 09-_____
Government Code § 31641.04)
_____)

WHEREAS, Government Code § 31641.04 provides that when the Board of Supervisors, by resolution, determines that 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, the best interests of the county would be served, a member shall be eligible to receive additional service credit; and

WHEREAS, the Board of Supervisors has by Ordinance 3829 (Santa Barbara County Code § 27-50), effective March 29, 1990, adopted the provisions of Government Code § 31641.04; and

WHEREAS, due to the significant Fiscal Year 2008-2009 and Fiscal Year 2009-2010 budget challenges, the County of Santa Barbara has cut programs, eliminated positions, and now seeks to rebalance staffing for increased efficiency; and

WHEREAS, offering additional retirement service credit to members in all job classifications excluding the Deputy District Attorney, Senior classification who are aged 60 or older and otherwise eligible for retirement will assist the County in rebalancing staffing and operating more effectively within available funding; and

WHEREAS, the Board of Supervisors has determined to offer two years of credited service, as allowed by the Government Code; and

WHEREAS, the service credit shall not be applicable to any member otherwise eligible if such member receives any unemployment insurance payments during the period six months prior to the effective date of that member's retirement; and

WHEREAS, the service credit shall not be applicable to any member if the member is not eligible to retire without the additional service credit available pursuant to this resolution; and

WHEREAS, any member who qualifies for the additional service credit and who subsequently re-enters County employment shall forfeit the service credit acquired pursuant to this resolution unless the reentry is a result of a temporary callback limited to a maximum of 960 hours of service in any one year; and

WHEREAS, Resolutions 08-211 and 08-252 should be amended to reflect temporary callback hours are limited to a maximum of 960 hours of service in any one year.

NOW THEREFORE, BE IT AND IT IS HEREBY ORDERED AND RESOLVED, that the Board of Supervisors hereby adopts the following:

1. Members in all job classifications in all County Departments excluding the Deputy District Attorney, Senior classification who are aged 60 or older and are otherwise eligible for retirement on or before January 24, 2010 who provide notice to their Department Heads, the retirement system, and CEO/Human Resources by November 13, 2009 of their intention to retire effective on or before January 24, 2010, shall be granted a two-year retirement service credit pursuant to Government Code § 31641.04. There are 279 members eligible to be granted the two year service credit.
2. Resolutions 08-211 and 08-252 are amended to state temporary callback hours are limited to a maximum of 960 hours of service in any one year.
3. The County shall transmit to the County Retirement Fund an amount determined by the Board of Retirement which is equal to the actuarial equivalent of the difference between the allowance an eligible member receives after receipt of service credit pursuant to Government Code § 31641.04 and the amount he/she would have received without such credit. The transfer to the County Retirement Fund shall be made in a manner and time period acceptable to the County and the Board of Retirement

PASSED AND ADOPTED by the Santa Barbara County Board of Supervisors, State of California, this 15th day of September 2009, by the following vote:

AYES:

NOES:

ABSTAIN:

ABSENT:

Joseph Centeno
Chair, Board of Supervisors

ATTEST
Michael F. Brown
Clerk of the Board

By _____

Approved as to Form:
Dennis Marshall
County Counsel

By 

Approved as to Accounting Form
Robert W. Geis, C.P.A.
Auditor-Controller

By 