

**SANTA BARBARA COUNTY
BOARD AGENDA LETTER**



Clerk of the Board of Supervisors
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Santa Barbara, CA 93101
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Agenda Number:
Prepared on: 12/30/02
Department Name: Human Resources
Department No.: 064
Agenda Date: 1/14/03
Placement: Administrative
Estimate Time:
Continued Item: NO
If Yes, date from:

TO: Board of Supervisors
FROM: Ann Goodrich
Human Resources Director
STAFF CONTACT: Ann Goodrich
Human Resources Director (Ext. 2817)
SUBJECT: Retirement Code Section 31648.3 Actuary Estimate of Costs

Recommendation:

That the Board of Supervisors:
Receive and file cost information from Retirement System and its Actuary on Code Section 31648.3

Alignment with Board Strategic Plan:

The recommendation is primarily aligned with actions required by law or by routine business necessity.

Executive Summary and Discussion:

1937 Retirement provisions allow for individual agencies to adopt certain voluntary code sections. One such, Section 31648.3 provides a vehicle whereby employees who have been laid off and subsequently re-employed by the County may purchase up to one year of service credit for the time they were laid off. In researching the situation regarding two employees who were laid off due to election errors and then subsequently rehired, it was brought to the County's attention that it had never adopted this code section. Luckily, the County very rarely lays employees off, often due to its efforts to place laid off employees in other departments and often allowing retirements and attrition to deal with staffing reductions.

However, the County is facing a period of economic uncertainty and new layoffs may occur in the near future. This benefit would be helpful in encouraging laid off employees to return to County employment. In researching the past ten years the Human Resources Department could find only two employees in the Third District Supervisor's office who were laid off and then re-employed by the County and would initially be affected by this action. The Retirement Systems Actuary therefore evaluated the County costs as being limited to two individuals, if this section was adopted.

The Retirement System has calculated the costs to the County as a one-time cost of \$30,143.29.

Late last year, the Board of Supervisors directed staff to negotiate implementation of Code Section 31648.3 with employee organizations to:

1. Provide an incentive for current and future laid off employees to return to County employment;
and
2. Redress an inequity to the two employees who were incorrectly laid off due to an election error and thereby lost retirement credit that they otherwise would have earned.

The County has met and conferred with its employee organizations regarding implementing Retirement Code Section 31648.3 – Purchasing Retirement Credit of Layoff Employees. State law requires that two weeks before your Board considers a change in Retirement Benefits a cost estimate be provided by the Retirement System Actuary. The cost information provided by the Retirement System and its Actuary, Ms. Krystyna Upstill of Buck Consultants is on file in the Human Resources Department.

The actual Board agenda item on the possible implementation of this Section is being prepared by County Counsel and will be on the Board agenda in late January or early February.

Fiscal and Facilities Impacts

This will be addressed in the Board agenda item that recommends implementation in a few weeks.

AG/kb

Attachments

CC: Michael Brown, County Administrator
Shane Stark, County Counsel
Bernice Jones, Treasurer-Tax Collector
All Employee Organizations
All Department Heads