



**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: May 24, 2022
Placement: Administrative
Estimated Tme:
Continued Item: No
If Yes, date from:
Vote Required: Majority

TO: Board of Supervisors
FROM: Department Mona Miyasato, County Executive Officer – 568-3400
Contact Info: Nancy Anderson – Assistant CEO – 568-3400
SUBJECT: Adoption of Fiscal Year 2022-23 Employer and Member Contribution Rates

DocuSigned by:
Mona Miyasato
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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 2022-2023 employer and member contribution rates, recommended by Cheiron, the Santa Barbara County Employees Retirement System (SBCERS) actuary, and recommended by the Board of Retirement on December 8, 2021, with an effective date of July 1, 2022 or for the payroll cycle in which that date occurs;
- b) That the Board of Supervisors, pursuant to Government Code Section 31873, elects to pay the portion of the normal cost of living adjustment that would be otherwise assessed to individual members who are not deemed to be new members pursuant to Government Code Section 7522.04(f), with an effective date of July 1, 2022 or for the payroll cycle in which that date occurs; and
- c) That the Board of Supervisors determines that the actions above are not a project under the California Environmental Quality Act (CEQA) pursuant to CEQA Guidelines Section 15378(b)(4), because they consist of government funding mechanisms or other government fiscal activities which do not involve any commitment to any specific project which may result in a potentially significant physical impact on the environment.

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Summary Text:

The proposed action will set an overall employer contribution rate of 40.95% prior to negotiated employee offsets of the County contribution rate. This is a 2.41% contribution rate decrease from the Fiscal Year 2021-2022 rate of 43.36%. Negotiated employee offsets are expected to reduce the overall employer contribution rate by 1.88% to 39.07%, a decrease of 2.33% from the prior year net contribution rate of 41.40%. The Fiscal Year 2022-2023 Recommended Operating Plan (budget) includes these expected retirement contribution rates. 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.

The Board of Retirement took action at its December 8, 2021 meeting to accept and approve the valuation and recommend the rates of contribution for approval to the Board of Supervisors.

Background:

In correspondence dated April 12, 2022, SBCERS requested that the recommended rates be brought to Board of Supervisors for adoption. The referenced correspondence is Attachment A to this item and the employer and member contribution rates resulting from the June 30, 2021 Actuarial Valuation are included in Attachment B.

Fiscal and Facilities Impacts:

The Fiscal Year 2022-2023 Recommended Budget will include the employer contribution rates and employee offsets discussed above. Although the 2022-2023 budget is still in development, preliminary estimates show budgeted retirement costs of \$174.8 million and employee offsets of \$7.7 million, for a net budgeted cost to the County of \$167.1 million. This is an increase of \$300,000 (or 0.2%) from the Fiscal Year 2021-2022 Adopted Budget County net retirement contribution of \$166.8 million. These numbers were already built into the preliminary budget presented to the Board during Budget Workshops in April.

Attachments:

Attachment A - April 12, 2022 Correspondence from SBCERS to County
Attachment B - June 30, 2021 Actuarial Valuation Report

Authored by:

Paul Clementi, Budget Division Chief

cc:

Betsy Schaffer, CPA, CPFO Auditor-Controller
Maria Elena De Guevarra, Human Resources Director
Rachel Van Mullem, County Counsel
Greg Levin, SBCERS, Chief Executive Officer