



**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: 9/28/10
Placement: Administrative
Estimated Time:
Continued Item: No
If Yes, date from:
Vote Required: 4/5

TO: Board of Supervisors

FROM: Department Michael F. Brown, County Executive Officer
Director(s) Susan Paul, Assistant CEO/HR Director x2817
Contact Info: Jeri Muth, Asst HR Director x2816
SUBJECT: Retirement Program Alternatives Advisory Commission – Actuarial Services

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:

That the Board of Supervisors:

Authorizes and approves a budget revision request to transfer \$65,000 from contingency to the CEO/Human Resources budget for actuarial services needed by the County's Retirement Program Alternatives Advisory Commission.

Summary Text:

On March 23, 2010, the Board of Supervisors created a five-member Advisory Commission to assist with the development of retirement program alternatives designed to mitigate the costs related to providing retirement benefits. At the July 22, 2010 Retirement Program Alternatives Advisory Commission meeting, the Commission requested actuarial analysis of a variety of potential retirement structure change options. Bill Hallmark (formerly of Mercer) who is the County's actuary is now employed by Cheiron and is available to assist the Commission. Mr. Hallmark has worked with the County of Santa Barbara for a number of years and is well

familiar with the County's retirement-related issues. Further, Cheiron has created an interactive model that contains all the County's/SBCERS' retirement data, which will expedite the provision of actuarial feedback to the Advisory Commission and reduce the overall cost of actuarial services for this project. Cheiron's knowledge of Santa Barbara County's retirement issues, costs, and systems makes them uniquely qualified to provide the support and expertise required to successfully advise the Retirement Program Alternatives Advisory Commission on a wide range of complex retirement issues.

Background:

At the time the Advisory Commission was formed, the Board recognized that actuarial services could be needed once the Commission began to identify reforms it wished to consider as potential recommendations to the Board. At that time, the Board directed that if actuarial services were needed, staff would return to the Board to obtain authorization to contract for such services. At the Retirement Program Alternatives Advisory Commission's July 22, 2010 meeting, the Commission directed the County's actuary, Bill Hallmark of Cheiron, Inc., to provide a report on a variety of alternatives at the Commission's September 30, 2010 meeting. Cheiron Inc. estimates this work and future work will require approximately \$65,000 to complete.

Fiscal and Facilities Impacts:

Budgeted: No. Funding will require a transfer from contingency (4/5 vote).

Fiscal Analysis:

The term of the purchasing contract that will be established with Cheiron, Inc. will expire no later than June 30, 2011 at a value not to exceed \$65,000 including all fees and reimbursable expenses.

<u>Funding Sources</u>	<u>Current FY Cost</u>	<u>Annualized Ongoing Cost</u>	<u>Total One-Time Project Cost</u>
General Fund			
State			
Federal			
Fees			
Other:			
Total	\$ -	\$ -	\$65,000

Attachments: Budget Revision Request

cc: County Counsel

Budget Revision Request

Gov. Code Sec. 29125 & 29130

BJE 0001157

Budget Journal Entry #

JE

Related Journal Entry #

Subject / Title: Provide a short description for this budget revision request. For example: "Designate funds for zoning ordinance amendments" or "Distribute proceeds from sale of 2005 COPS"

CEO/Human Resources: This revision transfers \$65,000 from contingency to CEO/Human Resource's (CEO/HR) budget for the purpose of contracting with Cheiron Consulting for actuarial and consulting services in support of the County's Retirement Program Alternatives Advisory Commission.

Justification: For all changes: explain what the change is for and why it is needed. Attach additional justification, board letters or spreadsheet, if appropriate. When moving Appropriation: explain why it's available. When Revenue is adjusted: explain the reason for the increase or decrease. For adjustments to General Fund Contingency: explain why no other alternative funding source is available.

The Board of Supervisors established the Retirement Program Alternatives Advisory Commission to assist with the development of retirement program alternatives designed to mitigate the growing costs related pension benefits. At that time, the Board directed that, if actuarial services were required, staff would return to the Board to obtain authorization to contract for such services. At the July 22, 2010 meeting of the Advisory Commission, the Commissioners requested actuarial analysis on a variety of options and alternatives. Estimated cost for this analysis and anticipated future work is \$65,000.

CEO/HR did not budget for and does not have the funds available in the Department's operating budget to fund the services requested by the Commission. Therefore, CEO/HR is requesting a transfer of funds from contingency to cover these costs.

Financial Summary

Increase or (Decrease) in Appropriation for / Uses:	Department / Fund 064 / 0001	Department / Fund /	Department / Fund /	Department / Fund /
Salaries & Benefits	00	00	00	00
Services & Supplies	65,000 00	00	00	00
Other Charges	00	00	00	00
Fixed Assets	00	00	00	00
Other Financing Uses	00	00	00	00
Intrafund Transfers	00	00	00	00
Reserve or Designation	00	00	00	00
Sources:				
Revenue	00	00	00	00
Other Financing Sources	00	00	00	00
Intrafund Transfers	00	00	00	00
Reserve or Designation	00	00	00	00
Effect on Contingency / RE	(65,000) 00	00	00	00

Departmental Authorization	Auditor-Controller	CEO's Recommendation	Board of Supervisor's Action
Department Head _____ Date _____ Department Head _____ Date _____ Department Head _____ Date _____	Budget Journal Entry and Related Journal Entry if applicable Approved as to Accounting Form. _____ Auditor-Controller	<input checked="" type="checkbox"/> Approve <input type="checkbox"/> Disapprove Date <u>July 22, 2010</u> Transfer/Revision in Accordance with Board Policy dated 8/3/93. _____ County Executive Officer	<input type="checkbox"/> Approved <input type="checkbox"/> Disapproved Date _____ Agenda Item _____ _____ Clerk of the Board of Supervisors