

FORM APPROVED COUNTY COUNSEL
 BY: *Robert M. Pepper, Jr.* 11/25/08
 DATE

Departmental Concurrence



**SUBMITTAL TO THE BOARD OF DIRECTORS
 COUNTY OF RIVERSIDE, STATE OF CALIFORNIA**

438



FROM: Regional Park & Open-Space District

SUBMITTAL DATE:
 11/25/08

SUBJECT: Resolution 2008-10, a Resolution of Intention to Approve an Amendment to the CalPERS Retirement Contract to Provide Two (2) years Additional Service Credit for Riverside County Regional Park and Open-Space District Employees

RECOMMENDED MOTION: That the Board:

- 1) Adopts Resolution Number 2008-10 giving notice of the Park District's intention to approve an amendment to the CalPERS contract, set forth in Attachment A, including Certification of Governing Body's Action; and
- 2) Certifies compliance with Government Code Sections 7507 and 20903 (Attachments 2 and 3);
- 3) Authorizes the Riverside County Regional Park and Open-Space District (Park District) to offer two years of additional service credit to all eligible Park District employees in job classifications covered under the Miscellaneous contract (Attachment 1);
- 4) On January 6, 2009, adopts Resolution 2008-13 to establish the window period in accordance with CalPERS requirements (Attachment 4 and 6) forecasted to be the ninety days from January 15, 2009 through to and including April 15, 2009; and
- 5) Provides non-Medicare eligible employees who elect this early retirement option by April 15, 2009, the same retiree medical plan rates and coverage as those employees who retire on or before December 31, 2008. Eligible employees who elect this early retirement option will thus receive retiree medical plan coverage at the same rates as active employees until January 1, 2011.

Paul Frandsen

Paul Frandsen, General Manager

682-Park District Early Retirement Service Credit Under PERS
 CQ/mg

FINANCIAL DATA	Current F.Y. Total Cost:	\$614,689	In Current Year Budget:	No
	Current F.Y. Net County Cost:	\$-0-	Budget Adjustment:	No
	Annual Net County Cost:	\$-0-	For Fiscal Year:	2008-2009

SOURCE OF FUNDS:	Positions To Be Deleted Per A-30	<input type="checkbox"/>
	Requires 4/5 Vote	<input type="checkbox"/>

C.E.O. RECOMMENDATION:

APPROVE

BY: *Alex Gann*
 Alex Gann

County Executive Office Signature

Dept' Recomm.: Consent Policy
 Per Exec. Ofc.: Consent Policy

Prev. Agn. Ref.: District: All Agenda Number:

13.2

SUBJECT: Resolution 2008-10, a Resolution of Intention to Approve an Amendment to the CalPERS Retirement Contract to Provide Two (2) years Additional Service Credit for Riverside County Regional Park and Open-Space District Employees

Effective January 1, 2000, a new Government Code Section 20903 renewed the option to grant additional service credit under certain circumstances to agencies contracting with the California Public Employees' Retirement System (CalPERS). This option was utilized by the Department of Purchasing and Fleet Services on October 31, 2000, Resolution 2000-292; Transportation and Land Management Agency's Building and Safety Department on July 17, 2007, Resolution 2007-331; and the Department of Environmental Health on June 17, 2008, Resolution 2008-252; and most recently, the County of Riverside offered this option on November 18, 2008, Resolution 2008-483, M.O. 3.32.

It is requested that the Board authorize the early retirement option to all eligible age-appropriate Park District employees covered by the CalPERS Miscellaneous contract who:

1. Have attained 50 years of age;
2. Have five or more years of service credit with the County; and
3. Retire within the 90 – day retirement window period specified by the Park District (Attachment 1).

To implement this change, it is necessary to provide two certifications to CalPERS, as provided in Attachments 2 and 3. The Certification of Compliance with Government Code Section 7507 (Attachment 2) certifies the cost of this benefit is being made public, and the Certification of Compliance with Government Code Section 20903 (Attachment 3) confirms the Park District's need to take this action, and that:

1. Impending layoffs constitute at least 1 percent of the job classification, department or organizational unit, as designated by the County; and
2. By this action it is the intent of the Park District to create unfilled vacancies thereby resulting in a permanent overall reduction in the work force.

SUBJECT: Resolution 2008-10, a Resolution of Intention to Approve an Amendment to the CalPERS Retirement Contract to Provide Two (2) years Additional Service Credit for Riverside County Regional Park and Open-Space District Employees

In addition, no earlier than two weeks after this public notice, this item must be returned to the Board's agenda for final adoption of the formal Resolution 2008-13.

The cost of this action can be paid in one of two ways: the estimated cost can be paid in a lump sum to CalPERS, or it can be added to the Park District's actuarial accrued liability, which will result in an employer contribution rate increase over 20 years.

We presently have approximately 7 eligible employees who are over age 59, 6 eligible employees over the age of 61, and 2 eligible employees over the age of 63. We believe that these groups would be the most likely to accept the early retirement incentive. Attachment 5 contains a complete breakdown of eligible employees by attained age.

If all eligible employees elected the early retirement option, the cost to the Park District would be approximately \$1,252,734. However, past experience suggests that a relatively low percentage of eligible employees elect an early retirement option. Below, we have provided three possible cost estimates for this action along with projected salary savings due to the resulting vacant positions and increased PERS employer contribution rates.

Estimated Costs*	100% Accept Incentive	40% Accept Incentive	25% Accept Incentive
Number of Employees	31	12	7
Service Credit Cost	\$1,252,734	\$521,297	\$349,804
Annual Compensation & Benefits Saving	\$2,646,707	\$1,046,574	\$701,206
Employer Contribution Rate Increase as a percent of payroll beginning in fiscal year 10/11	0.0518	0.0372	0.0377

*Assumes that employees taking the early retirement incentive are age 59, earn \$85,378 per year with an additional 45% Benefits factor.

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The Park District and Human Resources Department recommend that the cost for this early retirement program be included in the Park District's employer contribution rate. CalPERS will increase the rate in the fiscal year that begins two years after the end of the designated retirement date window. This delay will be factored into budget planning.

In order to further incentivize eligible employees to retire window established by this action, the Park District recommends that these employees be offered retiree medical coverage and rates on the same basis as those retirees who retire on or before December 31, 2008.

On September 12, 2006, the Board adopted a policy to establish separate medical rates starting January 1, 2009 for non-Medicare-eligible retirees rather than blending their rates with active employees. This action extends the period of eligibility for subsidized medical plan rates by an additional three months, and these employees will receive retiree medical plan coverage at the same rate as active employees until January 1, 2011.

The Office of County Counsel has reviewed and approved these actions as to legal form.

3 RESOLUTION 2008-10

4 RESOLUTION OF INTENTION OF THE BOARD OF DIRECTORS OF THE RIVERSIDE
5 COUNTY REGIONAL PARK & OPEN-SPACE DISTRICT TO
6 APPROVE AN AMENDMENT
7 TO CONTRACT BETWEEN THE BOARD OF ADMINISTRATION OF
8 THE EMPLOYEES' RETIREMENT SYSTEM AND
9 THE BOARD OF DIRECTORS OF
10 THE RIVERSIDE COUNTY REGIONAL PARK & OPEN-SPACE DISTRICT

11
12 BE IT RESOLVED by the Board of Directors of the Riverside County Regional Park &
13 Open-Space District, State of California, in regular session assembled on December 9, 2008,
14 that Attachment "A", attached hereto and by this reference made a part hereof, is adopted with
15 an effective date of December 9, 2008.

ATTACHMENT A
2008-10
RESOLUTION OF INTENTION
TO APPROVE AN AMENDMENT TO CONTRACT
BETWEEN THE
BOARD OF ADMINISTRATION
CALIFORNIA PUBLIC EMPLOYEES' RETIREMENT SYSTEM
AND THE
BOARD OF DIRECTORS
RIVERSIDE COUNTY REGIONAL PARK AND OPEN SPACE DISTRICT

WHEREAS, the Public Employees' Retirement Law permits the participation of public agencies and their employees in the Public Employees' Retirement System by the execution of a contract, and sets forth the procedure by which said public agencies may elect to subject themselves and their employees to amendments to said Law; and

WHEREAS, one of the steps in the procedures to amend this contract is the adoption by the governing body of the public agency of a resolution giving notice of its intention to approve an amendment to said contract, which resolution shall contain a summary of the change proposed in said contract; and

WHEREAS, the following is a statement of the proposed change:

To provide Section 20903 (Two Years Additional Service Credit) for local miscellaneous members.

NOW, THEREFORE, BE IT RESOLVED that the governing body of the above agency does hereby give notice of intention to approve an amendment to the contract between said public agency and the Board of Administration of the Public Employees' Retirement System, a copy of said amendment being attached hereto, as an "Exhibit" and by this reference made a part hereof.

By: _____
Presiding Officer

Title

Date adopted and approved



EXHIBIT

California
Public Employees' Retirement System

AMENDMENT TO CONTRACT

Between the
Board of Administration
California Public Employees' Retirement System
and the
Board of Directors
Riverside County Regional Park and Open Space
District

The Board of Administration, California Public Employees' Retirement System, hereinafter referred to as Board, and the governing body of the above public agency, hereinafter referred to as Public Agency, having entered into a contract effective June 11, 1992, and witnessed June 9, 1992, and as amended effective December 25, 1992, March 31, 1994, June 30, 1995, April 7, 1999, November 15, 2000 and July 11, 2002 which provides for participation of Public Agency in said System, Board and Public Agency hereby agree as follows:

- A. Paragraphs 1 through 12 are hereby stricken from said contract as executed effective July 11, 2002, and hereby replaced by the following paragraphs numbered 1 through 12 inclusive:
1. All words and terms used herein which are defined in the Public Employees' Retirement Law shall have the meaning as defined therein unless otherwise specifically provided. "Normal retirement age" shall mean age 60 for local miscellaneous members.

PLEASE DO NOT SIGN "EXHIBIT C"

2. Public Agency shall participate in the Public Employees' Retirement System from and after June 11, 1992 making its employees as hereinafter provided, members of said System subject to all provisions of the Public Employees' Retirement Law except such as apply only on election of a contracting agency and are not provided for herein and to all amendments to said Law hereafter enacted except those, which by express provisions thereof, apply only on the election of a contracting agency.
3. Employees of Public Agency in the following classes shall become members of said Retirement System except such in each such class as are excluded by law or this agreement:
 - a. Employees other than local safety members (herein referred to as local miscellaneous members).
4. In addition to the classes of employees excluded from membership by said Retirement Law, the following classes of employees shall not become members of said Retirement System:
 - a. **MEMBERS OF THE GOVERNING BODY; AND**
 - b. **SAFETY EMPLOYEES.**
5. This contract shall be a continuation of the contract of the County of Riverside, hereinafter referred to as "Former Agency". A portion of the Functions of the County of Riverside have been transferred to Riverside County Regional Park and Open Space District. The accumulated contributions, assets and liability for prior and current service under the Former Agency's contract shall be merged pursuant to Section 20508 of the Government Code. Such merger occurred June 11, 1992.
6. The percentage of final compensation to be provided for each year of credited prior and current service for local miscellaneous members in employment before and not on or after July 11, 2002 shall be determined in accordance with Section 21354 of said Retirement Law, subject to the reduction provided therein for service on and after July 28, 1993, the effective date of Social Security coverage, for members whose service has been included in Federal Social Security (2% at age 55 Full and Modified).

PLEASE DO NOT SIGN "EXHIBIT ONE"

7. The percentage of final compensation to be provided for each year of credited prior and current service for local miscellaneous members in employment on or after July 11, 2002 shall be determined in accordance with Section 21354.3 of said Retirement Law, subject to the reduction provided therein for service on and after July 28, 1993, the effective date of Social Security coverage, for members whose service has been included in Federal Social Security (3% at age 60 Full and Modified).
8. Public Agency elected and elects to be subject to the following optional provisions:
 - a. Section 20042 (One-Year Final Compensation).
 - b. Sections 21624 and 21626 (Post-Retirement Survivor Allowance).
 - c. Section 21571 (Basic Level of 1959 Survivor Benefits).
 - d. Section 21024 (Military Service Credit as Public Service).
 - e. Section 21635 (Post-Retirement Survivor Allowance to Continue After Remarriage).
 - f. Section 20903 (Two Years Additional Service Credit).
9. Public Agency shall contribute to said Retirement System the contributions determined by actuarial valuations of prior and future service liability with respect to local miscellaneous members of said Retirement System.
10. Public Agency shall also contribute to said Retirement System as follows:
 - a. A reasonable amount, as fixed by the Board, payable in one installment within 60 days of date of contract to cover the costs of administering said System as it affects the employees of Public Agency, not including the costs of special valuations or of the periodic investigation and valuations required by law.
 - b. A reasonable amount, as fixed by the Board, payable in one installment as the occasions arise, to cover the costs of special valuations on account of employees of Public Agency, and costs of the periodic investigation and valuations required by law.

11. Contributions required of Public Agency and its employees shall be subject to adjustment by Board on account of amendments to the Public Employees' Retirement Law, and on account of the experience under the Retirement System as determined by the periodic investigation and valuation required by said Retirement Law.
12. Contributions required of Public Agency and its employees shall be paid by Public Agency to the Retirement System within fifteen days after the end of the period to which said contributions refer or as may be prescribed by Board regulation. If more or less than the correct amount of contributions is paid for any period, proper adjustment shall be made in connection with subsequent remittances. Adjustments on account of errors in contributions required of any employee may be made by direct payments between the employee and the Board.

B. This amendment shall be effective on the _____ day of _____, _____.

BOARD OF ADMINISTRATION
PUBLIC EMPLOYEES' RETIREMENT SYSTEM

BOARD OF DIRECTORS
RIVERSIDE COUNTY REGIONAL
PARK AND OPEN SPACE DISTRICT

BY _____
LORI MCGARTLAND, CHIEF
EMPLOYER SERVICES DIVISION
PUBLIC EMPLOYEES' RETIREMENT SYSTEM

BY _____
PRESIDING OFFICER

Witness Date

Attest:

Clerk

Optional Early Retirement Credit

Eligible Departments/Classifications: All Riverside County Regional Park and Open Space District Job Classifications Covered by CalPERS Miscellaneous contract.

Eligible Retirement Dates: January 15, 2009 through April 15, 2009

Estimated Cost for Eligible Employees:

A: Assume all employees elect early Early retirement option	PERS Service Credit Estimated	\$ 1,252,734
	Leave Balance Estimate	\$ 652,976
	Total	\$ 1,905,710
 B. Assume 25% of employees elect early Retirement option	 PERS Service Credit Estimated	 \$ 349,804
	Leave Balance Estimate	\$ 264,885
	Total	\$ 614,689

Eligible Park District Classifications	
Job Code	Description
85003	ADMIN SVCS ASST - PARKS
85005	AREA PARK MANAGER - PARKS
85011	EXECUTIVE ASSISTANT I - PARKS
85013	GROUNDS WORKER - PARKS
85015	INTERPRETIVE SVCS SUPV - PARKS
85017	MAINTENANCE CARPENTER - PARKS
85023	PARKS DIRECTOR - PARKS
85024	PARK INTERPRETER - PARKS
85026	PARK MAINTENANCE SUPV - PARKS
85027	PARK MAINTENANCE WORKER-PARKS
85029	PARK RANGER II - PARKS
85030	PARK RANGER SUPV - PARKS
85036	SECRETARY II - PARKS
85037	SR ACCOUNTANT - PARKS
85038	SR ACCOUNTING ASST - PARKS
85041	SR PARK RANGER - PARKS
85059	NATURAL RESOURCES MGR - PARKS
85061	ADMIN SVCS MGR II - PARKS
85062	PARK PLANNER
85063	SR PARK PLANNER
85066	BUYER II - PARKS
85068	PARK MAINT WORKER-PARKS-DESERT

CALIFORNIA PUBLIC EMPLOYEES' RETIREMENT SYSTEM

Actuarial and Employer Services Branch

Public Agency Contract Services

P.O. Box 942709

Sacramento, CA 94229-2709

(888) CalPERS (225-7377)

**CERTIFICATION OF COMPLIANCE WITH
GOVERNMENT CODE SECTION 7507**

I hereby certify that in accordance with Section 7507 of the Government Code the future annual costs as determined by the System Actuary for the increase in retirement benefit(s) have been made public at a public meeting of the

_____ of the
(governing body)

_____ of the
(public agency)

on _____ which is at least two weeks prior to the adoption of the
(date)

Resolution / Ordinance.

Clerk/Secretary

Title

Date _____

CALIFORNIA PUBLIC EMPLOYEES' RETIREMENT SYSTEM

Actuarial and Employer Services Branch

Public Agency Contract Services

P.O. Box 942709

Sacramento, CA 94229-2709

(888) CalPERS (225-7377)

**CERTIFICATION OF COMPLIANCE WITH
GOVERNMENT CODE SECTION 20903**

In accordance with Government Code Section 20903 and the contract between the Public Employees' Retirement System, the Board of Directors of the Riverside County Regional Park and Open Space District hereby certifies that:

1. Because of an impending curtailment of, or change in the manner of performing service, the best interests of the agency will be served by granting such additional service credit.
2. The added cost to the retirement fund for all eligible employees who retire during the designated window period will be included in the contracting agency's employer contribution rate for the fiscal year that begins two years after the end of the designated period.
3. It has elected to become subject to Section 20903 because of impending mandatory transfers, demotions, and layoffs that constitute at least 1 percent of the job classification, department or organizational unit, as designated by the governing body, resulting from the curtailment of, or change in the manner of performing, its services.
4. Its intention at the time Section 20903 becomes operative is to keep all vacancies created by retirements under this section or at least one vacancy in any position in any department or other organizational unit permanently unfilled thereby resulting in an overall reduction in the work force of such department or organizational unit.

THEREFORE, the Board of Directors of the Riverside County Regional Park and Open Space District hereby elects to provide the benefits of Government Code Section 20903 to all eligible members who retire within the designated period,

_____ through _____.

**BOARD OF DIRECTORS
OF THE
RIVERSIDE COUNTY REGIONAL PARK AND
OPEN SPACE DISTRICT**

By: _____
Presiding Officer

Attest:

Clerk/Secretary

Date

CALIFORNIA PUBLIC EMPLOYEES' RETIREMENT SYSTEM

Actuarial and Employer Services Branch

Public Agency Contract Services

P.O. Box 942709

Sacramento, CA 94229-2709

(888) CalPERS (225-7377)

CERTIFICATION OF GOVERNING BODY'S ACTION

I hereby certify that the foregoing is a true and correct copy of a Resolution adopted by the

_____ of the
Board of Directors
(governing body)

_____ of the
Riverside County Regional Park and Open-Space District
(public agency)

on _____
(date)

Clerk/Secretary

Title

Riverside County Regional Park and Open Space District

Early Retirement Incentive Analysis
All Eligible Regular Miscellaneous Employees

Age	Count	Average Years of Service	Average Compensation	Total Compensation
50	4	12.22	\$ 63,898	\$ 255,592.00
51	1	13.61	\$ 66,026	\$ 66,026.00
52	2	27.49	\$ 95,963	\$ 191,926.00
53	5	15.2	\$ 94,828	\$ 474,140.00
54	3	16.7	\$ 84,808	\$ 254,424.00
55	2	8.57	\$ 75,531	\$ 151,062.00
56	2	19.34	\$ 103,480	\$ 206,960.00
57	5	16.99	\$ 69,074	\$ 345,370.00
58	0	0	\$ -	\$ -
59	0	0	\$ -	\$ -
60	1	36.67	\$ 89,054	\$ 89,054.00
61	1	28.38	\$ 89,864	\$ 89,864.00
62	3	15.45	\$ 133,122	\$ 399,366.00
63	0	0	\$ -	\$ -
64	1	7.87	\$ 64,641	\$ 64,641.00
65	0	0	\$ -	\$ -
65+	1	10.05	\$ 58,281	\$ 58,281.00
Total	31			\$ 2,646,706.00
Mean		13.44	\$ 64,034	\$ 85,377.61
Median			\$ 84,808	
Weighted Avg. Age		56		
Weighted Avg. Compensation		\$ 78,797		

Age	Count	Average Service	Total Compensation
59+	1	36.67	\$ 89,054.00
61+	4	21.92	\$ 445,972.00
63+	2	8.96	\$ 122,922.00

(DO NOT SIGN EXHIBIT ONLY)

**BOARD OF DIRECTORS
OF THE
RIVERSIDE COUNTY
REGIONAL PARK AND OPEN-SPACE DISTRICT
RESOLUTION 2008-13**

WHEREAS, the Board of Directors of the Riverside County Regional Park and Open-Space District is a contracting Public Agency of the Public Employees' Retirement System; and

WHEREAS, said Public Agency desires to provide another designated period for Two years Additional Service Credit, Section 20903, based on the contract amendment included in said contract which provided for Section 20903, Two Years Additional Service Credit, for eligible members.

NOW, THEREFORE, BE IT RESOLVED that the said Board of Directors does seek to add another designated period, and does hereby authorize this Resolution indicating a desire to add a designated period from _____ through _____ for eligible _____ members in the _____.

Adopted and approved this _____ day of _____, _____

Board of Directors
of the
Riverside County
Regional Park & Open-Space District

By: _____

Presiding Officer

Attest:

Clerk/Secretary