

**Bill Luna**  
County Executive Officer



**Jay E. Orr**  
Assistant County Executive Officer

*Executive Office, County of Riverside*

April 30, 2009

Honorable Board of Supervisors  
County of Riverside  
Robert T. Anderson Administrative Center  
4080 Lemon Street, 5<sup>th</sup> Floor  
Riverside, CA 92501-3651

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**SUBJECT: EARLY RETIREMENT FOR SAFETY EMPLOYEES**

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Board Members:

You requested that the Executive Office review and reconsider the provisions to provide two years of additional service credit for Riverside County Public Safety Employees (3.37 of 4/28/09) and report back regarding recommendations from each of the three departments that would be impacted.

Sheriff Stan Sniff continues to oppose the credit in its entirety. Staff contacted the District Attorney's Office for an opinion; however, as of this date no information has been provided to the Executive Office. Alan Crogan, Chief Probation Officer would like to extend the early retirement option to all safety employees in his department. The classifications eligible are listed on the following page.

Respectfully submitted,

A handwritten signature in black ink that reads "Bill Luna". The signature is written in a cursive style and is positioned above a horizontal line.

**BILL LUNA**  
County Executive Officer

Attachment

ATTACHMENT A

Riverside County  
Probation Department  
Public Safety Unit of RSA

Job Code	JOB TITLE	Enrolled in Safety Plan
52411	PROBATION CORR OFFICER I	53
52412	PROBATION CORR OFFICER II	233
52413	SR PROBATION CORR OFFICER	43
52813	SUPV GROUP SUPV/INSTRUCTOR	1
52874	SR GRP SUPV/INST-CULINARY ARTS	4
52875	SR GRP SUPV/INST-INDUSTRAL ARTS	4
79531	DEP PROBATION OFFICER I	9
79532	DEP PROBATION OFFICER II	160
79533	SR PROBATION OFFICER	60
79534	SUPV PROBATION OFFICER	73
79535	ASST PROBATION DIVISION DIR	10
79536	PROBATION DIVISION DIRECTOR	1
79538	CHF DEP PROBATION OFFICER	1



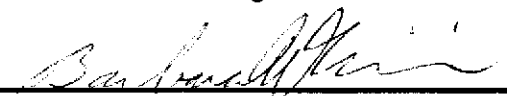
**SUBMITTAL TO THE BOARD OF SUPERVISORS  
COUNTY OF RIVERSIDE, STATE OF CALIFORNIA**

**FROM:** Human Resources Department

**SUBMITTAL DATE:**  
May 1, 2009


**SUBJECT:** Amendment to the CalPERS Contract and Authorization to Provide Two (2) Years of Additional Service Credit for Riverside County Public Safety Employees.

**RECOMMENDED MOTION:** That the Board of Supervisors 1) Adopt Resolution No. 2009-150, giving notice of the County of Riverside's intention to approve an amendment to the CalPERS contract set forth in (Attachment 1), including Certification of Governing Body's Action (Attachment 2); 2) authorize the County of Riverside to offer two (2) years of additional service credit to all eligible County employees covered under the Safety contract and employed in an eligible classification listed in (Attachment 3); 3) certify compliance with Government Code Section 7507 (Attachment 4) and Government Code Section 20903 (Attachment 5) to establish the window period in accordance with CalPERS requirements and; 4) no earlier than June 2, 2009, adopt the Final Resolution and Ordinance to amend the CalPERS contract attached as Exhibit only (Attachment 6). CalPERS will provide the Final Resolution upon their receipt of the attached signed Certifications.

  
Barbara A. Olivier, Asst. HR Director  
For Ronald W. Komers  
Asst. County Executive Officer / Human Resources Director

<b>FINANCIAL DATA</b>	Current F.Y. Total Cost:	\$0	In Current Year Budget:	No
	Current F.Y. Net County Cost:	\$0	Budget Adjustment:	No
	Annual Net County Cost:	\$0	For Fiscal Year:	2009/10

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

**C.E.O. RECOMMENDATION:**  
  
APPROVE  
BY:   
Jay E. Off  
**County Executive Office Signature**

- Policy
- Policy
- Consent
- Consent

Dept's Recomm.:  
Per Exec. Ofc.:

**Prev. Agn. Ref.:** | **District:** | **Agenda Number:**

**BACKGROUND continued:**

Recent losses in property and sales taxes as well as potential cuts in state funding will require a substantial reduction in the County General Fund operating budget. On October 28, 2008 the County Executive Officer indicated that County General Funded departments must plan for a 25% reduction over four years.

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 most recently used by the County on November 18, 2008 when the Board of Supervisors authorized an early retirement option to approximately 3,400 eligible age-appropriate employees covered by the CalPERS Miscellaneous contract.

The early retirement offer to eligible employees covered by the Miscellaneous contract was more successful than originally anticipated. As of current date over 678 employees have elected to retire early and Human Resources estimates the following savings if all positions vacated remain unfilled (actual savings will vary if the exact position vacated is filled and another position is left vacant):

Number of Employees who Retired Early	678
Annual Compensation and Benefits Saved	\$63,766,854
Leave Accrual Cost	\$16,065,397

The employer contribution rate under the CalPERS Miscellaneous contract is estimated to increase by .3512% or \$2,315,167 amortized over the next 20 years to pay for the Local Miscellaneous Early Retirement Incentive.

Human Resources recommends the adoption of Resolution No. 2009-150 by the Board of Supervisors to amend the CalPERS contract for Public Safety employees and requests the authorization to offer the early retirement option to approximately 369 eligible age-appropriate employees covered by the CalPERS Public Safety contract who:

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

The designated early retirement window period for Public Safety employees will be from July 6, 2009 through October 5, 2009.

The early retirement option is proposed as an alternative to layoffs. Employees who elect the benefit will create vacancies in General Fund and non-General Fund positions that can be used to mitigate the effect of the impending and significant budget cuts that will require the elimination of positions.

In contrast to the early retirement option recently provided to Miscellaneous employees the option proposed for Public Safety employees does not contain a provision for continued subsidized medical plan rates as defined by GASB 45. Public Safety employees do not receive retiree medical care coverage through County sponsored plans. Retiree medical coverage for Public Safety employees is either provided through a Trust arrangement managed by the Riverside Sherriff Association (RSA) or through CalPERS and neither RSA or CalPERS are impacted by GASB 45.

**BACKGROUND continued:**

To implement this change, it is necessary to provide two certifications to CalPERS as provided in Attachments 2 and 3:

1. The Certification of Compliance with Government Code Section 7507 (Attachment 4) which certifies the cost of this benefit is being made public; and
2. The Certification of Compliance with Government Code Section 20903 (Attachment 5) which confirms the County's need to take this action, and that:
  - a. Impending layoffs constitute at least one percent of the job classification, department or organizational unit, as designated by the County; and
  - b. By this action it is the intent of the County to create unfilled vacancies thereby resulting in a permanent overall reduction in the work force.

In addition, no earlier than twenty days after this public notice, this item must be returned to the Board's agenda for final adoption of the Resolution and Ordinance.

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 County's Safety contract actuarial accrued liability, which will result in an employer contribution rate increase over 20 years.

If all eligible employees elected the early retirement option the cost to the County would be approximately \$15 million. Below, we have provided cost estimates for this action along with projected salary savings due to the resulting vacant positions and increased CalPERS employer contribution rates.

<b>Estimated Costs* (in Thousands):</b>	<b>5% Accept Incentive</b>	<b>7% Accept Incentive</b>	<b>10% Accept Incentive</b>	<b>100% Accept Incentive</b>
Number of Employees	18	26	37	369
Annual Compensation & Benefit Savings	\$2,171,435	\$3,040,008	\$4,342,869	\$43,428,692
Employer Contribution Rate Increase as a percent of payroll beginning in fiscal year 2011/2012	0.014%	0.020%	0.029%	0.289%
Employer Rate Increase Cost in Dollars	\$95,175	\$133,244	\$190,349	\$1,903,490
Leave Balance Estimates	\$668,295	\$935,613	\$1,336,590	\$13,365,898

\*Assumes that employees' taking the early retirement incentive are Age 55, earn \$81,168 per year with an additional 45% Benefits factor.

The Human Resources Department recommends that the cost for this early retirement program be included in the County'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.

RESOLUTION 2009-150

**RESOLUTION OF INTENTION  
TO APPROVE AN AMENDMENT TO CONTRACT  
BETWEEN THE  
BOARD OF ADMINISTRATION  
CALIFORNIA PUBLIC EMPLOYEES' RETIREMENT SYSTEM  
AND THE  
BOARD SUPERVISORS  
COUNTY OF RIVERSIDE**

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 Services Credit) for local safety 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

**CALIFORNIA PUBLIC EMPLOYEES' RETIREMENT SYSTEM**

ATTACHMENT 2

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  
(governing body)

\_\_\_\_\_ of the  
(public agency)

on \_\_\_\_\_  
(date)

\_\_\_\_\_  
Clerk/Secretary

\_\_\_\_\_  
Title

## Optional Early Retirement Credit

Eligible Departments/Classifications: All eligible County employees covered under the Safety contract and employed in one of the eligible classifications attached.

Eligible Retirement Dates: July 6, 2009 through October 5, 2009.

## Estimated Cost of Eligible Employees:

A. Assume all employees elect early retirement option*	Employer Rate Increase	\$1,903,490
	Cost	
	Leave Balance Estimate	\$13,365,898
	Total	\$15,269,388
B. Assume 10% of employees elect early retirement option*	Employer Rate Increase	\$190,349
	Cost	
	Leave Balance Estimate	\$1,336,590
	Total	\$1,526,939

\* Assumes that employee's taking the early retirement incentive are Age 55, earn \$81,168 per year with an additional 45% Benefits factor

Job Code	Job Title
79535	ASST PROBATION DIVISION DIR
79538	CHF DEP PROBATION OFFICER
52212	CORRECTIONAL CORPORAL
52217	CORRECTIONAL CORPORAL - S
52210	CORRECTIONAL DEPUTY I
52211	CORRECTIONAL DEPUTY II
52216	CORRECTIONAL DEPUTY II - S
52213	CORRECTIONAL SERGEANT
37660	DA INVESTIGATOR
37661	DA INVESTIGATOR A
37662	DA INVESTIGATOR B
79531	DEP PROBATION OFFICER I
79532	DEP PROBATION OFFICER II
37602	DEP SHERIFF
37603	DEP SHERIFF A
37604	DEP SHERIFF B
52411	PROBATION CORR OFFICER I
52412	PROBATION CORR OFFICER II
79536	PROBATION DIVISION DIRECTOR
37576	SHERIFF CORPORAL
37577	SHERIFF CORPORAL A
37578	SHERIFF CORPORAL B
37608	SHERIFF INVESTIGATOR
37609	SHERIFF INVESTIGATOR - A
37684	SHERIFF INVESTIGATOR - AS
37610	SHERIFF INVESTIGATOR - B
37685	SHERIFF INVESTIGATOR - BS
37611	SHERIFF'S SERGEANT
37612	SHERIFF'S SERGEANT A
37613	SHERIFF'S SERGEANT B
37665	SR D.A. INVESTIGATOR A
37687	SR D.A. INVESTIGATOR A-II
37666	SR D.A. INVESTIGATOR B
37688	SR D.A. INVESTIGATOR B-II
37690	SR D.A. INVESTIGATOR B-III
52874	SR GRP SUPV/INST-CULINARY ARTS
52875	SR GRP SUPV/INST-INDUSTRAL ARTS
52413	SR PROBATION CORR OFFICER
79533	SR PROBATION OFFICER
37664	SR. DA INVESTIGATOR
37686	SR. DA INVESTIGATOR II
37669	SUPV D.A. INVESTIGATOR - B
52813	SUPV GROUP SUPV/INSTRUCTOR
79534	SUPV PROBATION OFFICER