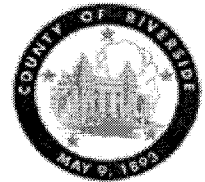


**SUBMITTAL TO THE BOARD OF SUPERVISORS  
COUNTY OF RIVERSIDE, STATE OF CALIFORNIA**

263




**FROM:** Human Resources Department

**SUBMITTAL DATE:**  
June 16, 2009

**SUBJECT:** Authorization to Provide Two (2) Years of Additional Service Credit for Riverside County Public Safety Employees under the California Public Employees' Retirement System (CalPERS).

**RECOMMENDED MOTION:** 1) Authorize the County of Riverside to offer two years of additional service credit to all eligible County Safety employees in job classifications covered under the Safety contract and employed in an eligible classification listed in Attachment 1; 2) certify compliance with Government Code Sections 7507 (Attachment 2) and 20903 (Attachment 3), and; 3) on July 14, 2009, adopt Resolution 2009-226 (Attachment 4) and sign the Certification of Governing Body's Action (Attachment 5) to establish the window period in accordance with CalPERS requirements.

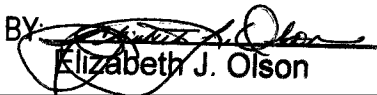
**BACKGROUND:** On June 9, 2009 the Board adopted Ordinance No. 890 (Attachment 6) authorizing an amendment to the CalPERS contract to provide two (2) years of additional service credit for eligible Riverside County Safety Employees.

  
 \_\_\_\_\_  
 Ronald W. Komers  
 Asst. County Executive Officer/Human Resources Dir.

<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:	\$1,200,861	For Fiscal Year:	2009/10

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

**C.E.O. RECOMMENDATION:** **APPROVE**

BY:   
Elizabeth J. Olson

**County Executive Office Signature**

- Consent
- Policy
- Consent
- Policy

Dep't Recomm.:  
Per Exec. Ofc.:

**Prev. Agn. Ref.:** 4/28/09 3.37;  
5/5/09 3.34; 6/2/09 3.57

**District:** \_\_\_\_\_ **Agenda Number:** \_\_\_\_\_

**3.34**

**BACKGROUND continued:**

Human Resources returns to the Board today to request authorization to offer the early retirement option to approximately 284 eligible age-appropriate County of Riverside Safety employees, who:

1. Have attained 50 years of age;
2. Have five or more years of service credit with CalPERS;
3. Are employed in an eligible classification listed in Attachment 1; and
4. Retire within the 90 day retirement window period specified by the County (Attachment 3).

The designated early retirement window period for Public Safety employees will be from July 15, 2009 through October 13, 2009.

This action is proposed as a mitigation of 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 significant budget cuts that will require the elimination of positions.

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 County'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 County to create unfilled vacancies thereby resulting in a permanent overall reduction in the work force.

In addition, on July 14, 2009 this item must be returned to the Board's agenda for adoption of the formal Resolution, Attachment 4 and the Certification of Governing Body's Action (Attachment 5).

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 actuarial accrued liability, which will result in an employer contribution rate increase over 20 years.

On the following page, we have provided three possible cost estimates for this action along with projected salary savings due to the resulting vacant positions and increased CalPERS employer contribution rates.

**Form 11 – Early Retirement Service Credit**  
**June 16, 2009**  
**Page 3**

<b>Estimated Costs* (in Thousands):</b>	<b>5% Accept Incentive</b>	<b>10% Accept Incentive</b>	<b>20% Accept Incentive</b>	<b>100% Accept Incentive</b>
Number of Employees	15	29	58	284
Annual Compensation & Benefit Savings	\$1,795,783	\$3,591,568	\$7,183,136	\$35,915,676
Employer Contribution Rate Increase as a percent of payroll beginning in fiscal year 2012/2013	0.037%	0.074%	0.148%	0.739%
Employer Rate Increase Cost in Dollars	\$79,298	\$158,595	\$317,191	\$1,585,953
Leave Balance Estimates	\$658,151	\$1,316,301	\$2,632,603	\$13,163,017

\*Assumes that employees' taking the early retirement incentive are Age 54, earn \$87,216 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.

### 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 15, 2009 through October 13, 2009.

#### Estimated Cost of Eligible Employees:

A. Assume all employees elect early retirement option	PERS Service Credit Estimate	\$ 1,585,953
	Leave Balance Estimate	\$13,163,017
	Total Cost	\$14,748,970
	**Net County Cost	\$ 6,004,306
B. Assume 20% of employees elect early retirement option*	Employer Rate Increase Cost	\$ 317,190
	Leave Balance Estimate	\$ 2,632,602
	Total Cost	\$ 2,949,792
	**Net County Cost	\$ 1,200,861

*\*Assumes that employee's taking the early retirement incentive are Age 54, earn \$87,216 per year with an additional 45% Benefits factor*

*\*\*Net County Cost for the Sheriff's Department is calculated as 40.71% of Total Cost.*

### ELIGIBLE CLASSIFICATIONS

Job Code	Job Title
37576	SHERIFF CORPORAL
37577	SHERIFF CORPORAL A
37578	SHERIFF CORPORAL B
37602	DEP SHERIFF
37603	DEP SHERIFF A
37604	DEP SHERIFF B
37608	SHERIFF INVESTIGATOR
37609	SHERIFF INVESTIGATOR - A
37610	SHERIFF INVESTIGATOR - B
37613	SHERIFF'S SERGEANT B
37615	SHERIFF'S LIEUTENANT A
37616	SHERIFF'S LIEUTENANT B
37619	SHERIFF'S CAPTAIN B
37685	SHERIFF INVESTIGATOR - BS
52211	CORRECTIONAL DEPUTY II
52212	CORRECTIONAL CORPORAL
52213	CORRECTIONAL SERGEANT
52214	CORRECTIONAL LIEUTENANT
52216	CORRECTIONAL DEPUTY II - S

**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

**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 Supervisors of the County of Riverside 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 Supervisors of the County of Riverside hereby elects to provide the benefits of Government Code Section 20903 to all eligible members who retire within the designated period, July 15, 2009 through October 13, 2009.

BOARD OF SUPERVISORS  
OF THE  
COUNTY OF RIVERSIDE

BY \_\_\_\_\_  
Presiding Officer

Attest:

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

\_\_\_\_\_  
Date

RESOLUTION 2009-226

**BOARD OF SUPERVISORS  
OF THE  
COUNTY OF RIVERSIDE  
RESOLUTION  
TO  
GRANT ANOTHER DESIGNATED PERIOD  
FOR  
TWO YEARS ADDITIONAL SERVICE CREDIT**

WHEREAS, the Board of Supervisors of the County of Riverside 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 said Board of Supervisors does seek to add another designated period, and does hereby authorize this Resolution, indicating a desire to add a designated period from July 15, 2009 through October 13, 2009 for eligible \_\_\_\_\_ members in the \_\_\_\_\_.

Adopted and approved this \_\_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_.

**BOARD OF SUPERVISORS  
OF THE  
COUNTY OF RIVERSIDE**

BY \_\_\_\_\_  
Presiding Officer

Attest:

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

**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**

RESOLUTION 2009-226

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

ORDINANCE NO. 890

AN ORDINANCE OF THE BOARD OF SUPERVISORS OF THE COUNTY OF RIVERSIDE AUTHORIZING AN AMENDMENT TO THE CONTRACT BETWEEN ITS BOARD OF SUPERVISORS OF THE COUNTY OF RIVERSIDE AND THE BOARD OF ADMINISTRATION OF THE CALIFORNIA PUBLIC EMPLOYEES' RETIREMENT SYSTEM.

The Board of Supervisors of the County of Riverside ordains as follows:

Section 1. That an amendment to the contract between the Board of Supervisors of the County of Riverside and the Board of Administration, California Public Employees' Retirement System is hereby authorized, a copy of said amendment being attached hereto, marked Exhibit, and by such reference made a part hereof as though herein set out in full.

Section 2. The Chairman of the Board of Supervisors is hereby authorized, empowered, and directed to execute said amendment for and on behalf of said County.

Section 3. This Ordinance shall take effect thirty (30) days after the date of its adoption, and prior to the expiration of fifteen (15) days from the passage thereof shall be published at least once in the Press-Enterprise, a newspaper of general circulation, published and circulated in the County of Riverside, and thenceforth and thereafter the same shall be in full force and effect.

APPROVED and ADOPTED on June 9, 2009.

BOARD OF SUPERVISORS  
OF THE COUNTY OF RIVERSIDE,  
STATE OF CALIFORNIA

By: Jeff Stone  
Chairman, Board of Supervisors  
Jeff Stone

Attest:

KECIA HARPER-IHEM  
Clerk of the Board

By: [Signature]  
Deputy

FORM APPROVED COUNTY COUNSEL  
BY: [Signature] 5/21/09  
PAMELA J WALLS DATE