

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

623



FROM: Human Resources Department

SUBMITTAL DATE:
January 5, 2010

SUBJECT: Authorization to Provide Two (2) Years of Additional Service Credit for Riverside County Superior Court Employees covered under the County of Riverside's Miscellaneous CalPERS contract

RECOMMENDED MOTION: That the Board of Supervisors, 1) authorize the Riverside County Superior Court to offer two (2) years of additional service credit to court employees covered under the County's Miscellaneous contract and employed in an eligible classification listed in Exhibit A; 2) certify compliance with Government Code section 7507 (Attachment 2) and Government Code section 20903 (Attachment 3) on behalf of Riverside County Superior Court; and 3) on January 26, 2010, adopt Resolution 2010-028 (Attachment 4) and sign the Certification of Governing Body's Action (Attachment 5) to establish the window period in accordance with CalPERS requirements.

(continued on page 2)

Departmental Concurrence

[Handwritten signatures of Sherri R. Carter and Ronald W. Komers]

Sherri R. Carter Court Executive Officer	Ronald W. Komers Asst. County Executive Officer/Human Resources Dir.
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FINANCIAL DATA	Current F.Y. Total Cost:	\$461,950	In Current Year Budget:	No
	Current F.Y. Net County Cost:	\$ TBD	Budget Adjustment:	No
	Annual Net County Cost:	\$ TBD	For Fiscal Year:	2011/12
				County: \$1,031,335 Courts: \$90,622

SOURCE OF FUNDS: 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: *[Signature]*
Karen L. Johnson

County Executive Office Signature

- Policy
- Consent
- Policy
- Consent

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

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

3.17

BACKGROUND: The Judicial Council authorized the Administrative Office of the Courts (AOC) to provide one-time special funds and projected new fee revenues to the courts for FY 09/10. It has been confirmed that there will be no additional one-time funding next fiscal year, FY10/11 (July 1, 2010 through June 30, 2011).

In addition, the court has been advised that another trial court fee revenue source is scheduled to expire at the end of FY10/11. As a result, an approximate \$10 million state funding reduction is projected for the Riverside County Superior Court next fiscal year.

Due to a State law requirement, Riverside County and the Superior Court jointly participate in the CalPERS system under the County of Riverside's Miscellaneous contract. As a result of the funding reductions and as an alternative to layoffs, the Riverside County Superior Court requests that the Board of Supervisors authorize the early retirement option to 78 eligible age-appropriate Superior Court employees covered by the County's CalPERS Miscellaneous contract who:

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

The designated early retirement window period for the Superior Court employees will be from February 1, 2010 through May 1, 2010.

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 2), which certifies the cost of this benefit is being made public; and
2. The Certification of Compliance with Government Code section 20903 (Attachment 3), which confirms the Court's need to take this action, and that:
 - a. Impending layoffs constitute at least one percent of the job classifications, departments, or organizational units as designated by the Court; and
 - b. By this action it is the intent of the Court to create unfilled vacancies thereby resulting in a permanent overall reduction in the work force.

CalPERS requires that the County certify our intent that at least one vacancy in any position in any department or organizational unit shall remain permanently unfilled for each employee who is granted this incentive, thereby resulting in an overall reduction in the workforce. CalPERS audits these programs, so it is important to track the positions that are left vacant. By signature of this Form 11 the Riverside Superior Court certifies to the County its intent to comply with Government Code Section 20903.

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 and will be certified by the Clerk of the Board once adopted. A sample of the final Resolution and Certification are attached as Attachment 4 and 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 PERS, or it can be added to the County's actuarial accrued liability, which will result in an employer contribution rate increase over 20 years (for the County and Superior Courts). CalPERS increases the employer rate based on the number of employees who elect the early retirement option. The rate increase is spread equally among all County departments or divisions covered under the County's Miscellaneous contract. For purposes of the early retirement option the Courts will be treated as any other County department or division and the costs will be born equally by all participants in the contract. In January 2009 the County of Riverside offered the early retirement option to 3,400 eligible employees. The cost to the Courts for the County's early retirement incentive was approximately \$2,360,815. Based on our experience with previous early retirement options, we believe at least 33% (approximately 26) of those eligible will accept the proposed incentive. This would result in an estimated service credit cost of \$90,622. This cost will be paid as an increase to the CalPERS employer rate and will be amortized over 20 years.

If all eligible employees elected the early retirement option, the increased cost to the Miscellaneous contract would be approximately \$3,399,869, or 0.03405% increase in the employer contribution rate. Below we have provided cost estimates for this action, along with projected salary savings for Riverside County Superior Court due to the resulting vacant positions

Estimated Costs	9% Accept Incentive	20% Accept Incentive	33% Accept Incentive	100% Accept Incentive
Number of Employees	7	16	26	78
Annual Compensation & Benefit Savings	\$660,248	\$1,467,219	\$2,420,911	\$7,336,094
Employer Contribution Rate Increase as a percent of payroll beginning in Fiscal Year 2012/2013	0.00306%	0.00681%	0.01124%	0.03405%
Service Credit Cost in Dollars (Courts)	\$24,715	\$54,922	\$90,622	\$274,612
Service Credit Cost in Dollars (County)	\$281,273	\$625,051	\$1,031,335	\$3,125,257
Total Service Credit Cost in Dollars (Courts and County)	\$305,988	\$679,974	\$1,121,957	\$3,399,869
Leave Balance Estimates	\$125,986	\$279,970	\$461,950	\$1,399,848

OPTIONAL EARLY RETIREMENT CREDIT

Eligible Classifications: All eligible Riverside County Superior Court employees covered under the Miscellaneous contract and employed in one of the eligible classifications attached.

Eligible Retirement Dates: February 1, 2010 through May 1, 2010.

Estimated Cost of Eligible Employees:

A. Assume all employees elect early retirement option	Service Credit Cost (Courts)	\$274,612
	Service Credit Cost (County)	\$3,125,257
	Total Service Credit Cost (Courts and County)	\$3,399,869
	Leave Balance Estimate	\$1,399,848
	Total Cost for Courts (Court Service Cost + Leave Balances)	\$1,674,460
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B. Assume 33% of employees elect early retirement option	Service Credit Cost (Courts)	\$90,622
	Service Credit Cost (County)	\$1,031,335
	Total Service Credit Cost (Courts and County)	\$1,121,957
	Leave Balance Estimate	\$461,950
	Total Cost for Courts (Court Service Cost + Leave Balances)	\$552,572

Job Code	Job Title	
60005546	Assistant Court Executive Officer	
60006883	Case Management Technician	
90000537	Chief Deputy Court Executive Officer	
90000558	Court Division Manager	
90000561	Court Executive Assistant I	
90000562	Court Executive Assistant II	
90000603	Court Personnel Analyst I	
90000559	Drug Court Program Coordinator	
90000552	Court Services Supervisor	
90000556	Deputy Court Executive Officer	
60004876	Family Law Examiner	
90000593	Judicial Staff Attorney III	
60007000	Operations Director	
60005545	Probate Investigator	
90000607	Regional Operations Manager	
90000611	Senior Court Services Assistant	
90000621	Supervising Court Mediator/Evaluator	
90000617	Supervising Court Reporter	
90000619	Supervising Judicial Staff Attorney	

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)

ATTACHMENT 2

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

_____ Board of Supervisors _____ of the
(governing body)

_____ County of Riverside _____
(public agency)

On January 12, 2010, 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
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Sacramento, CA 94229-2709
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ATTACHMENT 3

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 curtailing 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 classifications, departments, or organizational units, 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 once 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 Miscellaneous members who retire within the designated period, February 1, 2010 through May 1, 2010.

BOARD OF SUPERVISORS OF THE
COUNTY OF RIVERSIDE

By: _____
Presiding Officer

Attest:

Clerk/Secretary

Date

BOARD OF SUPERVISORS, COUNTY OF RIVERSIDE
RESOLUTION TO
GRANT ANOTHER DESIGNATED PERIOD
FOR
FOR TWO YEARS ADDITIONAL SERVICE CREDIT
Resolution 2010-028

WHEREAS, 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 with provided for Section 20903, Two Years Additional Service Credit, for eligible members;

NOW, THEREFORE, BE IT RESOLVED that the County of Riverside does seek to add another designated period and does hereby authorize this Resolution, indicating a desire to add a designated period from February 1, 2010 through May 1, 2010 for eligible Miscellaneous members in the Superior Court of California, County of Riverside.

Adopted and approved this _____ day of _____.

BOARD OF SUPERVISORS
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)

ATTACHMENT 5

CERTIFICATION OF GOVERNING BODY'S ACTION

Resolution 2010-028

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

_____ of the
Board of Supervisors
(governing body)

_____ of the
County of Riverside
(public agency)

on _____
(date)

Clerk/Secretary

Title

Date _____