

**SUBMITTAL TO THE FLOOD CONTROL AND
WATER CONSERVATION DISTRICT BOARD
COUNTY OF RIVERSIDE, STATE OF CALIFORNIA**

5013



FROM: General Manager-Chief Engineer

SUBMITTAL DATE:
May 10, 2011

SUBJECT: Pension Reform - New Employees

RECOMMENDED MOTION:

That the Board of Supervisors approve, in concept, the following Pension Reforms:

1. Institution of a Tier II (lower benefit formula) plan for new employees immediately including:
 - A. 2% @ 60 plan for Miscellaneous Employees.
2. Institution of a three-year final average earnings for new employees immediately for:
 - A. Miscellaneous Employees.
3. Elimination of employer paid member contributions (EPMC) for all new Flood Control District employees immediately including:
 - A. Miscellaneous Employees: 8% EPMC.
4. Direct Human Resources to return with appropriate resolutions to approve this policy.

Continued on Page 2.

IMC:mc

WARREN D. WILLIAMS
General Manager-Chief Engineer

FINANCIAL DATA	Current F.Y. District Cost:	N/A	In FY 2010/11 Budget:	N/A
	Current F.Y. County Cost:	N/A	Budget Adjustment:	N/A
	Annual Net District Cost:	N/A	For Fiscal Year:	N/A

SOURCE OF FUNDS: N/A

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

C.E.O. RECOMMENDATION:

APPROVE

BY: Michael R. Shetler
Michael R. Shetler

County Executive Office Signature

- Dept't Recomm.: Consent Policy
- Per Exec. Ofc.: Consent Policy

Prev. Agn. Ref.:

District: All

Agenda Number:

11.1

Barbara A. Olivier
Approved by Barbara A. Olivier
Asst. CEO/HR Director

Departmental Concurrence

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BACKGROUND: Continued

The Flood Control District is a Special District (and not a County department) and, therefore, has its own CalPERS contract which must be amended separately from the County's.

It should be noted that through careful planning and accumulation of reserves over time, the District is well positioned to combat the economic hardships and severe budget distress that the County and many other governmental entities are now facing. For example, last fiscal year the District did not offer its employees the two-year retirement incentive, thus saving staff resources and reducing its CalPERS payments for the long run. Further, the District has taken steps to speed up its infrastructure construction program to avail itself of the cost savings in the current construction environment and allow the taxpayers to benefit from the current lower construction costs as well.

However, the District continually seeks prudent cost saving measures to maintain its fiscal flexibility and appreciates the benefits advantages to the County and the District of having similar retirement benefit packages in attracting and recruiting new employees. Therefore, the District is requesting this motion to reform its pension plan and further enhance its flexibility as it deals with the ever-changing economic conditions of the County. Further though, the District will endeavor to explore other benefits that will help to maintain/enhance its ability to attract and retain high caliber employees.