

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



122

FROM: Waste Resources Management District (WRMD)

SUBMITTAL DATE:
February 18, 2010

SUBJECT: Authorization to Provide Two (2) Years of Additional Service Credit to eligible Waste Resource Management District Employees covered under the Miscellaneous CalPERS Contract

RECOMMENDED MOTION: That the Board of Directors:

1. Authorize the Waste Resource Management District to offer two (2) years of additional service credit to all eligible employees covered under the District Miscellaneous contract and employed in an eligible classification (Attachment 2); and
2. Certify compliance with Government Code 7507 (Attachment 3) and Government Code section 20903 (Attachment 4); and
3. On March 16, 2010, Adopt Resolution 2010-01 (Attachment 5) and sign the Certification of Governing Body's Action (Attachment 6) to establish the window period in accordance with CalPERS requirements

Approval of this action will provide a retirement incentive for all Waste Resource Management District employees covered by the CalPERS Miscellaneous Plan who are over age 50 with five or more years of service. (continued)

Hans W. Kernkamp, General Manager-Chief Engineer

FINANCIAL DATA	Current F.Y. Total Cost:	\$ 190,726	In Current Year Budget:	No
	Current F.Y. Net County Cost:	\$ NA	Budget Adjustment:	No
	Annual Net County Cost:	\$ NA	For Fiscal Year:	2012/13 \$247,234
SOURCE OF FUNDS: District 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

County Executive Office Signature

MINUTES OF THE WASTE RESOURCES MANAGEMENT BOARD OF DIRECTORS

On motion of Director Benoit, seconded by Director Tavaglione and duly carried,
IT WAS ORDERED that the above matter is approved as recommended and is set for
March 16, 2010.

Ayes: Tavaglione, Benoit and Ashley
Nays: Stone
Absent: Buster
Date: March 2, 2010
xc: Waste, Auditor, HR

Kecia Harper-Ihem
Clerk of the Board
By:
Deputy

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

12.1

BACKGROUND:

In January 2009, the Waste Resources Management District (WRMD) offered the early retirement option to 25 eligible WRMD employees. A total of 10 eligible employees retired (40% of those eligible) at that time. The cost of the additional service credit provided to the retirees and the immediate payout of leave accruals was included as a cost in Waste Management's budget. The positions vacated in the District will remain vacant providing a salary and benefit savings of \$806,279.

Today's action is proposed as a mitigation of layoffs. Based on previous historical declines in tonnage, staff is predicting an ongoing tonnage decline continuing to FY12/13 for an overall reduction of 40% from the peak. As an Enterprise Fund which operates almost entirely on tipping fee revenue, the current and projected reduction has significant impacts to the Department's fiscal outlook. Employees who elect the benefit will create vacancies in the Waste Management Department that can mitigate the impending budget cuts that will require elimination of one or more positions.

It is requested that the Board of Supervisors authorize the early retirement option to be offered to 17 eligible employees within the WRMD CalPERS 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 respective 180-day retirement window specified in Attachment 1.

The designated early retirement window period will be March 18, 2010 through September 13, 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 District's need to take this action, and that:
 - a. Impending layoffs constitute at least one percent of the District job classifications.
 - b. By this action it is the intent of the District to create unfilled vacancies thereby resulting in permanent overall reduction in the work force.

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 and for signature of the Certification of Governing Body's Action.

**Form 11 – Authorization to Provide Two (2) Years of Additional Service Credit to eligible Waste Resource Management District Employees covered under the Miscellaneous CalPERS Contract
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Below we have provided cost estimates for this action, along with projected salary savings due to the resulting vacant positions. If all eligible employees within the proposed window period elect the early retirement option, the increased cost to the Miscellaneous contract would be approximately \$824,115. We believe 30% (5) of those eligible may accept the proposed incentive.

Estimated Costs	15% Accept Incentive	30% Accept Incentive	45% Accept Incentive	100% Accept Incentive
Number of Employees	3	5	8	17
Annual Compensation & Benefits Savings	\$ 271,373	\$ 542,745	\$ 814,118	\$ 1,809,151
Service Credit Cost in Dollars	\$ 123,617	\$ 247,234	\$ 370,852	\$ 824,115
Amortized CalPERS Cost in Dollars	\$ 9,337	\$ 18,673	\$ 28,010	\$ 62,244
Leave Balance Estimates	\$ 95,363	\$ 190,726	\$ 286,090	\$ 635,755
Total Cost (Service Credit Cost + Leave Balance Estimates)	\$ 218,980	\$ 437,961	\$ 656,941	\$ 1,459,870
Employer Contribution Rate Increase as a % of payroll beginning in FY 2012/2013	.190%	0.380%	.569%	1.265%

In this scenario (30% participation), the expected increase in the employee contribution rate is .38% of payroll beginning FY 12/13. The total service credit cost is \$ 247,234 or \$ 18,673 per year amortized over 20 years. The cost of the leave balances is an expense that will be incurred by the District upon the employee reaching standard retirement age and is not a cost associated solely with the early retirement incentive; these costs are disclosed due to their impact on the current year budget.

In summary, we recommend moving forward with an early retirement incentive for a 180-day window as a way to mitigate the impact of anticipated budget reductions. The results from the prior incentive have proven to be successful in reducing costs.

ATTACHMENT 1

COUNTY OF RIVERSIDE WASTE RESOURCES MANAGEMENT DISTRICT

EARLY RETIREMENT OPTION

Eligible Classifications: All eligible Riverside County Waste Resources Management District employees covered under the Miscellaneous contract.

Eligible Retirement Dates: March 18, 2010 through September 13, 2010.

Estimated Cost of Eligible Employees:

A. Assume all employees elect early retirement option	Service Credit Cost	\$ 824,115
	Leave Balance Estimate	\$ 635,755
	Total Cost (Service Cost + Leave Balances)	\$ 1,459,870

B. Assume 30% of employees elect early retirement option	Service Credit Cost	\$ 247,234
	Leave Balance Estimate	\$ 190,726
	Total Cost (Service Cost + Leave Balances)	\$ 437,961

**Waste Resources Management District
Eligible Job Classifications**

ATTACHMENT 2

Title	Job Code	Position	Title	Job Code	Position
GENERAL MGR - CHF ENG - WRMD	80000	00074394	OPS & MAINT SUPERVISOR - WRMD	80058	00014649
PRINCIPAL ENGINEER-WRMD	80002	00014679	OPS & MAINT SUPERVISOR - WRMD	80058	00106685
PRINCIPAL ENGINEER-WRMD	80002	00014682	OPS & MAINT SUPERVISOR - WRMD	80058	00111285
ASSOC CIVIL ENGINEER - WRMD	80010	00109544	SENIOR ENGINEERING TECH-WRMD	80060	00014689
ENV COMPLIANCE MGR - WRMD	80017	00117004	SENIOR ENGINEERING TECH-WRMD	80060	00042312
ENGINEERING PROJECT MGR - WRMD	80018	00117021	SENIOR ENGINEERING TECH-WRMD	80060	00056366
EQUIPMENT OPERATOR II-WRMD	80024	00014559	ASSISTANT CIVIL ENGINEER-WRMD	80064	00014668
EQUIPMENT OPERATOR II-WRMD	80024	00014571	ASST ENGINEER - WRMD	80064	00111978
EQUIPMENT OPERATOR II-WRMD	80024	00014582	ACCOUNTING ASSISTANT I - WRMD	80068	00104612
EQUIPMENT OPERATOR II-WRMD	80024	00014596	ACCOUNTING TECHNICIAN I-WRMD	80071	00014500
EQUIPMENT OPERATOR II-WRMD	80024	00014605	SR EQUIPMENT OPERATOR-WRMD	80073	00071933
EQUIPMENT OPERATOR II - WRMD	80024	00115860	SR EQUIPMENT OPERATOR - WRMD	80073	00112731
RECYCLING SPECIALIST II-WRMD	80034	00014625	SR GATE SERVICES ASST-WRMD	80078	00014450
SENIOR CIVIL ENGINEER-WRMD	80038	00026091	URBAN/REGIONAL PLANNER IV-WRMD	80081	00106970
SUPV HAZ WASTE INSPECTOR-WRMD	80040	00105211	ASST GENERAL MANAGER-WRMD	80084	00014643
PROGRAM ADMINISTRATOR-WRMD	80051	00014657	ADMIN SERVICES ANALYST II-WRMD	80089	00014627
PROGRAM ADMINISTRATOR - WRMD	80051	00105983	PRINCIPAL ENGNRG TECH-WRMD	80093	00102198
PROGRAM ADMINISTRATOR - WRMD	80051	00113185	PRINCIPAL ENGNRG TECH-WRMD	80093	00103043
PROGRAM COORDINATOR - WRMD	80053	00106686	SUPV EQUIP PARTS STOREKPR-WRMD	80094	00103484
PROJECTS SUPERVISOR - WRMD	80054	00103956	IT DATABASE ADMIN III - WRMD	80098	00014687
PROJECTS SUPERVISOR - WRMD	80054	00109136	IT SUPV DATABASE ADMIN - WRMD	80099	00014686
CREW LEAD WORKER - WRMD	80056	00108819	IT NETWORK ADMIN III - WRMD	80102	00014684
CREW LEAD WORKER - WRMD	80056	00109131	IT WEB DEVELOPER III - WRMD	80105	00014700

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

Board of Director

(governing body)

of the

Riverside County Waste Resources Management District

(public agency)

on March 2, 2010 which is at least two weeks prior to the adoption of the
(date)

Resolution / Ordinance.



Kecla Harper-Then

Deputy for

Clerk of the Board

Title

Date March 2, 2010

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, March 18, 2010 through September 13, 2010.

Board of Directors
 of the
 Riverside County Waste Resources
 Management District

BY Marion Ashley
 Presiding Officer - Marion Ashley

Attest: KECIA HARPER-IHEM

Amel Shlem
 Clerk/Secretary - Deputy Clerk

March 2, 2010
 Date

2yr certification-PA (Rev. 4/04)