



County of El Dorado

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Legislation Text

File #: 08-0748, Version: 2

Chief Administrative Officer recommending adoption of Resolution **152-2008** to provide an additional designated period for two years additional service credit for certain classifications in the Development Services Department; and authorize Chairman to sign the required Certificate of Compliance for same.

BUDGET SUMMARY:		
Total Estimated Cost		\$25,863
Funding		
Budgeted	\$	
New Funding	\$	
Savings	\$79,333	
Other	\$	
Total Funding Available	\$79,333	
Change To Net County Cost		\$(53,470)

Fiscal Impact/Change to Net County Cost: The estimated amount of net savings to the General Fund for FY 2008-09 is \$53,470. The net savings includes a vacation/sick leave payout of approximately \$23,000. Therefore the savings in FY 2009-10 are estimated at closer to \$76,000.

Background: In accordance with Government Code Sections 20903 and 7507, PERS requires a series of actions in order to provide additional two years of service credit towards retirement. The first action requires public notice of prospective costs. Government Code Section 7507 requires that the cost to provide this benefit be made public at a public meeting at least two weeks prior to the adoption of the Resolution. This public notice was provided to the Board on May 20, 2008 through Agenda Item #31, Legistar Item 08-0748.

The second action requires adoption of a resolution that would provide additional service credit for eligible employees in a specified classification who retire during a designated window period. This resolution would provide two years additional service credit for one employee in a specific classification in Development Services as listed in Attachment A who retire between June 4, 2008 and September 4, 2008.

Reason for Recommendation:

Position Elimination. At its May 20 meeting, the Board of Supervisors adopted a resolution that eliminates 14 FTEs in the Development Services Department. CalPERS representatives advise that one position must be eliminated as a result of the early retirement program.

Fiscal Impact. The total cost associated with the two years additional service credit for the affected eligible employee is estimated at \$29,894. The added cost to the retirement fund will be included in the County's next annual employer contribution rate. Assuming that PERS will earn at least 8.5% on the County's contributions over the next 20 years, the annual cost of the additional two years service credit is estimated at \$3,111.

In addition, there is an actuarial fee of \$10.00 for each eligible member who retired during the designated period. Assuming all affected employees took the early retirement incentive, the cost of this actuarial fee is \$10.

Attachment C shows the savings of implementing this program for FY 2008-09 by salaries only and salaries and associated benefits.

Action to be taken following Board approval:

- The Board Chair signs the Certificate of Compliance and Agreement to the Requirements of Section 20903.
- The Board Clerk certifies the Governing Body's Action.

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Concurrences: