



COUNTY OF SAN MATEO
Inter-Departmental Correspondence
County Manager's Office



Date:	May 21, 2012
Board Meeting Date:	June 5, 2012
Special Notice / Hearing:	None
Vote Required:	Majority

To: Honorable Board of Supervisors
From: John L. Maltbie, County Manager
Subject: Early Retirement in Lieu of Layoffs

RECOMMENDATION:

Adopt a resolution enacting Section 31641.04 of the Government Code enabling otherwise eligible employees in certain classifications to select an early retirement option to minimize layoffs as a result of the Burlingame Long-Term Care transition

BACKGROUND:

Government Code Section 31641.04 permits members of the County Employees' Retirement System to receive one additional year of service credits toward retirement under conditions established by the Board of Supervisors. This code section was enacted on a broad basis in 1988 as a result of curtailment of services and changes in the manner of services. By invoking this code section the number of layoffs as a result of the cost savings was reduced. Since that time, your Board has periodically adopted resolutions that allowed employees in various departments to select the early retirement option to reduce costs and prevent employees from being laid off.

DISCUSSION:

On February 14, 2012 the Board approved not renewing the Burlingame Long Term Care (BLTC) lease when it expires in June 2013. The closure of BLTC will result in the elimination of approximately 200 positions. To decrease the overall impact of the position eliminations, the early retirement option was extended to eligible employees in several impacted classifications. Twenty-three (23) employees in thirteen (13) different classifications listed below have elected the early retirement option contingent upon Board approval:

- Clinical Nurse
- Community Worker II
- Creative Arts Therapist
- Clinical Services Manager I – Nursing

- Custodian
- Licensed Vocational Nurse
- Medical Services Assistant II
- Patient Services Specialist
- Pharmacist
- Public Services Specialist
- Social Work Supervisor
- Supervising Pharmacist
- Therapy Aide

Exercising the early retirement option will reduce the number of layoffs within these classifications. We are recommending that the early retirement option be implemented for the classifications identified above.

Pursuant to Government Code Sections 31516, 7507, and 316141.04, the actuarial certification of the cost to provide the early retirement option was presented for your review on May 22, 2012. County Counsel has reviewed and approved the recommended Resolution as to form.

The adoption of this resolution contributes to the Shared Vision 2025 outcome of a Collaborative Community by ensuring that government decisions and approach to issues are based around fiscal accountability and concern for future impacts.

FISCAL IMPACT:

The cost of early retirement for the 23 employees is \$580,025. Based on the assumption that each one of the employees would have worked for one more year if there was no early retirement incentive, there will be a net salary and benefits savings of approximately \$1,675,779. This is based on annual salary and benefits at a cost of approximately \$2,255,805 million.

Long-term employees who have elected this option will benefit by receiving an additional one-year of service credit in the calculation of pension benefits. The increase in pension benefits will vary person to person. Past calculations have resulted in approximately a 3.5% increase.