



COUNTY OF SAN MATEO
Inter-Departmental Correspondence
County Manager



Date: April 16, 2014
Board Meeting Date: May 6, 2014
Special Notice / Hearing: None
Vote Required: Majority

To: Honorable Board of Supervisors

From: John L. Maltbie, County Manager

Subject: Adoption of Employer and Member Retirement Contribution Rates for FY 2014-2015

RECOMMENDATION:

Adopt a Resolution setting the employer and member contribution rates for the San Mateo County Employees' Retirement Association (SamCERA) for all members and employers for FY 2014-15 in accordance with Government Code Sections 31453 and 31454.

BACKGROUND:

Adoption of the attached Resolution will set employer and member contribution rates as needed for positions covered by all currently existing retirement plans for FY 2014-2015.

The actuarially determined rates are recommended by the Board of Retirement. They have been previously communicated to County staff. This agenda item is to facilitate formal adoption of the rates as required by Government Code Sections 31453 and 31454.

DISCUSSION:

Government Code Section 31453 requires the Board of Retirement to conduct periodic actuarial valuations of the retirement system and to recommend contribution rates to the Board of Retirement. Section 31454 requires the Board of Supervisors, not later than 90 days after the beginning of the immediately succeeding fiscal year, to adjust the rates of interest, the rates of contributions of members, and county, courts, and district appropriations in accordance with the recommendations of the Board of Retirement.

In 2013 the Board of Supervisors and Board of Retirement adopted a Memorandum of Understanding (MOU) regarding retirement system funding. Under the MOU, the County intends to pay an average employer rate that is either the Statutory Contribution Rate (SCR) or 38% of County payroll, whichever is higher. The SCR for the County for fiscal year 2014-2015 is 37.8%. The employer rates for the County, included with this memo for adoption, reflect the average 38% of County payroll rate pursuant to the MOU. The Superior Courts of San Mateo and the San Mateo County Mosquito and Vector Control District (SMCM&VCD) are excluded from the MOU and their contribution rates are as statutorily determined.

The Board of Retirement recommends contribution rates as set forth in the attached resolution and accompanying letter from the SamCERA Chief Executive Officer. The resolution has been reviewed and approved by County Counsel as to form and content.

Approval of this Resolution contributes to the Shared Vision 2025 outcome of a Collaborative Community by managing the financial assets of the County and maintaining the appropriate level of contributions to the retirement fund.

FISCAL IMPACT:

The County's budgeted retirement contributions will approximate \$167.1 million in FY 2014-15. The contributions, based on the 38% blended rate, will approximate \$157.1 million. Most of that is in the General Fund (\$125.1 million). These figures include the amount of employee contributions the County covers pursuant to negotiated MOUs with employee bargaining units, which is approximately \$5.8 million. In addition, the County will contribute \$10 million from the General Fund for the accelerated pay down of the unfunded liability pursuant to the 2013 MOU.