



County of San Mateo

Inter-Departmental Correspondence

Department: COUNTY MANAGER

File #: 21-118

Board Meeting Date: 2/9/2021

Special Notice / Hearing: None
Vote Required: Majority

To: Honorable Board of Supervisors

From: Michael Callagy, County Manager

Subject: Adoption of Employer and Member Retirement Contribution Rates for FY 2021-2022

RECOMMENDATION:

Adopt a resolution setting employer and member contribution rates for the San Mateo County Employees' Retirement Association for all members and employers for fiscal year 2021-2022 in accordance with Government Code Sections 31453 and 31454.

BACKGROUND:

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 Supervisors. 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 contributions of all members and all participating employers in accordance with the recommendations of the Board of Retirement.

Adoption of the attached resolution will set employer contribution rates for FY 2021-2022 for all employers for all plans. In addition, it will set the member contribution rates for all plans.

DISCUSSION:

The Board of Retirement and the SamCERA Chief Executive Officer recommend the contribution rates as set forth in the attached resolution. The rates have been previously communicated to staff of the County, Court and the San Mateo County Mosquito and Vector Control District.

Pursuant to the 2013 Memorandum of Understanding (MOU) regarding retirement system funding, the County may pay more than the Statutory Contribution Rate (SCR) to address its unfunded liability. SamCERA places these payments in a County Supplementary Contribution Account (CSCA). The County's SCR would have increased to 42.68% of payroll for FY 2021-2022, however, when the value of the County's CSCA account is factored in the calculation, the County's contribution rate is reduced to 39.14% of payroll. The MOU requires the County to pay the SCR rate or an estimated 38% of payroll, whichever is higher.

The resolution has been reviewed and approved by County Counsel as to form and content.

FISCAL IMPACT:

The County's budgeted retirement contributions will approximate \$262.3 million in FY 2021-2022. This figure includes the County statutory contribution of \$242.1 million, statutory contributions from non-County funds totaling \$5.0 million (First 5, SamCERA, Local Agency Formation Commission, and County Library), \$5.2 million from the General Fund to meet the 39.14% SCR, and \$10 million from the General Fund for the accelerated pay down of the unfunded liability.