



County of San Mateo

Inter-Departmental Correspondence

Department: COUNTY EXECUTIVE

File #: 24-270

Board Meeting Date: 4/23/2024

Special Notice / Hearing: None
Vote Required: Majority

To: Honorable Board of Supervisors

From: Michael P. Callagy, County Executive's Office

Subject: Adoption of Employer and Member Retirement Contribution Rates for FY 2024-2025

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 2024-2025 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 this Board of Supervisors. Section 31454 requires this 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 this Board of Retirement.

Adoption of the attached resolution will set employer contribution rates for FY 2024-2025 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 management of the County, Court and the San Mateo County Mosquito and Vector Control District.

Pursuant to the County's 2013 Memorandum of Understanding (MOU) regarding retirement system funding, the County may pay more than the Statutory Contribution Rate (SCR) to address the unfunded liability. SamCERA places these payments in the County Supplementary Contribution Account (CSCA). The impact of market performance and the changes SamCERA made to their assumptions and funding methods would have increased the County's SCR to 31.10 percent of payroll for FY 2024-2025, however, when the value of the County's CSCA account is factored in the calculation, the County's contribution rate is reduced to 26.62 percent of payroll, an offset of 4.48

percent of pay.

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

EQUITY IMPACT:

The adoption of the employer and member retirement contribution rates will positively impact the County's ability to continue to provide retirement benefits to all its employees so that retirees will be able to age in place gracefully.

FISCAL IMPACT:

The County's budgeted retirement contributions will approximate \$207.7 million in FY 2024-2025. This figure includes the County statutory contribution of \$193.3 million, statutory contributions from non-County funds totaling \$4.4 million (First 5, SamCERA, Local Agency Formation Commission, and County Library), and \$10 million from the General Fund for the accelerated pay down of the unfunded liability pursuant to the MOU.