



**Contra
Costa
County**

To: Board of Supervisors
From: David Twa, County Administrator
Date: March 15, 2016

Subject: Government Code 7507 - Chief Executive Acknowledgement of Future Costs of Benefits - Proposed Changes for Specific Retirees

RECOMMENDATION(S):

ACCEPT that this Board Order serves as written acknowledgment by the County Administrator (chief executive officer) that he understands the current and future cost of health benefit changes retirees affected by the potential settlement agreement in *Retiree Support Group of Contra Costa County v. Contra Costa County*, as provided by the County's actuary in letter of February 17, 2016 (Attached).

FISCAL IMPACT:

As shown in the valuation, the result of the health plan changes described herein, if implemented for all current retirees affected by the potential *Retiree Support Group* settlement agreement I (from affected bargaining groups SEIU Local 1021, AFSCME Local 2700, Western Council of Engineers, AFSCME Local 512, CCC Defenders Association, CCC Deputy District Attorneys, Probation Peach Officers of CCC, Employees' Association Local 1, IFPTE/AFL-CIO Local 21 and Management Classified & Exempt) and future retirees from those groups will create a \$1.4 million increase in the Annual Required Contribution, a \$346,000 increase in the Normal Cost, and a \$13.2 million increase in the total Actuarial Accrued Liability.

☒ APPROVE

☐ OTHER

☒ RECOMMENDATION OF CNTY
ADMINISTRATOR

☐ RECOMMENDATION OF BOARD
COMMITTEE

Action of Board On: **03/15/2016** ☒ APPROVED AS RECOMMENDED ☐ OTHER

Clerks Notes:

VOTE OF SUPERVISORS

AYE: John Gioia, District I Supervisor
Candace Andersen, District II Supervisor
Mary N. Piepho, District III Supervisor
Karen Mitchoff, District IV Supervisor
Federal D. Glover, District V Supervisor

I hereby certify that this is a true and correct copy of an action taken and entered on the minutes of the Board of Supervisors on the date shown.

ATTESTED: March 15, 2016

David Twa, County Administrator and Clerk of the Board of Supervisors

Contact: Lisa Driscoll, County
Finance Director, 335-1023

By: June McHuen, Deputy

BACKGROUND:

At its meeting on March 1, 2016, the Board of Supervisors accepted an actuarial valuation of future annual costs of negotiated and proposed changes to Other Post Employment Benefits, as provided by the County Actuary in a letter dated February 17, 2016. The Board of Supervisors was informed that Government Code, Section 7507 requires with regard to local legislative boards, that the future costs of changes in retirement benefits or other post employment

BACKGROUND: (CONT'D)

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benefits as determined by the actuary, shall be made public at a public meeting at least two weeks prior to the adoption of any changes in public retirement plan benefits or other post employment benefits. The February 17, 2016 report fulfilled that requirement.

Government Code, Section 7507 also requires that if the future costs (or savings) of the changes exceed one-half of 1 percent of the future annual costs of the existing benefits for the body, an actuary shall be present to provide information as needed at the public meeting at which the adoption of a benefit change shall be considered.

And finally, Section 7507 requires that upon the adoption of any benefit change to which the section applies, the person with responsibilities of a chief executive officer in an entity providing the benefit, however that person is denominated, shall acknowledge in writing that he or she understands the current and future cost of the benefit as determined by the actuary.

As the County Administrator (chief executive officer) and by approving this Board Order, I acknowledge in writing that I understand the current and future cost of the benefit changes presented to you today, as determined by the actuary and contained in the actuary's letter of February 17, 2016.

CONSEQUENCE OF NEGATIVE ACTION:

Delayed implementation of changes to health benefits.

ATTACHMENTS

7507 Report dated 2/17/16