



AGENDA
BENEFITS AND COMPENSATION COMMITTEE
SAN BERNARDINO COUNTY EMPLOYEES' RETIREMENT ASSOCIATION
July 8, 2014
11:00 AM
Board Room
348 West Hospitality Lane, First Floor
San Bernardino, California

PUBLIC NOTICE

Items of interest to the public that are within the subject matter jurisdiction of the Committee may be addressed by the public during the meeting. Persons wishing to address items on the agenda should provide notice to the Secretary of the Committee prior to Committee's discussion of the item. Members of the public may also comment during the Public Comment period at the end of the meeting. Speakers are limited to three minutes.

1. Call meeting to order.
2. Action: Recommend the Board of Retirement approve a budget increase in the amount of \$78,000.00 to accommodate changes to SBCERA personnel costs resulting from changes to employee benefits.
3. Discuss the status of the ongoing compensation study for the Investments Department, including the planned RFP for a compensation consultant.

PUBLIC COMMENT

At this time, the Committee will provide an opportunity for the public to address any subject, within the jurisdiction of the Committee, which is not already scheduled on this agenda. Committee members may respond briefly to statements made or questions posed. They may ask a question for clarification and, through the Chairman, make a referral to staff for factual information or request staff to report back to the Committee at a later meeting. Speakers are limited to three minutes.

ADJOURN

NOTES

The term "Action" in the wording of any Agenda item contained herein serves as notice that the Committee may, in its discretion, dispose of any item by any action in the following non-exclusive list: approve, disapprove, modify, defer, table, take no action, and receive and file.

The Board of Retirement meeting facility is accessible to persons with disabilities. If assistive listening devices or other auxiliary aids or services are needed in order to participate in the public meeting, requests should be made through the Executive Assistant at least three (3) business days prior to the meeting. The Executive Assistant's telephone number is (909) 885-7980, and the office is located at 348 W. Hospitality Lane, Third Floor, San Bernardino, CA.

**REPORT/RECOMMENDATION TO THE
BENEFITS AND COMPENSATION COMMITTEE
OF SAN BERNARDINO COUNTY EMPLOYEES'
RETIREMENT ASSOCIATION**

July 8, 2014

FROM: ELIZABETH JONAS
Human Resources Manager

SUBJECT: Changes to Employee Benefits

RECOMMENDATION: Action: Recommend the Board of Retirement approve a budget increase in the amount of \$78,000.00 to accommodate changes to SBCERA personnel costs resulting from changes to employee benefits.

BACKGROUND INFORMATION: The SBCERA Employment Resolution, Section II, Item #C. states:

Benefits. SBCERA has established a Memorandum of Understanding (MOU) with San Bernardino County to provide benefits and payroll services to SBCERA EMPLOYEES, and EMPLOYEES shall receive the same County benefits as a County employee in the same or similar classification."

On June 24, 2014, the San Bernardino County Board of Supervisors approved a 3-year agreement (MOU) between San Bernardino County and the San Bernardino Public Employees Association (SBPEA) effective June 28, 2014. Because SBCERA employee benefits, unless otherwise specified, are tied to and follow changes in County MOUs from similar classifications, the benefit changes in the agreement directly impacts the benefits of SBCERA employees in the same or similar classifications. In this case, affected SBCERA employees are in the General benefit group only, which includes Administrative Services, Clerical, Technical & Inspection and Supervisory units (36 employees). Based on staff review of the agreement, the impact to those employees is as follows:

1. Vacation Cash-Out:

Employees who used at least 80 hours of vacation leave during the preceding calendar year will be permitted to elect to cash-out up to 60 hours from the next year's vacation leave accruals.

2. Medical Premium Subsidy (MPS) for FY 2014/2015, for grandfathered employees only (hired on or before 7/15/1993):

- a. The MPS for Employee-Only coverage will increase as follows:
 - i. Kaiser – increased from \$190 to \$230.25 per pay period (affects 4 employees)
 - ii. Blue Shield – increased from \$190 to \$194.90 per pay period (affects 1 employee)

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- b. The MPS previously paid as pensionable Flexible Benefit Plan dollars (FBP\$) will be converted to MPS pre-tax deductions to offset benefit costs only, and cannot be received as a cash benefit (affects 6 employees).

3. MPS beginning in FY 2015/2016:

- a. The MPS will increase approximately 3% as follows (affects 16 employees):
 - i. Employee + 1 coverage, MPS increased from \$324.83 to \$334.57
 - ii. Employee + 2 coverage, MPS increased from \$459.64 to \$473.43

4. MPS upon County Board of Supervisor approval:

- a. New hires in all units stated above to receive MPS equal to:
 - i. Employee Only coverage - \$194.90
 - ii. Employee + 1 coverage - \$324.83
 - iii. Employee + 2 coverage - \$459.64

5. Overtime:

- a. Sick leave that is not pre-approved and any sick leave used by employees on leave restriction will not be considered as time actually worked for the purpose of calculating overtime.

There are other provisions of the County's MOU agreement which will not affect SBCERA staff but are included in the attached summary for your reference. The most significant of these is the elimination of employer pick-up of 7% of the employee's retirement contribution for eligible employees. This change does not affect SBCERA employees because SBCERA provides this benefit pursuant to an explicit provision of SBCERA's employment resolution, and not merely by reference to the County's benefit structure.

These changes do not impact SBCERA employees in the Exempt benefit group (15 current employees plus two vacant positions).

BUDGET IMPACT: Costs for this item were not included in the FY 2014/2015 administrative and non-administrative expenditure budgets. The use of contingency funds in the amount of \$71,000 will be required to fund this item on the administrative expenditure budget, and a budget increase of \$7,000 will be required to fund this item on the non-administrative expenditure budget.

ATTACHMENT: Yes

PRESENTER: Elizabeth Jonas

**Other Changes to San Bernardino County's General MOU
Not Affecting SBCERA Staff**

Additional 2.5% step added to the salary range for all classifications, effective July 2014
\$1,750 signing bonus effective upon ratification of the MOU
Effective 6/28/14 eliminate County retirement pick up of employee's share of retirement (7%)
Effective upon BOS approval, reduce step increments from two steps to one for all remaining employees
Differentials - Unit/Assignment Differentials: After Hours Hotline Supervisor Differential, Inpatient Assignment Compensation, Laboratory Technologist Night Standby Duty Pay, ARMC Custodian Assignment Differential, Clinical Therapists Detention Facilities Differential, General Maintenance Mechanics Juvenile Det. Differential, Sheriff's Aviation Mechanic Inspection Authorization Differential, Probation Division Director Juvenile Hall Differential, Child Abuse Hotline Weekend Day Differential, Child Abuse Hotline Child Welfare Service Manager After Hours Assignment Differential, and High Voltage Differential
Differentials - Add Classifications to Inpatient Assignment Compensation
Differentials - Add Classifications to Medical Support Weekend
Differential (New) - Dispatcher Post Certification
Differential (New) - Class "A" License
Differential (New) - Sheriff Maintenance Mechanic
\$20,000 increase in Technical & Inspection Unit Reimbursement Fund
Up to \$125.00 increase in Uniform Allowance
Up to \$100.00 increase in Tool Allowance
\$100.00 Boot/Special Footwear Allowance

**REPORT/RECOMMENDATION TO THE
BENEFITS AND COMPENSATION COMMITTEE
OF SAN BERNARDINO COUNTY EMPLOYEES'
RETIREMENT ASSOCIATION**

July 8, 2014

FROM: Gary A. Amelio
Chief Executive Officer

SUBJECT: Update on Compensation Study for the Investments Department

RECOMMENDATION: Discuss the status of the ongoing compensation study for the Investments Department, including the planned RFP for a compensation consultant.

BACKGROUND INFORMATION: At its meeting on April 3, 2014, the Board of Retirement directed staff to conduct a study evaluating the appropriateness of the current pay scale and structures for professional positions in the Investments Department, and to return to the Benefits and Compensation Committee with a report and recommendation. Upon assuming my position in early May, with the support of senior staff, we began to develop the desired study. As a result of the preliminary work on this review, we believe this study would best be produced with the assistance of a professional compensation consultant. Consequently, staff has developed a Request for Proposal to procure the services of such a firm. The purpose of this item is to inform the Committee and the Board that this RFP will be released in the near future. If the RFP results in the receipt of at least one quality proposal from a qualified firm offering services at a reasonable price, staff will return to the Board with a report on the RFP results and will seek permission to contract with such firm.

The release of an RFP does not bind SBCERA to any contractual or other obligation. Therefore, this item is merely informational at this stage.

ADMINISTRATIVE BUDGET IMPACT: None.

ATTACHMENTS: No.

PRESENTER: Gary A. Amelio, CEO

