



COUNTY OF NEVADA

DEPARTMENT OF HUMAN RESOURCES

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NEVADA COUNTY BOARD OF SUPERVISORS

Board Agenda Memo

MEETING DATE: April 25, 2023

TO: Board of Supervisors

FROM: **Steven Rose, Director of Human Resources**

SUBJECT: Resolution of Intention to Approve an Amendment to Contract Between the Board of Administration California Public Employees' Retirement System and the Board of Supervisors County of Nevada

RECOMMENDATION: Approve the attached resolution.

FUNDING: Government Code Section 7507 requires that the future annual costs and benefits of the proposed contract amendment be made public at a public meeting at least two weeks prior to the adoption of the final Ordinance.

<u>From</u>	<u>To</u>
Tier One Miscellaneous (2.7@55)	Tier Two Safety (3@55)
Tier Two Miscellaneous (2@60)	Tier Two Safety (3@55)
Tier Three Miscellaneous (2@62)	Tier Three Safety (2.7@57)

The proposed change would result in first year payroll cost increase of approximately \$365,000.

BACKGROUND: On June 8, 2021, per Resolution 21-204, the Nevada County Board of Supervisors approved the General Unit Memorandum of Understanding which included a provision to move the Correctional Officer series (Correctional Officer I, Correctional Officer II and Correctional Sergeant) from the miscellaneous retirement plan to the safety retirement plan. Additionally, on June 6, 2022, the County and the Management Employees Association signed a side letter of agreement to move the Correctional Lieutenant classification from the miscellaneous retirement plan to the safety retirement plan.

With Section 20439 of the California Public Employees' Retirement Law our miscellaneous members in the Correctional Officer suite of classifications will have different retirement formulas applied to their retirement calculation. Currently, the formulas in the miscellaneous retirement plan provide for calculations equal to 2.7% @55, 2% @60, and 2% @62. Under the safety retirement system, the retirement formulas which would apply to eligible employees are 3@55 and [2.7@57](#). Employees in the 2.7@55 and 2@60 miscellaneous tiers would move to the 3@55 safety

tier. Employees in the 2@62 miscellaneous tier would move to the 2.7@57 safety tier. A total of sixty employees are affected by this change as follows:

Miscellaneous Retirement Plan Distribution of Correctional Officer Staff

	<u>Number</u>	<u>Employer Normal Cost</u> <u>As of 7.9.23</u>	<u>Employee Cost</u> <u>As of 7.9.23</u>
Tier One Miscellaneous (2.7@55)	22	11.39%	10.585%
Tier Two Miscellaneous (2@60)	01	11.39%	7.000%
Tier Three Miscellaneous (2@62)	37	11.39%	8.500%

Proposed Safety Retirement Plan Distribution of Correctional Officer Staff

	<u>Number</u>	<u>Employer Normal Cost</u> <u>As of 7.9.23</u>	<u>Employee Cost</u> <u>As of 7.9.23</u>
Tier One Safety (3% @50)	0	29.09%	9.000%
Tier Two Safety (3% @55)	23	24.79%	9.000%
Tier Three Safety (2.7@57)	37	14.50%	14.500%

CalPERS has approved the classifications of Correctional Officer I, II, Sergeant and Lieutenant for eligibility in the safety retirement system. The County has begun the contract amendment process with PERS and this Resolution of Intention is the next required action. A PERS confirmation vote by the affected staff is required in order for this benefit to be implemented and voting will be held on April 18, 20, 25 and 27, 2023.

Your consideration of this matter is appreciated.