



24-5250

DATE: April 16, 2024 (Item No. {{item.number}})

TO: Board of Supervisors

FROM: James R. Williams, County Executive

SUBJECT: County of Santa Clara Pay Schedule Update

RECOMMENDED ACTION

Approve County of Santa Clara Public Pay Schedule relating to compensation changes through February 5, 2024.

FISCAL IMPLICATIONS

There are no fiscal implications associated with the recommended action.

CONTRACT HISTORY

On July 1, 1945, the County entered into a contract with the California Public Employees' Retirement System (CalPERS) to provide defined benefit pension plans for the County's coded safety and miscellaneous employees. CalPERS is the largest public pension system in the U.S., managing more than \$470 billion in assets for more than 2,800 California employers.

In addition to providing defined benefit pension plans, the County contracts with CalPERS to invest in the California Employers' Retiree Benefit Trust (CERBT) Fund. The CERBT Fund is a Section 115 Trust set up for the purpose of receiving employer contributions that will prefund health and other post-employment benefit costs for retirees and their beneficiaries.

REASONS FOR RECOMMENDATION AND BACKGROUND

CalPERS recommends the County adopt a unified pay schedule consistent with California Code of Regulations (CCR) section 570.5. As a result, Administration will regularly present to the Board of Supervisors an updated County of Santa Clara Pay Schedule for approval and adoption based on Board-approved salary ordinance amendments.

Administration recommends the Board of Supervisors approve and adopt the attached pay schedule that includes:

- Effective February 5, 2024, the Board approved Salary Ordinance NS-5.24.41 relating to the compensation changes for the classification of Optometrist.

If approved, this pay schedule will become available for public posting and will be kept publicly available for five years in compliance with CCR 570.5.

Administration responds to regular requests from CalPERS to validate employee compensation so they can accurately calculate a retiring employee's retirement benefit. The County documents employee compensation using the following methods:

- Master Salary Ordinance (MSO) that is approved by the Board of Supervisors once a year;
- Salary tables included within the Memoranda of Agreement with the County's labor organizations;
- Salary ordinance amendments that amend the MSO throughout the year; and
- Basic Salary Plan, which is an online document that pulls pay information from the County payroll system.

Previously, CalPERS accepted the MSO or Memoranda of Agreement with the County's labor organizations as valid confirmation for employee pay rates.

In 2023, a review of final compensation rates conducted by CalPERS led CalPERS to request the County adopt a unified pay schedule consistent with CCR section 570.5.

While the MSO can be used to validate pay rates, it is only valid for those pay rates that are not changed during the year after the MSO was approved by the Board. CalPERS does not accept changes to salary approved through salary ordinance amendments that do not include the compensation rates for all County classifications, even though those amendments include the specific pay rates being adjusted.

CHILD IMPACT

The recommended action will have no/neutral impact on children and youth.

SENIOR IMPACT

The recommended action will have no/neutral impact on seniors.

SUSTAINABILITY IMPLICATIONS

The recommended action will have no/neutral sustainability implications.

CONSEQUENCES OF NEGATIVE ACTION

A negative action will result in failure to provide CalPERS with a compliant publicly available pay schedule and may result in an employee's retirement benefit being delayed or calculated based on a lower pay rate.

STEPS FOLLOWING APPROVAL

The Clerk of the Board of Supervisors will notify Rhonda Schmidt, Employee Benefits Department, Employee Services Agency.

ATTACHMENTS:

- County of Santa Clara Pay Schedule Effective 02 05 2024