

**Resolution No.
Sonoma County Administration Building
Santa Rosa, CA 95403**

Date: June 2, 2009

CONCURRENT RESOLUTION OF THE BOARD OF SUPERVISORS OF THE COUNTY OF SONOMA, THE BOARD OF DIRECTORS OF THE SONOMA COUNTY WATER AGENCY, THE BOARD OF COMMISSIONERS OF THE COMMUNITY DEVELOPMENT COMMISSION, THE BOARD OF DIRECTORS OF THE NORTHERN SONOMA COUNTY AIR POLLUTION CONTROL DISTRICT, AND THE BOARD OF DIRECTORS OF THE SONOMA COUNTY IN-HOME SUPPORTIVE SERVICES (IHSS) PUBLIC AUTHORITY, ADOPTING THE ANNUAL EMPLOYER SUPPLEMENTAL RATE FOR FUNDING OF OTHER POST EMPLOYMENT BENEFITS (OPEB) COST FOR FISCAL YEAR 2009-2010.

WHEREAS, since 1986, the Board of Supervisors has annually by resolution, approved a supplemental rate for the employer portion of the County Retirement contribution rate to fund the annual employer costs for retiree medical insurance for all county departments, agencies and programs. This annual amount was previously determined the Sonoma County Employees Retirement Association (SCERA). The current rate for FY 2008/09 is 7.50% and was previously adopted by the Board, by Resolution No. 08-0560 on June 17, 2008.

WHEREAS, beginning in 2006, the County has been evaluating the financial impact of the requirements under the Governmental Accounting and Standards Board (GASB) for financial reporting of the County's Other Post Employment Benefits (OPEB) Nos. 43 and 45: and

WHEREAS, the Sonoma County Board of Supervisors reviewed and accepted the 2008 valuation report (valued as of 6/30/07) on June 17, 2008, placing the County's unfunded liability for the cost of retiree medical or OPEB at \$414 million, with an Annual Required Contribution (ARC) of \$37 million or 12.92% of payroll, an addendum to that report provided the OPEB liability for converting to a maximum OPEB ARC of under 7.5% of payroll based upon \$500 per month County contribution including the 5 year phase in and Medicare Part B reimbursements of \$98 a month; and

WHEREAS, by Resolution No. 08-0712 adopted on August 19, 2008, the Board of Supervisors agreed to various changes to active employee and retiree medical, including establishing a flat dollar amount of \$500 per month for active and retiree medical contribution. To mitigate the impact of this change, this action included a phase-in for retirees only over a five year period, of the County's contribution down to \$500 per month, in consideration of the impact of changing the County's contribution for beginning June 2009 and ending June 2013; and

WHEREAS, the County's proposed budget for Fiscal Year 2009-2010 includes a supplemental retirement medical insurance contribution rate of 7.5% of salary, and

WHEREAS, these costs are appropriately distributed to all County departments, agencies and programs, who will seek reimbursement for all appropriate and reasonable costs from various State and Federal, funded programs.

NOW, THEREFORE, BE IT RESOLVED that the annual employer supplemental rate for funding of Other Post Employment Benefits (OPEB) will be charged to all County departments, agencies, districts and programs, at the rate of 7.5% of payroll and will be effective on the first full pay period in July 2009, or as soon as considered practicable.

Supervisors:

Brown: Kerns: Zane: Carrillo: Kelley:

Ayes: Noes: Absent: Abstain:

SO ORDERED

**Resolution No.
Sonoma County Administration Building
Santa Rosa, CA 95403**

Date:

RESOLUTION OF THE BOARD OF DIRECTORS OF THE SONOMA COUNTY AGRICULTURAL PRESERVATION AND OPEN SPACE DISTRICT ADOPTING THE ANNUAL EMPLOYER SUPPLEMENTAL RATE FOR FUNDING OF OTHER POST EMPLOYMENT BENEFITS (OPEB) COST FOR FISCAL YEAR 2009-2010.

WHEREAS, since 1986, the Board of Supervisors has annually by resolution, approved a supplemental rate for the employer portion of the County Retirement contribution rate to fund the annual employer costs for retiree medical insurance for all county departments, agencies and programs. This annual amount was previously determined by the Sonoma County Employees Retirement Association (SCERA). The current rate for FY 2008/09 is 7.50% and was previously adopted by the Board, by Resolution No. 08-0560 on June 17, 2008.

WHEREAS, beginning in 2006, the County has been evaluating the financial impact of the requirements under the Governmental Accounting and Standards Board (GASB) for financial reporting of the County's Other Post Employment Benefits (OPEB) Nos. 43 and 45: and

WHEREAS, the Sonoma County Board of Supervisors reviewed and accepted the 2008 valuation report (valued as of 6/30/07) on June 17, 2008, placing the County's unfunded liability for the cost of retiree medical or OPEB at \$414 million, with an Annual Required Contribution (ARC) of \$37 million or 12.92% of payroll, an addendum to that report provided the OPEB liability for converting to a maximum OPEB ARC of under 7.5% of payroll based upon \$500 per month County contribution including the 5 year phase in and Medicare Part B reimbursements of \$98 a month; and

WHEREAS, by Resolution No. 08-0712 adopted on August 19, 2008, the Board of Supervisors agreed to various changes to active employee and retiree medical, including establishing a flat dollar amount of \$500 per month for active and retiree medical contribution. To mitigate the impact of this change, this action included a phase-in for retirees only over a five year period, of the County's contribution down to \$500 per month, in consideration of the impact of changing the County's contribution for beginning June 2009 and ending June 2013; and

WHEREAS, the County's proposed budget for Fiscal Year 2009-2010 includes a supplemental retirement medical insurance contribution rate of 7.5% of salary, and

WHEREAS, these costs are appropriately distributed to all County departments, agencies and programs, who will seek reimbursement for all appropriate and reasonable costs from various State and Federal, funded programs.

NOW, THEREFORE, BE IT RESOLVED that the annual employer supplemental rate for funding of Other Post Employment Benefits (OPEB) will be charged to all County departments, agencies, districts and programs, at the rate of 7.5% of payroll and will be effective on the first full pay period in July 2009, or as soon as considered practicable.

Supervisors:

Brown: Kerns: Zane: Carrillo: Kelley:

Ayes: Noes: Absent: Abstain:

SO ORDERED