



SPECIAL BOARD MEETING

January 15, 2024 / 4:00 PM - 5:00 PM
MINUTES

- I. CALL TO ORDER
 - A. Meeting called to order at 4PM by Jim Ritchie,
- II. ROLL CALL
 - A. **Board Present:** J. Walsh - Director, S. Greene - Director, J. Ritchie - Acting Board Chairman, M. White - Director (attending remotely)
 - B. **Staff Present:** J. Peri — Chief; C. Crosby — Administrative Specialist
- III. ADOPTION OF AGENDA
 - A. Agenda adopted by all present.
- IV. PUBLIC EXPRESSION
 - A. N. Ferrari expressed his appreciation to the Board for considering the CalPERS resolution. Getting the CalPERS retirement plan will be a big deal and this an exciting time for both existing employees and potential employees
 - B. M. White mentioned that a pension plan has been discussed for the last 20 years. Thanks to all for putting it together and getting it in a position to adopt.
- V. NEW BUSINESS
 - A. Receive updated budget projection from Fire Chief J. Peri
 1. Current District retirement plan
 - a) District offers a 457 B plan where the District contributes 10%
 - b) District and Employee both contribute 6.2% of wages to Social Security
 2. District retirement with Calpers
 - a) District will contribute 13.75% of base for Safety, and 7.68 for Miscellaneous
 - b) District will no longer contribute to the 457 B, but employees are able to still add to their existing accounts
 - c) District and Employees will NOT contribute to Social Security going forward.
 - d) CalPERS contributions go into a pool where investment gains contribute to the eventual pension.
 - e) Discussion of which other Districts are currently offering CalPERS.
 3. How CalPERS supports the 5 year plan
 - a) Recruitment - candidates expect and desire the industry standard level of retirement benefits
 - b) Retention - Offering good benefits will keep firefighters happy
 4. How CalPERS will affect the numbers
 - a) Short term impact 2023/2024. Increasing from 10% to 13.75% for safety (+\$21K per year)
 - b) Decreasing for Miscellaneous from 10% to 7.68% (-\$6K per year)

- c) SS will be eliminated (-\$44K per year)
- d) Budget adopted in July 2023, but 3 positions started in October, so money put aside for CalPERS was saved
- e) No deficit expected in current budget
- f) Long term liability (UAL)
 - (1) Adjustments in the market. If the CalPERS does not meet its projected percentages, the District will be responsible for making up the difference.
 - (2) District will not be allowed to buy back prior service, so no UAL in that category.
 - (3) Very small possibility of District liability for new employees who come to the SBFPD with prior employment who had been paid at a higher rate.
- 5. Impacts to Employees
 - a) Currently Employees do not need to contribute to the 457b plan. With CalPERS Employees must match the District contribution (Safety 13.75% and Misc 7.68%.)
 - b) Employees will not get a SS contribution from the District.
 - c) Significantly better retirement plan in the end.
- 6. To be discussed
 - a) District could decide to contribute more than the required amounts to help offset employee contributions.
- 7. Agreeing tonight on the Resolution of Intention
 - a) This says that we are serious and plan to move forward
- 8. Next steps
 - a) Hold employee elections
 - b) Wait 20 days to pass the final Resolution. During the 20 days the Board will have the opportunity to ask questions or withdraw from the process
 - c) CalPERS would start on 2/11/24 - the beginning of a payroll
 - d) Request by J. Walsh that we have the CalPERS Contract and Actuarial Valuations reviewed. J. Peri put forward Craig Hill from NHA. Staff will be checking in with Craig on January 16.
 - (1) Board approved a not to exceed amount of \$1,500 to get an analysis by NHA done by February 5. All in agreement.
- B. Review and adopt CalPERS Resolution of Intention*
 - 1. J. Ritchie moved to approve the Resolution of Intention to go forward with the CalPERS process..
 - a) 3 Votes in favor. 2 Members did not vote (but expressed their approval). No Nays.
 - b) J. Ritchie signed the CalPERS Resolution of Intention as acting Board Chairman.

VI. MEETING ADJOURNMENT

- A. J. Walsh moved to adjourn the meeting at 5:00 PM. M. White seconded the motion.

*Action item

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