

**REPORT/RECOMMENDATION TO THE BOARD OF SUPERVISORS
OF SAN BERNARDINO COUNTY
AND RECORD OF ACTION**

June 28, 2022

FROM

ENSEN MASON, Auditor-Controller/Treasurer/Tax Collector

SUBJECT

Annual Employer Retirement Contribution Advance Payment

RECOMMENDATION(S)

Authorize the San Bernardino County Auditor-Controller/Treasurer/Tax Collector to make an advance payment of \$313,037,992 to the Board of Retirement within 30 days after the commencement of the fiscal year for San Bernardino County's estimated annual retirement contribution for 2022-23.

(Presenter: Tori Roberts, Assistant Auditor-Controller/Treasurer/Tax Collector, 382-7005)

COUNTY AND CHIEF EXECUTIVE OFFICER GOALS & OBJECTIVES

Operate in a Fiscally-Responsible and Business-Like Manner.

Ensure Development of a Well-Planned, Balanced, and Sustainable County.

Pursue County Goals and Objectives by Working with Other Agencies.

FINANCIAL IMPACT

The total County General Fund retirement contribution for 2022-23 is estimated to be \$323,661,600 discounted by \$10,623,608 (for a simple interest discount rate of 2.53%, after reduction for the foregone estimated treasury earnings of \$2,433,080) for the prepayment amount of \$313,037,992.

BACKGROUND INFORMATION

Government Code Section 31582(b) allows San Bernardino County (County) to make an advance payment of all or part of the County's estimated annual retirement contribution, provided that the payment is paid within 30 days after the commencement of the County's fiscal year. The County has taken advantage of this advance payment option in the past, prepaying the General Fund contribution to the Board of Retirement (BOR) for the entire fiscal year. The prepaid amount is discounted by the BOR, resulting in savings to the General Fund.

The County has calculated a discount of \$10,623,608 to the General Fund for fiscal year 2022-23. The Auditor-Controller/Treasurer/Tax Collector and the County Administrative Office analyzed the financial impact of prepaying the retirement contribution and have determined that the County will benefit from the transaction.

The estimated retirement contribution of \$323,661,600 and related discount amount of \$10,623,608 are estimates and may change. Any benefit or loss realized by the BOR as a result of the retirement advance payment will be incorporated into the County's employer's contribution rates, thus ultimately accruing to the County.

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PROCUREMENT

N/A

REVIEW BY OTHERS

This item has been reviewed by San Bernardino County Employees' Retirement Association (Debby Cherney, Chief Executive Officer; Barbara Hannah, Chief Counsel, and Amy McInerney, Chief Financial Officer; 915-2028) on May 25, 2022; County Counsel (Kristina M. Robb, Principal Assistant County Counsel, 387-5455) on May 25, 2022; and County Finance and Administration (Amanda Trussell, Principal Administrative Analyst, 387-4773, and Matthew Erickson, County Chief Financial Officer, 387-5423) on June 14, 2022.

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June 28, 2022**

Record of Action of the Board of Supervisors
San Bernardino County

APPROVED (CONSENT CALENDAR)

Moved: Janice Rutherford Seconded: Col. Paul Cook (Ret.)
Ayes: Col. Paul Cook (Ret.), Janice Rutherford, Dawn Rowe, Joe Baca, Jr.
Absent: Curt Hagman

Lynna Monell, CLERK OF THE BOARD

BY 
DATED: June 28, 2022



cc: File - Auditor-Controller/Treasurer/Tax Collector
CCM 07/18/2022