

To: Board of Supervisors
From: Ted Cwiek, Human Resources Director
Date: August 14, 2012



Contra
Costa
County

Subject: Resolution No. 2012/348 Approving the Side Letter with the Coalition Unions to allow a Deferred Compensation Loan Program

RECOMMENDATION(S):

ADOPT Resolution No. 2012/348 approving the Side Letter between Contra Costa County and AFSCME 512, AFSCME 2700, Public Employees Union, Local 1, SEIU 1021, and Western Council of Engineers (“Coalition Unions”) allowing the members of these bargaining units to participate in the County’s Deferred Compensation - Loan Program.

FISCAL IMPACT:

There is no Fiscal impact to the County.

BACKGROUND:

On September 13, 2011, the Board of Supervisors referred to the Internal Operations Committee for review and consideration a proposed amendment to the County Deferred Compensation Plan to include a loan provision for plan participants.

On October 25, 2011, the Internal Operations Committee directed the Human Resources Department staff to develop a proposal for implementing a loan provision for plan participants.

APPROVE

OTHER

RECOMMENDATION OF CNTY ADMINISTRATOR

RECOMMENDATION OF BOARD COMMITTEE

Action of Board On: 08/14/2012

APPROVED AS RECOMMENDED

OTHER

Clerks Notes:

VOTE OF SUPERVISORS

AYES

NOES

ABSENT

ABSTAIN

RECUSE

I hereby certify that this is a true and correct copy of an action taken and entered on the minutes of the Board of Supervisors on the date shown.

ATTESTED: August 14, 2012

David J. Twa, County Administrator and Clerk of the Board of Supervisors

By: June McHuen, Deputy

Contact: Ted Cwiek, Human Resources Director (925) 335-1768

cc: David Twa, Rober Campbell, Ted Cwiek

BACKGROUND: (CONT'D)

On February 13, 2012, the Internal Operations Committee reviewed and considered parameters for the loan provision as recommended by the Deferred Compensation Plan Advisory Committee. The Internal Operations Committee accepted the parameters of the loan provision and forwarded it to the Board of Supervisors for consideration.

On June 26, 2012, the Board of Supervisors adopted Resolution No. 2012/298 approving an amendment to the Contra Costa County Deferred Compensation Plan establishing a Loan program (provision).

The primary components of the loan program are:

- Loan type: General Purpose Loans.
- Loan term: 1 to 5 years.
- Loan minimum: \$1,000.
- Loan maximum: The loan may not exceed the lesser of \$50,000 or 50% of the participant's vested account balance.
- Loan interest rate: Prime plus 1%. (See Attachment, 2012 Loan Rate Information Fax Sheet.)
- Loan Repayment: Occurs via payroll deduction on or about the 10th of each month.
- Outstanding Loans: Each participant is limited to one active loan at a time.

On July 26, 2012 and August 2, 2012, the Coalition Unions and the County met and conferred and developed a side letter allowing the members of the Coalition Unions to participate in the Deferred Compensation Plan's Loan Program effective September 1, 2012.

The Side Letter is attached.

CONSEQUENCE OF NEGATIVE ACTION:

The County will not be able to offer this program to the employees represented by the Coalition Unions.

CHILDREN'S IMPACT STATEMENT:

none.