



**COUNTY OF
SAN BERNARDINO**

BOARD OF SUPERVISORS

Brad Mitzelfelt *First District*
Paul Biane, Chair.....*Second District*
Dennis Hansberger *Third District*
Gary Ovitt, Vice-Chair *Fourth District*
Josie Gonzales *Fifth District*

March 12, 2008

The Honorable Gloria Negrete McLeod
32nd Senate District
State Capitol
Sacramento, CA 95814

RE: SB 1586 (Negrete McLeod)– As introduced February 28, 2008 - **SUPPORT**

Dear Senator Negrete McLeod:

The San Bernardino County Board of Supervisors supports SB 1586. This bill would authorize the County’s board of retirement to establish a fund for the collective investment of assets held by public agencies solely to provide health benefits to former or retired employees of any local public agency and their dependents.

Local agencies have essentially two investment choices: CALPERS or Wall Street. This legislation will give the County and local agencies a third option to manage assets set aside to pay future “Other Post Employment Benefits” liabilities. Additionally, this legislation allows other public agencies to take advantage of this investment option, and it provides a cost-effective investment choice unavailable under current state law.

By allowing the County’s retirement board to combine assets members set aside to provide for retiree health benefits, this legislation will allow the board to take advantage of economies of scale. The board of retirement can also utilize existing investment expertise to reduce the cost of funding health benefits, thus increasing the security of public retirees and their dependents.

For these reasons, the Board of Supervisors of San Bernardino County joins the Chairman of the Public Employee Post-Employment Benefits Commission’s recommendation in support of SB 1586.

Sincerely,

PAUL BIANE
Chairman, Board of Supervisors

cc: Marvin Reitman
Chairman, Board of Trustees
SBCERA

The mission of the government of the County of San Bernardino is to satisfy its customers by providing service that promotes the health, safety, well being, and quality of life of its residents according to the County Charter, general laws, and the will of the people it serves.