

EL DORADO LAFCO

LOCAL AGENCY FORMATION COMMISSION

AGENDA OF DECEMBER 5, 2012

REGULAR MEETING

TO: Ron Briggs, Chair, and
Members of the El Dorado County Local Agency Formation
Commission

FROM: José C. Henríquez, Executive Officer

AGENDA ITEM #9: PUBLIC HEARING TO CONSIDER AND ADOPT THE
CONTRACT BETWEEN EL DORADO LAFCO AND THE
CALIFORNIA PUBLIC RETIREMENT SYSTEM

RECOMMENDATION

Staff recommends that the Commission approve Resolution L-2012-13, which signifies LAFCO's consent to enter into a contract with the California Public Employees Retirement System and authorize the Chair to sign the contract with CalPERS and the Reallocation Agreement between the County, CalPERS and LAFCO.

REASON FOR RECOMMENDED ACTION

This is the final step for El Dorado LAFCO to enter into a contract with CalPERS, which gives the Commission the ability to offer retirement benefits as well as provide the mechanism to tailor benefits to future employees.

BACKGROUND

If the Commission recalls, LAFCO does not currently have its own contract with CalPERS. This was not a problem until CalPERS moved to a new automated reporting system in the Fall of 2011. Once this occurred, the retirement funds for LAFCO employees were lumped in with the County of El Dorado's retirement funds. At the October meeting, the Commission adopted a resolution of intention to adopt a contract with CalPERS. This action was the first of three steps that are needed to implement the contract. The second step was for employees to elect to enroll into CalPERS, as well as accepting the "1959 Survivor Benefits program, Level 4." It also was completed on October 29, 2012 with all employees voting affirmatively.

In this last step, the Commission approves the attached contract as well as a "Reallocation Agreement" with the County and CalPERS. The latter involves moving

the existing retirement funds for LAFCO employees out of the County's account into LAFCO's own account. LAFCO staff is working with the County's Risk Management Agency to have the Board of Supervisors also approve the agreement.

Contract Highlights

The full contract is attached to this memo as Exhibit A to Attachment A. As was explained in October, the contract contains a retirement formula of 2% @ 55, with "One-Year Final Compensation," public service credit for California Senate Fellows, Assembly Fellowship, Executive Fellowship, or Judicial Administration Fellowship Programs and "Two Years Additional Service Credit" with 100% prior service for local miscellaneous members. According to the actuarial report (refer to Attachment B), LAFCO's unfunded liability is significantly lower, resulting in a lower employer of 12.89% for Fiscal Year 2012-2013.

The Fiscal Year 2012-2013 contract costs as shown below. Please recall that under the Commission's Policies and Guidelines, the employee share of the current set of employees is also paid for by LAFCO. The total retirement benefits costs are included in the LAFCO budget:

	<i>LAFCO Contract</i>
<i>Total Budgeted Payroll</i>	\$212,947
<i>Employer Rate</i>	12.89%
<i>Employer Share</i>	\$27,449
<i>Employee Share (7%)</i>	\$12,173
<i>Total Contract Cost</i>	\$39,622
<i>LAFCO Budget</i>	\$49,226

Attachments

- Attachment A: LAFCO Resolution L-2012-13: Resolution Authorizing a Contract Between the Board of Administration – California Public Employees Retirement System and the Commission – El Dorado Local Agency Formation Commission
- Attachment B: LAFCO's Actuarial Report
- Attachment C: LAFCO Reallocation Agreement With the County of El Dorado and the California Public Employees Retirement System