

EL DORADO LAFCO

LOCAL AGENCY FORMATION COMMISSION

AGENDA OF APRIL 24, 2013

REGULAR MEETING

TO: Don Mette, Chair, and
Members of the El Dorado County Local Agency Formation
Commission

FROM: José C. Henríquez, Executive Officer

AGENDA ITEM #4D: CONTINUED PUBLIC HEARING TO CONSIDER AND ADOPT
A RESOLUTION OF INTENTION TO APPROVE A
CONTRACT BETWEEN EL DORADO LAFCO AND THE
CALIFORNIA PUBLIC RETIREMENT SYSTEM

RECOMMENDATION

Staff recommends that the Commission continue to the May meeting the public hearing to consider and adopt the Resolution of Intention to Approve a contract with CalPERS.

REASON FOR RECOMMENDED ACTION AND BACKGROUND

As indicated in March, there are numerous issues surrounding the CalPERS contract that have yet to be resolved. The Commission had requested two more actuarial reports that have not been completed by CalPERS. The County had requested changes to the Reallocation Agreement that have been forwarded to CalPERS' legal department, and the latter has not finished its review of the requested changes. In addition, the Commission had directed staff to negotiate an indemnity agreement with the County. Preliminary discussions on indemnity have started, but have not been completed because they are dependent on the final CalPERS contract as well as the amended Reallocation Agreement, assuming CalPERS legal signs off on the requested changes.

As the Commission is aware, CalPERS instructed LAFCO to stop making payments into its system. In the March meeting, the Commission formed an ad hoc committee to meet with the County and devise a plan. At the meeting, the instruction was to submit a trial payment of two months through the County to see what would happen. The Auditor-Controller provided LAFCO with a spreadsheet to use for said reporting of LAFCO employees.

At the same time, LAFCO Counsel was able to negotiate an exception with CalPERS that allows the reporting of LAFCO employees through the County for both the missing period as well as on a go forward basis. However this exception is temporary and subject to numerous caveats. CalPERS must receive an agreement from the County, in writing, accepting these conditions before CalPERS would allow the reports to go through. Over the week of April 8, LAFCO staff has attempted to discuss these caveats with the Assistant CAO but as of this writing that conversation has not taken place.

In the meantime, LAFCO staff has prepared the reports for Fiscal Years 2011-2012 and 2012-2013 and negotiated a process with CalPERS over the submission of payments into the system. Consequently, LAFCO staff is ready to submit everything to the appropriate parties as soon as feasible, assuming the County agrees with the terms over the reporting exception.

Finally, the January Actuarial Report that the Commission considered in February is due to expire in May 1, 2013.