

Jose Henriquez

From: Jose Henriquez
Sent: Monday, April 15, 2013 5:17 PM
To: Brian Veerkamp; 'Donald Mette'; 'Kimberly Kerr'; Judith Kerr; 'Joe Harn'
Cc: 'Isabel C. Safie'; 'Andrew Morris'
Subject: Temporary Exception

Everyone,

Please recall that one of the points of contention has been CalPERS' instruction to LAFCO to stop making payments while a new retirement contract was negotiated. Consequently, no reporting had been made by LAFCO for most of FY2011-2012 and all of 2012-2013. In an effort to resolve this point, an ad hoc committee composed of Commissioners Mette and Veerkamp, LAFCO Counsel and me met with Assistant CAO Kerr, Auditor Controller Harn and Deputy County Counsel Kerr on April 1. At the meeting, the instruction was to submit a trial report of two months through the County to see what would happen. The Auditor-Controller had already provided LAFCO with a spreadsheet to use.

LAFCO was successful in getting CalPERS to grant LAFCO an "exception" that allows LAFCO to report under the County's contract on a temporary basis. This means that under the exception LAFCO would be able to report for both the "missing" period from FY 2011-2012 to current as well as on a go forward basis. However, the exception is subject to numerous caveats that the County will have to agree to in writing:

- The exception is temporary until the LAFCO contract is adopted and implemented. LAFCO employees cannot report under the County's contract indefinitely.
- Both the Commission's adoption of the LAFCO contract and the signing of the Reallocation Agreement by LAFCO and the County are necessary for CalPERS to implement the LAFCO contract. If LAFCO cannot get both, then the County must back out all of the service credit for all LAFCO employees, current and retired, going back to February 15, 2005.
- Per Government Code 20533, the County's employer rate for the current fiscal year (14.606%) must be used for all reports, including those from FY2011-12.
- LAFCO pays CalPERS directly through a separate process. In order to do so, LAFCO will need the County's 10-digit CalPERS ID as well as the CalPERS rate plan or receivable ID.
- CalPERS requests that if the County agrees to these conditions, that its response should be on County letterhead.

Should the County agree to these terms, I have the reports ready to submit to the Auditor-Controller. In addition, I will also need to know is the cost of having the County enter this information on our behalf, for the missing period en masse as well as on a go-forward basis so that I can budget appropriately.

Please let me know soon on whether this is acceptable.

José

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Please update your contact list! My address has changed to jhenriquez@edlafco.us

From: Hwang, Eva [mailto:Eva_Hwang@calpers.ca.gov]
Sent: Wednesday, April 10, 2013 9:26 AM
To: Isabel C. Safie
Cc: Brown, Cynthia; Ho, Irene; Jimenez, Reuben; Jose Henriquez
Subject: RE: El Dorado LAFCO

Hi Isabel,

As you understood that this is a temporary exception while the EDC LAFCO's contract is in process, if the EDC LAFCO's contract is not approved, the County would be responsible to reverse any reported contributions and CalPERS will not allow the County to continue reporting the EDC LAFCO employees under its contract indefinitely.

Eva

From: Isabel C. Safie [<mailto:Isabel.Cesanto-Safie@bbklaw.com>]
Sent: Tuesday, April 02, 2013 3:24 PM
To: Hwang, Eva
Cc: 'Jose Henriquez'; Andrew Morris
Subject: El Dorado LAFCO
Importance: High

Eva,

Thank you for your call earlier today. As we discussed, the purpose of this e-mail is both to summarize our conversation and to obtain your confirmation that my understanding is accurate.

In the interest of protecting LAFCO employees, all of which are CalPERS members, and in recognition of the unusual circumstances surrounding LAFCO's application to join CalPERS as a contracting agency, CalPERS has agreed to grant LAFCO a temporary exception that will permit it to report its employees under El Dorado County's CalPERS contract but only if the County agrees to report LAFCO employees under its contract. If the County so agrees, it must submit written confirmation on County letterhead to this effect. The exception will be in place for purposes of reporting LAFCO employees from the last day they were reported under the County's contract until LAFCO's contract with CalPERS becomes effective.

We understand that this is a temporary exception while LAFCO's contract is underway. If LAFCO's contract with CalPERS is not approved by the Commission or the Reallocation Agreement is not approved by the Commission and the Board of Supervisors, then CalPERS will back-out all service credit and all contributions made on behalf of LAFCO employees under the County's contract as of February 2005, the date upon which CalPERS has determined LAFCO became fully autonomous. In other words, this exception is not meant to allow the County to continue reporting LAFCO employees under its contract indefinitely.

Further, notwithstanding this exception, adoption of the Reallocation agreement still remains a condition to LAFCO contracting with CalPERS.

Can you please confirm that CalPERS has granted the exception described above subject to the conditions also described above?

Thank you,