

Les Baugh  
County Member

Irwin Fust  
Special District Member

Larry Farr  
City Member Alternate

Pam Giacomini  
County Member Alternate

James Yarbrough  
City Member

Brenda Haynes  
Special District Member



Francie Sullivan  
City Member

David Kehoe  
County Member

Stephen Morgan  
Special District Alternate

Dick Fyten  
Public Member

Bob Richardson  
Public Member Alternate

George Williamson  
Executive Officer

James M. Underwood  
General Counsel

---

## Agenda Item 8.g.

**To:** Staff Report to Shasta Local Agency Formation Commission

**From:** George Williamson, Executive Officer

**Meeting Date:** August 4, 2016

**Agenda Item:** CalPERS Invoice for Fiscal Year 2016/2017 – Budget Adjustment

### **BACKGROUND:**

Shasta LAFCO has been a business partner with California Public Employees' Retirement System (CalPERS) since 2007 which manages California public employees' pension/retirement benefits. Last Fiscal Year Shasta LAFCO began contributing to the plan for a previous employee. The Miscellaneous Plan is an Unfunded Liability and in the past have not required employees to contribute to the plan.

### **DISCUSSION:**

Shasta LAFCO received an invoice (attached) for the actuarial valuation as of June 30, 2014 in the amount of \$3,811.00 if paid in whole by July 31, 2016. Actuarial valuations are based on how many employees will be using this retirement system and as of June 30, 2015 the balance was \$43,321 toward the retirement fund base. The fund base can increase/decrease depending on age previous employee retires.

CalPERS projected contribution rates were lower while the budget for FY 2016/2017 was being prepared, however, due to actuarial information the rate increased this Fiscal Year. The budgeted amount was \$3,111.00 making the invoiced amount \$711.00 over the approved budgeted amount.

The Shasta LAFCO Fiscal Committee met on July 15<sup>th</sup>, and agreed to pay the invoice in whole to save LAFCO any interest fees associated with paying after July 31, 2016. It was also agreed to request the Commission to approve a reduction in the Appropriation for Contingencies line item on the approved FY 2016/2017 budget for the increase in the CalPERS contribution. The Appropriation for Contingencies was approved for \$16,805.00 for this fiscal year, and with a reduction that amount would be \$16,094.00.

### **RECOMMENDATION:**

It is recommended that the Commission approve the line item change to reduce the Appropriation for Contingencies by \$711.00 or direct staff as necessary.

### **FINANCIAL:**

The CalPERS invoice has exceeded the budget amount for this Fiscal Year by \$711.00, however, payment of the invoice will not cause a hardship for Shasta LAFCO's budget as there is money set aside for contingencies.

Attachments (2)

1304 East Street, Suite 102, Redding, CA 96002  
Office: 530.242.1112 ~ Fax: 530.242.1113



P.O. Box 942715 Sacramento, CA 94229-2715  
 888 CalPERS (or 888-225-7377) | Fax: (800) 959-6545  
[www.calpers.ca.gov](http://www.calpers.ca.gov)

California Public Employees' Retirement System

July 01, 2016

Shasta Local Agency Formation Commission  
 Marissa J. Jackson  
 1304 EAST ST STE 102  
 REDDING, CA 96001

Business Unit: 1900  
 CalPERS ID: 5202731527  
 Invoice Number: 100000014790871  
 Invoice Date: July 01, 2016  
 Payment Due Date: July 31, 2016

Description	Amount				
<p>Annual Unfunded Accrued Liability as of the June 30, 2014 Actuarial Valuation for Rate Plan Identifier 7523.</p> <p>The total minimum required employer contribution is the sum of the Plan's Employer Normal Cost Rate (expressed as a percentage of payroll) plus the Employer Unfunded Accrued Liability Contribution Amount.</p> <p>Your agency's monthly amount due toward the Unfunded Accrued Liability is:</p> <table border="0" data-bbox="167 1045 600 1108"> <tr> <td>Amount</td> <td>Due Date</td> </tr> <tr> <td>\$329.30</td> <td>July 31, 2016</td> </tr> </table> <p>If you would like to prepay the entire Annual Payment toward your Plan's Unfunded Accrued Liability, you can submit the Annual Lump Sum Prepayment amount of <u>\$3,811.00</u> to the invoice number above by July 31, 2016 instead of the monthly amount listed.</p> <p>Please refer to the June 30, 2014 Actuarial Valuation report for the details of this calculation. Reports are available at CalPERS On-Line or by visiting <a href="http://MyCalPERS.CA.GOV">MyCalPERS.CA.GOV</a>.</p> <p>Unfunded Accrued Liability contributions are to be paid in full by the payment due date each month. Payments that are not received in full on or before this date will be assessed interest on the total outstanding balance due (Public Employees' Retirement Law § 20572 (b)). Please note that this monthly statement is a demand for payment in accordance with Public Employees' Retirement Law § 20572 (a).</p> <p><b>For questions concerning your invoice, please call our CalPERS Customer Contact Center at 888 CalPERS (or 888-225-7377) and ask to be referred to the Financial Office.</b></p>	Amount	Due Date	\$329.30	July 31, 2016	
Amount	Due Date				
\$329.30	July 31, 2016				
<b>Total Due</b>	<b>\$329.30</b>				

California Public Employees' Retirement System  
[www.calpers.ca.gov](http://www.calpers.ca.gov)

**SHASTA LAFCO BUDGET ADJUSTMENT AUTHORIZATION**

Date: 8/4/2016  
 Fiscal Year: FY 2016/2017

Justification: Actual amount of obligation to pay for unfunded CalPERS liability was provided after Budget approval for FY 2016/2017. On August 4, 2016, the Commission approved the budget increase of \$711.00.

---



---



---

REVENUE CHANGES				
Account Number	Description	Amount Budgeted	Revised Amount	Change
TOTAL REVENUE CHANGES				

EXPENDITURE CHANGES				
Account Number	Description	Amount Budgeted	Revised Amount	Change
51103	Retirement - PERS - Previous EO	\$3,100.00	\$3,811.00	\$711.00
10015	Appropriation for Contingencies	\$16,805.00	\$16,094.00	-\$711.00
TOTAL EXPENDITURE CHANGES				\$0.00

_____	Date: _____
Office Manager	
_____	Date: _____
Executive Officer	
_____	Date: _____
Vice-Chairman	
_____	Date: _____
Chairman	