RESOLUTION - ACTION REQUESTED 2017-529

MEETING: August 8, 2017

TO: The Board of Supervisors

FROM: Debbie Isaacs, Auditor

RE: Promissory Note with Superior Court of California, County of Mariposa

RECOMMENDATION AND JUSTIFICATION:
Approve an Agreement/Promissory Note with the Superior Court of California, County of Mariposa to Make Payments to the County of Mariposa for the FY 17/18 CalPERS Unfunded Liability Payment for the County of Mariposa Miscellaneous Retirement Plan, and authorize the Board of Supervisors Chair to sign the agreement.

The County of Mariposa will be making a lump sum payment to CalPERS in the amount of $1,990,012 for the FY 17/18 amortized portion of the unfunded liability for the County of Mariposa Miscellaneous retirement plan. A portion of this payment, estimated by the Auditor based on projected payroll in the amount of $69,571.69 is attributable to the Superior Court of California, County of Mariposa (Court). The Court has requested to make payments on a monthly basis rather than a lump sum payment at the beginning of the year. In order to accommodate this request, the Auditor has created a promissory note creating a monthly payment schedule for the Court’s portion of the unfunded liability payment. The annual interest rate used in the payment schedule is 1.45%, which is an estimate by the Treasurer/Tax Collector of the interest rate that will be earned on County investments for FY 17/18.

BACKGROUND AND HISTORY OF BOARD ACTIONS:
In previous fiscal years, the unfunded liability portion of CalPERS retirement contributions was built into the employer contribution percentage paid on monthly payroll reported to CalPERS. FY 17/18 is the first year that the unfunded liability payment for the Miscellaneous plan will be paid as a dollar amount as opposed to a percentage.

Similar payment agreements have been approved by the Board in the past.

ALTERNATIVES AND CONSEQUENCES OF NEGATIVE ACTION:
Without this agreement in place, there would be no payment plan by which the Court could reimburse the County of Mariposa for its share of the FY 17/18 unfunded liability payment for the County of Mariposa Miscellaneous retirement plan.

FINANCIAL IMPACT:
No cost associated with this Board Item.
ATTACHMENTS:
Court Promissory Note  (DOC)

CAO RECOMMENDATION
Requested Action Recommended

Dallin Kimble
Dallin Kimble, County Administrative Officer  8/3/2017

RESULT:  ADOPTED BY CONSENT VOTE [UNANIMOUS]
MOVER:  Rosemarie Smallcombe, District I Supervisor
SECONDER: Miles Menetrey, District V Supervisor
AYES: Rosemarie Smallcombe, Marshall Long, Kevin Cann, Miles Menetrey
EXCUSED: Merlin Jones