RESOLUTION - ACTION REQUESTED 2019-413

MEETING: July 16, 2019

TO: The Board of Supervisors

FROM: Luis Mercado,

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 19/20 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 $2,785,133 for the FY 19/20 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 $79,786.62 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 2.45%, which is an estimate by the Treasurer/Tax Collector of the interest rate that will be earned on County investments for FY 19/20.

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 19/20 is the third year that the unfunded liability payment for the Miscellaneous plan will be paid as a dollar amount as opposed to a percentage.

A similar payment agreement was approved by the Board for FY 17/18 with Resolution Number 2017-529 on August 8, 2017 and for FY 18/19 with Resolution Number 2018-381 on August 7, 2018.

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 19/20 unfunded liability payment for the County of Mariposa Miscellaneous retirement plan.
FINANCIAL IMPACT:
No cost associated with this Board Item.

ATTACHMENTS:
19-20 Court UAL Promissory Note signed  (PDF)

RESULT:  ADOPTED BY CONSENT VOTE [UNANIMOUS]
MOVER:  Marshall Long, District III Supervisor
SECONDER: Merlin Jones, District II Supervisor
AYES: Smallcombe, Jones, Long, Cann, Menetrey