

**SHASTA LOCAL AGENCY FORMATION COMMISSION
RESOLUTION 2019-05**

**RESOLUTION OF INTENTION TO TERMINATE THE CONTRACT
BETWEEN THE
CALIFORNIA PUBLIC EMPLOYEES' RETIREMENT SYSTEM
BOARD OF ADMINISTRATION
AND THE SHASTA LOCAL AGENCY FORMATION COMMISSION**

WHEREAS, the Shasta Local Agency Formation Commission entered into a contract with the Public Employees' Retirement System Board of Administration pursuant to Government Code Section 20460, effective November 19, 2007, for participation of said agency in the Retirement System; 1; and

WHEREAS, Section 20570 provides that the governing body may terminate the contract between the Board of Administration of the Public Employees' Retirement System and the governing body of the contracting agency by the adoption of a resolution giving notice of intention to terminate, and, not less than one year later, the adoption by affirmative vote of two-thirds of the members of the governing body of a resolution terminating the contract; and

WHEREAS, the Shasta Local Agency Formation Commission attorneys have negotiated certain contract termination terms with CalPERS that are set forth in the attached emails from Andy Nguyen, California Public Employees' Retirement System Pension Contract Management Services Assistant Division Chief, dated March 11, 2019 ("Emails"); and

NOW THEREFORE, IT IS RESOLVED, DETERMINED AND ORDERED that:

The Shasta Local Agency Formation Commission hereby finds that it is in the best interests of the agency to terminate the contract entered into with the Board of Administration, Public Employees' Retirement System in accordance with the terms set forth in the Emails; and

The agency does hereby give notice to the Public Employees' Retirement System Board of Administration, pursuant to Section 20570, of the intention to terminate said contract

THE FOREGOING RESOLUTION was introduced at a regular meeting of the Shasta LAFCO Commission on the 4th day of April, 2019, and adopted by the following vote:

- AYES:
- NOES:
- ABSTAINS:
- ABSENT:

Date

Chairman
Shasta Local Agency Formation Commission

EXHIBIT A
Email Correspondence

From: Nguyen, Andy [<mailto:Andy.Nguyen@calpers.ca.gov>]
Sent: Monday, March 11, 2019 10:43 AM
To: Jeff Chang
Cc: Akana, Theo; Rollins, Christina; Rocco, Jennifer; Nguyen, Huy (Dan)
Subject: Shasta LAFCO

Hi Jeff,

Thank you for the call, we appreciate the follow up. As discussed, Shasta LAFCO has two options as it relates to a path forward as follow:

1. Address the compliance issue of a Shasta LAFCO's pension contract and the requirement to enroll/report its employees into CalPERS, which could potentially create an arrears situation for individuals that may/may not have been enrolled, or
2. Voluntary Terminate Shasta LAFCO's pension contract -the cost of the termination to only include those employees currently on record/reported to CalPERS (i.e., those persons listed in the attached, which is based on the my|CalPERS System)

Presuming Shasta LAFCO decides to terminate its pension contract, the effective date of the termination will be determined by the date set in the resolution that Shasta LAFCO will be required to adopt. The termination effective date can't be retroactive. I am also attached the most recent actuarial valuation report for Shasta LAFCO for your reference. The hypothetical termination costs ranging from \$197K – 287K provided on page 27 of the valuation report.

Feel free to contact me at any time for any further questions.

Regards,
Andy Nguyen
Assistant Division Chief
Pension Contract Management Services
California Public Employees' Retirement System
Direct: (916) 795-7702 | Cell: (916) 524-9095