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Bob Richardson
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Executive Officer
James M. Underwood
General Counsel
Kathy Bull
Office Manager

March 9, 2017

CalPERS Board of Administration
Lincoln Plaza North
400 P Street
Sacramento, CA 95811

Subject: Mandate of Electronic Fund Payments Waiver

Dear Board Members;

Shasta LAFCO is in receipt of the letter dated February 1, 2017 requiring contracting agencies to either use the Electronic Funds Transfer (EFT) or Automated Clearing House (ACH) pension retirement contributions payment methods.

Shasta LAFCO is a small public agency providing services within the County of Shasta with the majority of service areas provided to three relatively small cities and rural Special Districts. Shasta LAFCO funding comes proportionally from the County, Cities and thirty-five Special Districts. The Special Districts are considered rural and disadvantaged unincorporated communities. The Health Care Special District currently does not contribute to this funding due to negative operational costs.

Due to our small budget, Shasta LAFCO has eliminated staff positions and now relies on contract staff for operations. The Commission's CALPERS obligation is solely for past staff. Payments are relatively small.

According to Government Code Section 20538 (b) "A contracting agency that is unable, for good cause, to comply with subdivision (a), may apply to the board for a waiver that allows the agency to pay in an alternate manner as prescribed by the board, but not by credit card payment." Shasta LAFCO is requesting a payment method waiver, to allow us to submit pension retirement contributions via check. Below are reasons Shasta LAFCO is requesting this waiver:

Due to the Commission's small budget, the bank where our accounts are held charges fees for all services beyond basic checking. Adding the ACH method solely for the CALPERS payment would be an additional cost; and our current basic checking account does not offer the EFT Debit option. We would have to shift to a new account type, solely for this one-time payment, and incur higher fees. The Commission budgets for the CALPERS payment each year and is prepared to pay the full amount, by check, at the start of the fiscal year. Please give this waiver favorable consideration, so we may meet our obligation while keeping public costs as low as possible.

Sincerely,

Irwin Fust, Chairman
Shasta LAFCO

Cc: Kathy Bull, Shasta LAFCO Manager
Kristin Montgomery, Controller, CalPERS