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County Member Alternate  
  
Brenda Haynes  
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Patricia A. Clarke  
Special District Alternate

Bob Richardson  
Public Member Alternate  
  
George Williamson  
Executive Officer  
  
James M. Underwood  
General Counsel  
  
Kathy Bull  
Office Manager

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## Agenda Item: 8.c.

**Meeting Date:** June 29, 2017

**From:** George Williamson, Executive Officer & Kathy Bull, Office Manager

**Subject:** CalPERS Draft Report of Agency Audit

### **SUMMARY**

On January 17, 2017, Shasta LAFCO received a letter from the CalPERS Office of Audit Services requesting a contract monitoring review due to an inactive rate plan. Kathy Bull, Office Manager met with a CalPERS Auditor on February 8<sup>th</sup> and 9<sup>th</sup> and provided data and material for requested information. On June 22, 2017, Shasta LAFCO received a confidential draft report as the result of the contract monitoring review with a request for written response by July 6, 2017.

### **DISCUSSION**

Shasta LAFCO contracted with CalPERS for retirement benefits on November 19, 2007 and became inactive July 30, 2013 after a W-2 employee left the agency. Shasta LAFCO has since transitioned from W-2 employees and is currently utilizing W-4 employees or contract employees. The objective of the contract review was to determine the reason Shasta LAFCO had become inactive.

Under the contract with CalPERS, agencies are required to enroll employees into membership under established classifications and pay required contributions. The CalPERS Office of Audit Services recommends agencies provide changes or modifications and request any necessary changes to the contract.

### **RECOMMENDATION**

Staff recommends requesting a contract change or modification with CalPERS or, seeks direction from the Commission to comply with CalPERS request.