



MARIPOSA COUNTY

Auditor • (209) 966-7606



RESOLUTION - ACTION REQUESTED 2018-381

MEETING: August 7, 2018
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 18/19 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 \$2,367,089 for the FY 18/19 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 \$75,339.19 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 1.54%, which is an estimate by the Treasurer/Tax Collector of the interest rate that will be earned on County investments for FY 18/19.

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 18/19 is the second 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.

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 18/19 unfunded liability payment for the County of Mariposa Miscellaneous retirement plan.

FINANCIAL IMPACT:

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No cost associated with this Board Item.

ATTACHMENTS:

18-19 Court Promissory Note (PDF)

RESULT: ADOPTED BY CONSENT VOTE [UNANIMOUS]

MOVER: Marshall Long, District III Supervisor

SECONDER: Kevin Cann, District IV Supervisor

AYES: Rosemarie Smallcombe, Marshall Long, Kevin Cann, Miles Menetrey

EXCUSED: Merlin Jones