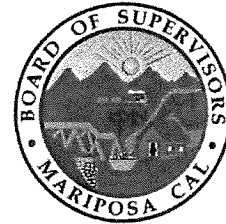




MARIPOSA COUNTY

Auditor • (209) 966-7606



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.

Resolution - Action Requested 2019-413

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

AGREEMENT/PROMISSORY NOTE

THIS AGREEMENT/PROMISSORY NOTE ("Agreement") is entered into on the 16th day of July, 2019 by and between the County of Mariposa, hereinafter referred to as "**COUNTY**," and the Superior Court of California, County of Mariposa, hereinafter referred to as "**COURT**."

WITNESSETH:

WHEREAS, **COUNTY** will be making an annual lump sum prepayment in the amount of Two Million Seven Hundred Eighty Five Thousand One Hundred Thirty Three Dollars and Zero Cents (\$2,785,133.00) to the California Public Employees' Retirement System for fiscal year 2019-2020 annual unfunded accrued liability for the County of Mariposa Miscellaneous retirement plan, and

WHEREAS, a portion of this payment, estimated by the County of Mariposa Auditor to be Seventy Nine Thousand Seven Hundred Eighty Six Dollars and Sixty Two Cents (\$79,786.62), is attributable to **COURT**, and

WHEREAS, payment in the amount of Two Million Seven Hundred Eighty Five Thousand One Hundred Thirty Three Dollars and Zero Cents (\$2,785,133.00) is due to the California Public Employees' Retirement System on July 31, 2019, and

WHEREAS, **COURT** desires to make monthly payments as opposed to an annual lump sum prepayment;

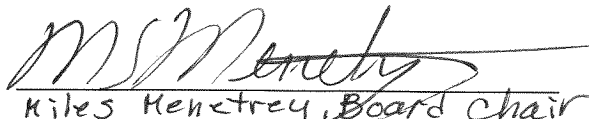
NOW, THEREFORE, in consideration of the mutual covenants and conditions hereinafter contained the parties hereto agree as follows:

1. **COURT** hereby agrees to pay **COUNTY** the sum of Thirteen Thousand Three Hundred Ninety Two Dollars and Ninety Five Cents (\$13,392.95) per month for six (6) months commencing on August 1, 2019 for its portion of the fiscal year 2019-2020 annual unfunded accrued liability payment for the County of Mariposa Miscellaneous retirement plan.
2. Interest on these payments is calculated based on a 2.45% annual rate included in the payment schedule above.
3. Payments will be due on the last day of each month; the first payment due on August 31, 2019 and the last payment due on January 30, 2020.
4. In the event of default, interest shall accrue at the rate of ten percent (10%) per annum from date of default.
5. **COURT** shall have the option of paying remaining principal plus any accrued interest at any time during the six (6) month payment period listed above. This pay-off amount will be provided by the Mariposa County's Auditor Office to **COURT** upon request.
6. This Agreement shall be construed pursuant to the laws of the State of California.

**SUPERIOR COURT OF CALIFORNIA,
COUNTY OF MARIPOSA:**

COUNTY OF MARIPOSA:

By 
Cynthia J. Busse


Miles Kenetrey, Board Chair

Date: 7/19/19 Court Executive Officer

Date: July 17 2019

APPROVED AS TO FORM:


**STEVEN W. DAHLEM
COUNTY COUNSEL**