



BOARD MEETING AGENDA SUBMITTAL

TO: GCSB Board of Directors

FROM: Michelle Ronning, Finance Officer

DATE: December 10, 2024

SUBJECT: Agenda Item 6D: Adoption of a Resolution of Intention to Approve an Amendment to the Contract Between the Board of Administration California Public Employees' Retirement System and the Board of Directors of the Groveland Community Services District

RECOMMENDED ACTION:

Staff recommends the following action:

I move to adopt Resolution 39-2024 authorizing the Resolution of Intention to Amend the Contract Between the Board of Administration California Public Employees' Retirement System and the Board of Directors of the Groveland Community Services District.

BACKGROUND:

On October 8, 2024, the Board approved Resolution 32-2024, authorizing the Memorandum of Understanding (MOU) between the District and Operating Engineers Local No. 3, effective from October 18, 2024, through June 30, 2029. The updated MOU includes an agreement to reduce by 2.5% the percentage of contribution made by district employees classified as Classic Local Miscellaneous members. Currently, Classic members pay 2.5% of the "Employer's" portion of the retirement cost. This change results in all employees, (CalPERS) Classic and PEPRA, paying an equal percentage toward their retirement. To facilitate this change, an amendment to the District's agreement with CalPERS is necessary.

As discussed at the Board of Directors meeting on November 12, 2024, several procedural steps are required to amend the current contract with CalPERS. One of the key steps in this process is the adoption by the governing body of the public agency (the District) of a Resolution of Intention. This resolution will give notice of the District's intention to approve an amendment to the CalPERS contract. The resolution will also include a summary of the proposed changes to the contract.

Once the Resolution of Intention is approved, the Board will be presented with the Final Resolution of Adoption to amend the CalPERS contract. The final resolution is expected to be presented at the January 2025 Board meeting. The change in the cost-sharing agreement will take effect on the first payroll following the execution of the amended contract.

ATTACHMENTS:

1. Letter from CalPERS outlining process and requirements
2. Resolution 39-2024



Peter Kampa
General Manager
Groveland Community Services District
18966 Ferretti Road
Groveland, CA 95321

CalPERS ID 4899312259

November 14, 2024

Dear Peter Kampa,

Thank you for contacting CalPERS regarding your retirement contract. Provided in my|CalPERS you will find the Resolution of Intention and Exhibit Amendment to Contract to provide Section 20516 (Employees Sharing Additional Cost) of a reduction of 2.5% for classic local miscellaneous members.

Also provided are the following documents:

1. Form CON-12, Certification of Governing Body's Action.
2. Form CON-12A, Certification of Compliance with Government Code Section 7507.
3. Form CON-500, Certification of Compliance with Government Code Section 20516.
4. Instruction sheet for submission of Resolution of Intention documents and required certifications into my|CalPERS.

Any change in the employee or employer contribution rates will become effective as of the effective date of the contract amendment.

Government Code Section 7507 requires that the future annual costs or benefit change of the proposed contract amendment be made public at a public meeting at least two weeks prior to the adoption of the final Resolution. Adoption of the retirement benefit increase or change cannot be placed on the consent calendar. The agency is to certify compliance on the enclosed Certification of Compliance with Government Code Section 7507.

The classic local miscellaneous member contribution rate will be 8% of reportable earnings, as of the effective date of the amendment to the contract.

In summary, the following documents must be submitted through my|CalPERS before we can forward the actual contract and final documents necessary to complete the proposed amendment. **PLEASE DO NOT HOLD THESE DOCUMENTS PENDING ADOPTION OF THE FINAL RESOLUTION.**

1. Resolution of Intention, certified copy.
2. Form CON-12, Certification of Governing Body's Action.
3. Form CON-12A, Certification of Compliance with Government Code Section 7507.
4. Form CON-500, Certification of Compliance with Government Code Section 20516.

If your agency adopts the Resolution of Intention on December 10, 2024, the earliest date the final Resolution may be adopted is December 30, 2024. There must be a 20 day period between the adoption of the Resolution of Intention and the adoption of the final Resolution pursuant to Government Code Section 20471. There are no exceptions to this law.

The effective date of this amendment cannot be earlier than the first day of a payroll period following the effective date of the final Resolution.

Please do not retype the Amendment to Contract and/or agreement documents. Only documents provided by this office will be accepted. If you have any questions regarding any documents, please contact this office prior to presenting to your governing body for adoption. Another contract amendment cannot be started until this amendment is completed or cancelled.

We are here to assist you. If you have any questions or would like additional information, please visit our website www.calpers.ca.gov, or you may contact us toll free at 888 CalPERS or (888-225-7377).

Sincerely,



Roselee Camacho
Pension Contracts Analyst
Financial Office | Pension Contracts & Prefunding Programs Division

RC:jc

Enclosures

RESOLUTION 39-2024

A RESOLUTION OF THE BOARD OF DIRECTORS OF THE GROVELAND COMMUNITY SERVICES DISTRICT INTENTION TO APPROVE AN AMENDMENT TO CONTRACT BETWEEN THE BOARD OF ADMINISTRATION CALIFORNIA PUBLIC EMPLOYEES' RETIREMENT SYSTEM AND THE BOARD OF DIRECTORS GROVELAND COMMUNITY SERVICES DISTRICT

WHEREAS, the Groveland Community Services District (herein referred to as District) is a local government agency formed and operating in accordance with Section §61000 et seq. of the California Government Code; and

WHEREAS, the Public Employees' Retirement Law permits the participation of public agencies and their employees in the Public Employees' Retirement System by the execution of a contract, and sets forth the procedure by which said public agencies may elect to subject themselves and their employees to amendments to said Law; and

WHEREAS, one of the steps in the procedures to amend this contract is the adoption by the governing body of the public agency of a resolution giving notice of its intention to approve an amendment to said contract, which resolution shall contain a summary of the change proposed in said contract; and

WHEREAS, the following is a statement of the proposed change:

To provide Section 20516 (Employees Sharing Additional Cost) of a reduction of 2.5% for classic local miscellaneous members.

NOW THEREFORE BE IT RESOLVED THAT THE BOARD OF DIRECTORS OF THE GROVELAND COMMUNITY SERVICES DISTRICT DOES HEREBY *give notice of intention to approve an amendment to the contract between said public agency and the Board of Administration of the Public Employees' Retirement System, a copy of said amendment being attached hereto, as an Exhibit and by this reference made a part hereof.*

WHEREFORE, this Resolution is passed and adopted by the Board of Directors of the Groveland Community Services District on December 10, 2024, by the following vote:

AYES:

NOES:

ABSTAIN:

ABSENT:

APPROVE:

Nancy Mora, Board President

ATTEST:

Rachel Pearlman, Board Secretary

CERTIFICATE OF SECRETARY

I, Rachel Pearlman, the duly appointed and acting Secretary of the Board of Directors of the Groveland Community Services District, do hereby declare that the foregoing Resolution was duly passed and adopted at a Regular Meeting of the Board of Directors of the Groveland Community Services District, duly called and held on December 10, 2024.

DATED: _____



EXHIBIT

**California
Public Employees' Retirement System**



AMENDMENT TO CONTRACT

**Between the
Board of Administration
California Public Employees' Retirement System
and the
Board of Directors
Groveland Community Services District**



The Board of Administration, California Public Employees' Retirement System, hereinafter referred to as Board, and the governing body of the above public agency, hereinafter referred to as Public Agency, having entered into a contract effective January 1, 1973, and witnessed December 12, 1972, and as amended effective February 1, 1974, February 1, 1982, December 1, 1986, October 12, 1994, January 11, 1995, March 21, 2001, April 11, 2007, and January 8, 2018, which provides for participation of Public Agency in said System, Board and Public Agency hereby agree as follows:

- A. Paragraphs 1 through 17 are hereby stricken from said contract as executed effective January 8, 2018, and hereby replaced by the following paragraphs numbered 1 through 17 inclusive:
 - 1. All words and terms used herein which are defined in the Public Employees' Retirement Law shall have the meaning as defined therein unless otherwise specifically provided. "Normal retirement age" shall mean age 55 for classic local miscellaneous members, 62 for new local miscellaneous members, age 50 for classic local safety members and age 57 for new local safety members.

2. Public Agency shall participate in the Public Employees' Retirement System from and after January 1, 1973, making its employees as hereinafter provided, members of said System subject to all provisions of the Public Employees' Retirement Law except such as apply only on election of a contracting agency and are not provided for herein and to all amendments to said Law hereafter enacted except those, which by express provisions thereof, apply only on the election of a contracting agency.
3. Public Agency agrees to indemnify, defend and hold harmless the California Public Employees' Retirement System (CalPERS) and its trustees, agents and employees, the CalPERS Board of Administration, and the California Public Employees' Retirement Fund from any claims, demands, actions, losses, liabilities, damages, judgments, expenses and costs, including but not limited to interest, penalties and attorney fees that may arise as a result of any of the following:
 - (a) Public Agency's election to provide retirement benefits, provisions or formulas under this Contract that are different than the retirement benefits, provisions or formulas provided under the Public Agency's prior non-CalPERS retirement program.
 - (b) Any dispute, disagreement, claim, or proceeding (including without limitation arbitration, administrative hearing, or litigation) between Public Agency and its employees (or their representatives) which relates to Public Agency's election to amend this Contract to provide retirement benefits, provisions or formulas that are different than such employees' existing retirement benefits, provisions or formulas.
 - (c) Public Agency's agreement with a third party other than CalPERS to provide retirement benefits, provisions, or formulas that are different than the retirement benefits, provisions or formulas provided under this Contract and provided for under the California Public Employees' Retirement Law.
4. Employees of Public Agency in the following classes shall become members of said Retirement System except such in each such class as are excluded by law or this agreement:
 - a. Local Fire Fighters (herein referred to as local safety members);
 - b. Employees other than local safety members (herein referred to as local miscellaneous members).
5. In addition to the classes of employees excluded from membership by said Retirement Law, the following classes of employees shall not become members of said Retirement System:
 - a. **ELECTIVE OFFICIALS; AND**
 - b. **POLICE OFFICERS.**

6. Prior to January 1, 1975, those members who were hired by Public Agency on a temporary and/or seasonal basis not to exceed 6 months were excluded from PERS membership by contract. Government Code Section 20336 superseded this contract provision by providing that any such temporary and/or seasonal employees are excluded from PERS membership subsequent to January 1, 1975. Legislation repealed and replaced said Section with Government Code Section 20305 effective July 1, 1994.
7. The percentage of final compensation to be provided for each year of credited prior and current service as a classic local miscellaneous member in employment before and not on or after April 11, 2007, shall be determined in accordance with Section 21354 of said Retirement Law subject to the reduction provided therein for Federal Social Security (2% at age 55 Full and Modified).
8. The percentage of final compensation to be provided for each year of credited prior and current service as a classic local miscellaneous member in employment on or after April 11, 2007, shall be determined in accordance with Section 21354.5 of said Retirement Law subject to the reduction provided therein for Federal Social Security (2.7% at age 55 Full and Modified).
9. The percentage of final compensation to be provided for each year of credited prior and current service as a new local miscellaneous member shall be determined in accordance with Section 7522.20 of said Retirement Law (2% at age 62 Supplemental to Federal Social Security).
10. The percentage of final compensation to be provided for each year of credited prior and current service as a classic local safety member shall be determined in accordance with Section 21362 of said Retirement Law subject to the reduction provided therein for Federal Social Security (2% at age 50 Modified).
11. The percentage of final compensation to be provided for each year of credited prior and current service as a new local safety member shall be determined in accordance with Section 7522.25(d) of said Retirement Law (2.7% at age 57 Supplemental to Federal Social Security).
12. Public Agency elected and elects to be subject to the following optional provisions:
 - a. Section 20965 (Credit for Unused Sick Leave).
 - b. Section 20042 (One-Year Final Compensation) for classic members only.
 - c. Section 21024 (Military Service Credit as Public Service).

d. Section 20516 (Employees Sharing Additional Cost):

From and after January 17, 2018, and until the effective date of this amendment to contract, 2.5% for classic local miscellaneous members.

The portion of the employer's contribution that the member agrees to contribute from his or her compensation, over and above the member's normal contribution ("Cost Sharing Percentage"), shall not exceed the Employer Normal Cost Rate, as that rate is defined in the CalPERS Actuarial Valuation for the relevant fiscal year. If the Cost Sharing Percentage will exceed the relevant Employer Normal Cost Rate, the Cost Sharing Percentage shall automatically be reduced to an amount equal to, and not to exceed, the Employer Normal Cost Rate for the relevant fiscal year.

- 13. Public Agency, in accordance with Government Code Section 20790, ceased to be an "employer" for purposes of Section 20834 effective on February 1, 1982. Accumulated contributions of Public Agency shall be fixed and determined as provided in Government Code Section 20834, and accumulated contributions thereafter shall be held by the Board as provided in Government Code Section 20834.**
- 14. Public Agency shall contribute to said Retirement System the contributions determined by actuarial valuations of prior and future service liability with respect to local miscellaneous members and local safety members of said Retirement System.**
- 15. Public Agency shall also contribute to said Retirement System as follows:**
 - a. A reasonable amount, as fixed by the Board, payable in one installment within 60 days of date of contract to cover the costs of administering said System as it affects the employees of Public Agency, not including the costs of special valuations or of the periodic investigation and valuations required by law.**
 - b. A reasonable amount, as fixed by the Board, payable in one installment as the occasions arise, to cover the costs of special valuations on account of employees of Public Agency, and costs of the periodic investigation and valuations required by law.**
- 16. Contributions required of Public Agency and its employees shall be subject to adjustment by Board on account of amendments to the Public Employees' Retirement Law, and on account of the experience under the Retirement System as determined by the periodic investigation and valuation required by said Retirement Law.**

17. Contributions required of Public Agency and its employees shall be paid by Public Agency to the Retirement System within fifteen days after the end of the period to which said contributions refer or as may be prescribed by Board regulation. If more or less than the correct amount of contributions is paid for any period, proper adjustment shall be made in connection with subsequent remittances. Adjustments on account of errors in contributions required of any employee may be made by direct payments between the employee and the Board.

B. This amendment shall be effective on the _____ day of _____, _____.

BOARD OF ADMINISTRATION
PUBLIC EMPLOYEES' RETIREMENT SYSTEM

BOARD OF DIRECTORS
GROVELAND COMMUNITY SERVICES
DISTRICT

BY _____
MELODY BENAVIDES, CHIEF
PENSION CONTRACTS AND PREFUNDING
PROGRAMS DIVISION
PUBLIC EMPLOYEES' RETIREMENT SYSTEM

BY _____
PRESIDING OFFICER

Witness Date

Attest: _____

Clerk