

SUCCESSOR AGENCY TO THE FORMER DALY CITY REDEVELOPMENT AGENCY

SPECIAL MEETING

City Hall Council Chambers – 2nd Floor
333 - 90th Street, Daly City, CA 94015

MONDAY, APRIL 13, 2015 - 7:00 P.M.

For those wishing to address the Agency Board on any Item on the Agenda or under Public Appearances/Oral Communications, please complete a Speaker Card located at the entrance to the Council Chambers and submit to a Staff Member as early in the meeting as possible.

Persons with disabilities who require auxiliary aids or services in attending or participating in this meeting should notify the Office of the City Clerk at (650) 991-8078 as early as possible.

CALL TO ORDER:

ROLL CALL:

APPROVAL OF MINUTES:

1. Meeting of March 9, 2015

REGULAR AGENDA:

1. Resolution Terminating Retirement Benefits Contract with CalPERS

PUBLIC APPEARANCES – ORAL COMMUNICATIONS:

NOTE: Speakers are limited to two minutes, unless modified by the Chair.
The Board cannot take action on any matter raised under this item.

ADJOURNMENT:

AVAILABILITY OF PUBLIC RECORDS:

All public records relating to an open session item on this agenda, which are not exempt from disclosure pursuant to the California Public Records Act, that are distributed to a majority of the legislative body will be available for public inspection at the City Clerk's Office, City Hall located at 333 90th Street, Daly City, CA during normal business hours, at the same time that the public records are distributed or made available to the legislative body.

Successor Agency to the Daly City Redevelopment Agency Agenda Report

Item # _____

Meeting Date: April 13, 2015

Subject: Termination of Retirement Benefits Contract with CalPERS

Recommended Action

It is recommended that the Successor Agency to the Former Daly City Redevelopment Agency (“Successor Agency”) adopt a resolution terminating the retirement plan contract with the California Public Employees’ Retirement System (CalPERS) covering former active employees of the Daly City Redevelopment Agency.

Background

Effective February 1, 2012, the State of California dissolved all redevelopment agencies in California. All remaining assets and liabilities of the former redevelopment agencies were transferred to the successor agencies, including any contact with CalPERS.

Discussion

As a result of the dissolution of the former Redevelopment Agency, CalPERS has requested that the contract for retirement benefits be terminated. There are no active Redevelopment or Successor Agency employees on the CalPERS retirement plan, and only two annuitants. After the resolution of intent to terminate the contract with CalPERS is adopted, a minimum of one year must lapse. At that time, the Successor Agency must adopt a resolution to terminate the plan.

On December 10, 2012, the Successor Agency to the Former Daly City Redevelopment Agency adopted a resolution of intention to terminate the contract with CalPERS completing the first step in the termination process. The next step required of the Successor Agency is adoption of the attached Resolution and Agreement.

Fiscal Impact

An actuarial valuation will be conducted by CalPERS to determine reserves to be held for the benefits of the retired members, members leaving contributions on deposit and for the beneficiaries who are entitled to receive benefits.

If there are insufficient funds to pay benefits to the members and beneficiaries, the Successor Agency will be required to pay the difference between the accumulated contributions and the actuarial equivalent required to fund the benefits. If the Successor Agency fails to pay the difference, the members’ benefits would be reduced accordingly. If, however, there are more funds that are required to fund the benefits, the Successor Agency will receive a refund.

Successor Agency to the Daly City Redevelopment Agency Agenda Report

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Summary/Conclusion

Staff recommends that the Successor Agency adopt a resolution terminating the retirement contract with the California Public Employees' Retirement System (CalPERS).

Staff is available to provide any additional information desired by the Chair or Board Members.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Lawrence Chiu".

Lawrence Chiu

Director of Finance and Administrative Services

Attachments: Resolution

Agreement to Terminate Contract with CalPERS

**AGREEMENT TO TERMINATE THE CONTRACT
BETWEEN THE
BOARD OF ADMINISTRATION
CALIFORNIA PUBLIC EMPLOYEES' RETIREMENT SYSTEM
AND THE
SUCCESSOR AGENCY TO THE FORMER DALY CITY
REDEVELOPMENT AGENCY**

WHEREAS, the Governing Board of the Daly City Redevelopment Agency and the Board of Administration, Public Employees' Retirement, entered into a contract pursuant to Sections 20460, et seq. of the Government Code, effective July 1, 1972, for the participation of said Public Agency in the Public Employees' Retirement System; and

WHEREAS, Section 20570 of the Government Code provides that a contract between the Board of Administration of the Public Employees' Retirement System and a contracting agency may be terminated by adoption of a resolution by the governing body of the public agency, giving notice of intention to terminate, and by the adoption, not less than one year thereafter, by the affirmative vote of two-thirds of the members of the governing body of the public agency, terminating the contract; and

WHEREAS, the Governing Board of the Successor Agency to the Former Daly City Redevelopment Agency adopted a Resolution of Intention on December 10, 2012 to withdraw from the Public Employees' Retirement System effective no earlier than one year thereafter;

NOW, THEREFORE, BE IT AGREED between the Governing Board of the Daly City Redevelopment Agency and the Board of Administration, Public Employees' Retirement System that the contract entered into effective July 1, 1972 is terminated effective December 10, 2013, and obligations on and after that date of the agency and its employees who are members under the Public Employees' Retirement System, are as provided in Government Code Section 20580 which provides that the final compensation at termination shall be used in the calculation of benefits. Failure to meet such obligation on the part of the Successor Agency to the Former Daly City Redevelopment Agency shall be subject to the provisions of Government Code Section 20574.

Witness our hands this _____ day of _____, _____.

BOARD OF ADMINISTRATION
PUBLIC EMPLOYEES' RETIREMENT SYSTEM

GOVERNING BOARD
SUCCESSOR AGENCY TO THE
FORMER DALY CITY
REDEVELOPMENT AGENCY

BY _____
RENEE OSTRANDER, ACTING CHIEF
CUSTOMER ACCOUNT SERVICES DIVISION
PUBLIC EMPLOYEES' RETIREMENT SYSTEM

BY _____
PRESIDING OFFICER

Attest:

**RESOLUTION TO TERMINATE THE CONTRACT
BETWEEN THE
BOARD OF ADMINISTRATION
CALIFORNIA PUBLIC EMPLOYEES' RETIREMENT SYSTEM
AND THE
SUCCESSOR AGENCY TO THE FORMER DALY CITY
REDEVELOPMENT AGENCY**

WHEREAS, the Governing Board of the Daly City Redevelopment Agency entered into a contract with the Board of Administration, Public Employees' Retirement System effective July 1, 1972, providing for the participation of their employees in the Public Employees' Retirement System; and

WHEREAS, the Governing Board of the Daly City Redevelopment Agency did declare its intent to terminate said contract by executing a Resolution of Intention on December 10, 2012 to terminate the contract between said governing body and the Board of Administration of the Public Employees' Retirement System;

NOW, THEREFORE, BE IT FURTHER RESOLVED, that an Agreement Terminating the Contract between the Governing Board of the Daly City Redevelopment Agency and the Board of Administration of the Public Employees' Retirement System is hereby authorized, a copy of said agreement being attached hereto, marked "Exhibit A" and by such reference made a part hereof as though herein set out in full.

The Presiding Officer of the Governing Board of the Successor Agency to the Former Daly City Redevelopment Agency is hereby authorized, empowered and directed to execute said agreement for and on behalf of said agency.

Adopted this _____ day of _____, _____.

Presiding Officer

Attest:

Clerk