

JUN 11 1984

CITY ATTORNEY'S OFFICE

STATE OF CALIFORNIA

PUBLIC EMPLOYEES' RETIREMENT SYSTEM

1416 NINTH STREET, P.O. BOX 1953

SACRAMENTO, CALIFORNIA 95809

Telephone (916) 445-6570

445-4900 (TDD Interpreter)



Reply to Section 900
Field and Contracts
Services Division

June 8, 1984

Mr. William P. Carnazzo
Deputy City Attorney
City of Sacramento
Department of Law
812 Tenth Street, Suite 201
Sacramento, CA 95814

Re: Fruitridge Fire Protection District #0868

Dear Mr. Carnazzo:

Enclosed is the Agreement concerning discharge of the unfunded actuarial liability for the District.

Please review and have the documents executed by the City Council. Return both documents for signature of the System Executive Officer, after which the copy will be returned for your records.

If you have any questions, please call this office.

Yours truly,

A handwritten signature in cursive script that reads "Lois Hill".

Lois Hill, Retirement Specialist
Contracts Office
Field & Contracts Services Division

LH:mw

Enclosure

AGREEMENT
OF
CITY OF SACRAMENTO
AND
THE PUBLIC EMPLOYEES' RETIREMENT SYSTEM
TO
DISCHARGE THE LIABILITY OF THE CONTRACT
OF
FRUITRIDGE FIRE PROTECTION DISTRICT

WHEREAS, the governing body of the Fruitridge Fire Protection District entered into a contract with the Board of Administration, Public Employees' Retirement System, hereafter System, effective March 16, 1972 providing for participation of its employees in said System; and

WHEREAS, the employees of the Fruitridge Fire Protection District have been transferred to the City of Sacramento; and

WHEREAS, the System has determined that there is an unfunded actuarial liability in the approximate amount of \$207,588.00; and

WHEREAS, the City Council is the governing body and the supervising authority of the City of Sacramento; and

WHEREAS, the City Council of the City of Sacramento has agreed to guarantee payment of any unfunded liability on behalf of the Fruitridge Fire Protection District each July 1; and

WHEREAS, Government Code Section 20564 provides that the System shall fix terms for payment of any unpaid liability;

NOW THEREFORE BE IT AGREED:

1. the City of Sacramento shall make an initial payment in the amount of \$52,690.50 due July 1, 1984, and annual payments in the same amount for five consecutive years, subject to adjustment for actuarial gains or losses incurred by the System during the period of this contract, of any unfunded liability on behalf of the Fruitridge Fire Protection District. Each payment shall be due on July 1 of each year commencing July 1, 1984. The amount of the payment includes interest computed at eight and one-half (8 1/2) per annum;
2. that payments are due in the System's Headquarters Offices within 10 days of the due date;
3. that failure to receive payment in the System within 10 days of the due date will result in delinquency charges being imposed, applied beginning the first day after the due date;

4. that the System shall perform periodic actuarial valuations of the liability owed and notify District by April 1, if such valuation affects the amount of the payment due that year;
5. that default by the City of Sacramento shall be the failure to make payment 90 days after any annual payment is due;
6. that default by the City of Sacramento shall result in termination of the Board of Directors of the Fruitridge Fire Protection District contract by the Board of Administration of the Public Employees' Retirement System pursuant to Section 20562, Government Code;
7. that in case of default by the City of Sacramento, any benefits payable pursuant to the terminated contract of the Fruitridge Fire Protection District by the System after default be reduced by the percentage of the unfunded actuarial liability, less the actuarial equivalent pursuant to Sections 20564 and 20564.5 of the Government Code.

BE IT FURTHER AGREED, that the governing body of the City of Sacramento have authorized the execution of this Agreement of the City of Sacramento, and the Board of Administration of the Public Employees' Retirement System to discharge the unfunded actuarial liability as set forth in this agreement on the stated terms and conditions.

BOARD OF ADMINISTRATION
PUBLIC EMPLOYEES' RETIREMENT SYSTEM

CITY COUNCIL
OF THE
CITY OF SACRAMENTO

BY _____
SIDNEY C. McCAUSLAND, EXECUTIVE OFFICER

BY _____
Presiding Officer

Date _____

Approved as to form:

Margaret J. Hoehn 6/8/84
Margaret J. Hoehn, Legal Office, Date