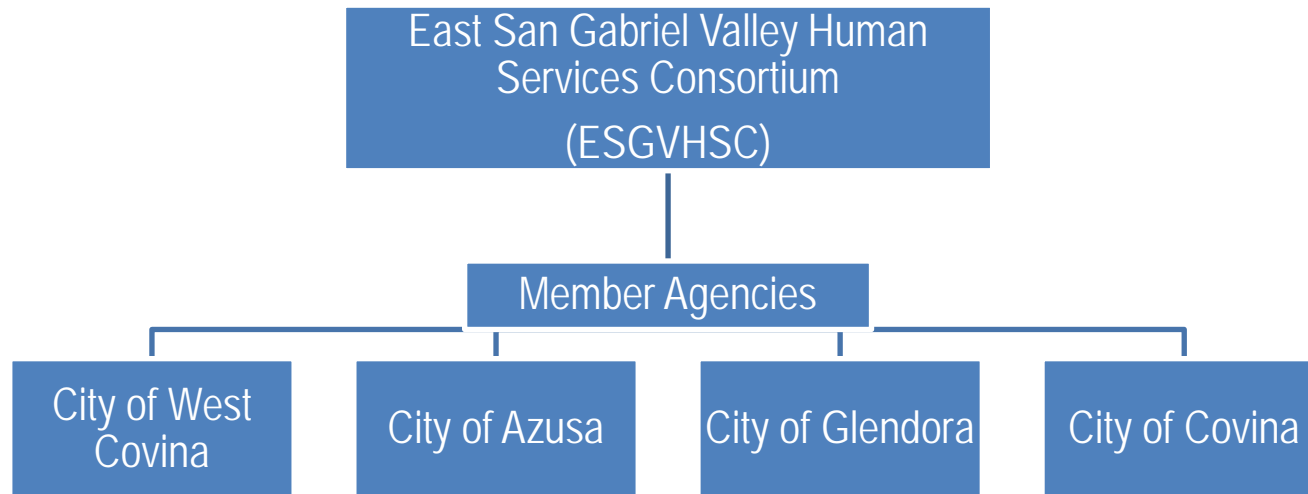


# East San Gabriel Valley Human Services Consortium

Finance & Administration Committee  
March 14, 2017

# Background



- September 1979 – Joint Powers of Authority (JPA) formed
- September 2014 – it no longer performs any business functions and has been winding down
- July 2016 – JPA failed to pay unfunded accrued liability for FY 15/16 & 16/17 - \$406,345

# Collection Efforts



Made 34 phone calls and sent multiple collection notices



Sent final collection and demand letters



Requested financial assistance from JPA members



Notified stakeholders, city council members and impacted members

# California Public Employees' Retirement LAW (PERL)

- Section 20572
  - No payment after 30 days
  
- Section 20577
  - Reduction of benefit

# Contract Termination Impact

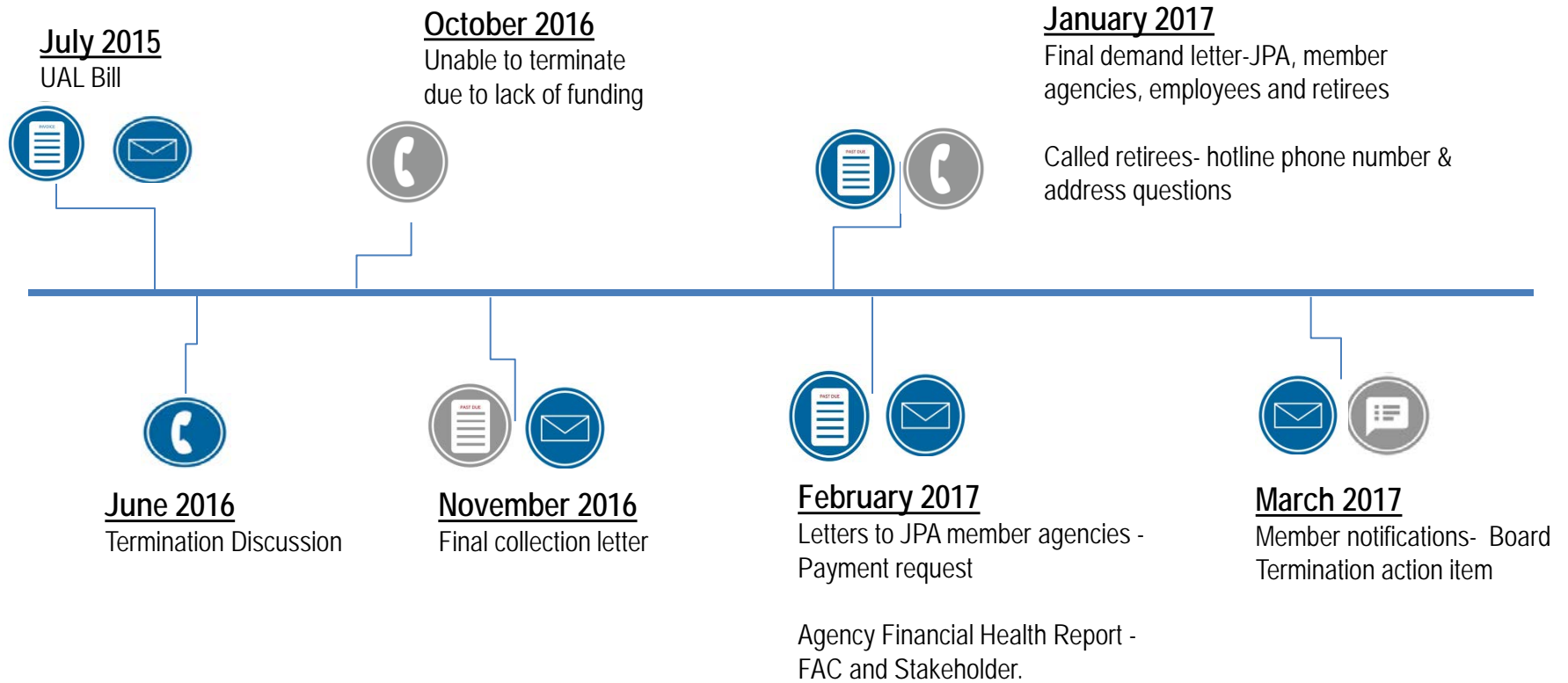
Employees/Retirees			Termination Cost <sup>1</sup>	
Rate Plan	Formula	Plan Participants <sup>2</sup>	Termination UAL & Funded % at 2.0%	
Miscellaneous	2.0@55	Transferred= 36	(\$19,352,259)	37.0%
		Separated= 93		
		Retired= 62		
		<b>Total= 191</b>		
Miscellaneous-PEPRA	2.0@62	Separated =6	(\$7,685)	74.5%
		<b>Total= 6</b>		

# Benefit Reduction

- Approximately 63% for the classic members
- Approximately 25% for the PEPRA members
- Reductions will occur on July 1, 2017

# Summary of Process Timeline

July 2015 – present: Ongoing efforts, including multiple phone calls, to collect delinquent amounts owed by the ESGVHSC.



# APPENDIX

- Agencies Experiencing Financial Hardship
  - Future termination risk
  - Ongoing efforts to mitigate risk



# Agencies Experiencing Financial Hardship

## Future Termination Risk

- Agencies Over 90 Days Delinquent
  - Independent Cities Association, Inc.
  - Niland Sanitary District

# Ongoing Efforts to Mitigate Risk

- Conduct a review and gather intelligence on employers and rate plans to identify and quantify the risks
  - Segment plans into risk categories
    - Develop and implement risk mitigation strategies
    - Develop monitoring and reporting tools
- Report progress to the FAC in May 2017