Niland Sanitary District

Finance & Administration Committee September 19, 2017



Background



District contracted with CalPERS for retirement services



District adopts initial resolution to voluntarily terminate pension contract



District adopts final termination resolution



Collection Efforts



Sent final collection and demand letters



Notified district employees and retirees



Contract Termination Impact

Rate Plan	Formula	Plan Participants	Funded Status	Total Termination Cost Owed
Miscellaneous	2% @ 60	Vested Terminations = 3	7.51%	\$194,253
		Receiving Payments = 1		
		Total = 4		
Miscellaneous - PEPRA	2% @ 62	Vested Terminations = 1	0%	\$9,744
		Total = 1		

Source: Final termination valuation



Benefit Reduction

Approximately 92.49% for the classic members

100% for PEPRA members

 Reductions will occur on the first pay period in December 2017



Timeline

Ongoing efforts since to collect termination liability owed by the Niland Sanitary District.

March 2013

Employee calls to request verification of service credit.

Nov 2014

Two
employees
receive 10.3
years of
service credit.
District billed
for arrears.

Aug 2014

Termination discussion with Board Treasure.

Feb 2015

District adopts Resolution of Intent to terminate its retirement contract

Aug 2016

Final Demand letter (arrears payment)-District, employees & retirees

Sept 2016

Public Agency Contracts Review – FAC Agenda Item

Nov 2016

Final termination docs received effective with effective 5/12/2016

Final audit requested for Niland

Dec 2016

Office of Audit Services began audit review

Feb 2017

Quarterly Collection & Termination Report – FAC Agenda Item

April 2017

Final audit completed, two district employees credited 5.075 years total and District was billed for arrears.

May 2017

Reporting on
Participating
Employer – FAC
Agenda Item

Stakeholder Engagement Briefing

June 2017

Final Termination completed.
Invoice sent to District

July 2017

1

Final collection letter – Sent to District, employees and retiree

Final demand letter – Sent to District, employees and retiree

Sept 2017

Members notified of Board Meeting action item to declare District in default.

