
AMENDMENT THREE

AGREEMENT FOR LAW ENFORCEMENT SERVICES BETWEEN THE COUNTY OF SAN MATEO AND CITY OF HALF MOON BAY

This **THIRD AMENDMENT** to the Agreement for Law Enforcement Services, dated for reference purposes only as of April 9, 2013, is made between the County of San Mateo, hereinafter referred to as "County" and the City of Half Moon Bay, hereinafter referred to as "City."

WITNESSETH:

WHEREAS, on June 7, 2011, County and City entered into an Agreement (County Resolution No. 071462) for the performance of the agreed upon law enforcement services within the City's boundaries by the County through the Sheriff; and

WHEREAS, in May 2012, Amendment One to the Law Enforcement Service Agreement was approved which revised the date in which the County would provide City with proposed rates for the following contract year; reconfigured the Community Service Officer (CSO) position from two part-time positions to one full-time position; and updated Exhibits B and B-1 with the rates for FY 2012-13; and ;

WHEREAS, in September 2012, Amendment Two to the Law Enforcement Service Agreement was approved which revised the Exhibit B-1 Calculated Rates to incorporate overtime rates for the positions specified in the contract; and ,

WHEREAS, both parties now wish to further amend the Law Enforcement Services Agreement by adding language related to the City's responsibility for the Unfunded Actuarial Accrued Liabilities component of retirement costs:

NOW, THEREFORE, IT IS HEREBY AGREED BY THE PARTIES HERETO AS FOLLOWS:

1. Section 3. Payments, of the Law Enforcement Services Agreement is hereby deleted in its entirety and replaced with the following:

3. PAYMENTS.

3.1 City shall pay County for the Services actually provided under the terms of this Agreement at the rates set forth in Exhibit B and Exhibit B-1 ("Rates").

3.2 The Rates will be readjusted by the County annually effective July 1 of each year, and attached hereto and incorporated herein as an Amendment to this Agreement, to reflect the cost of such services as provided in Government Code Section 51350 and in accordance with the policies and procedures for the determination of such rates as approved by the County Board of Supervisors. County shall provide City with the proposed rates for the following contract year on or before April 1 of each year. Until the parties agree to an updated/revised Exhibit B-1, the prior year's Exhibit B-1 shall remain in effect.

3.3 The City shall be billed based on the service level provided within the parameters of Exhibit A and Exhibit A-1.

- 3.4 The cost of additional services, requested by City, in the field of public safety, law or related fields within the legal power of the Sheriff to provide not set forth in Exhibit A and Exhibit A-1 shall be reflected in an amendment to Exhibits A, A-1, B, and B-1.

3.5 Retirement– Unfunded Actuarial Accrued Liabilities.

- 3.5.1 The County's annual retirement rates under this Agreement, reflected in Exhibit B-1, are calculated using the County's employer rate made up of a normal cost component and amortization of the Unfunded Actuarial Accrued Liability (UAAL) component.
- 3.5.2 Upon annual receipt of City's CALPERS Actuarial Valuation for Safety Plan, which documents the City's annual UAAL obligations to CalPERS, specifically the amortization of side fund¹ and amortization of risk pool payments for Police Only, County will credit the four quarterly invoices by one-quarter of the annual amount due from City to CalPERS for the UAAL obligations on behalf of the safety members for prior law enforcement service, subject to limitations set forth in Sections 3.5.3 and 3.5.8 . If the CALPERS Actuarial Valuation is not received by County at least 30 days prior to quarterly billing, Sections 3.5.4 and 3.5.5 shall apply.
- 3.5.3 Under no circumstances will this credit exceed County's Total UAAL attributed to the Half Moon Bay Agreement or result in City's obligation for retirement costs to County under this Agreement being below the County's normal cost as reflected in the annual actuarial valuation provided by SamCERA. Normal cost for the purposes of this credit will be calculated by taking the total pensionable earnings for safety members under the agreement (Exhibit B-1) and multiplying that figure by the normal cost percentage for safety members per the annual SamCERA actuarial valuation.
- 3.5.4 The timing of credits will generally be applied to quarterly invoices that fall within the fiscal year to which the annual CalPERS actuarial report relates. For example, the City's UAAL obligations to CalPERS for amortization of the side fund and the pool for FY 2012-13 would generally be applied to invoices in FY 2012-13. Should the CalPERS actuarial report for any fiscal year be received with less than 30 days remaining in that fiscal year, the credit may be applied in the subsequent fiscal year, unless it is the last fiscal year of the agreement, in which case the credit will be applied to the final invoice of the agreement or returned to the City by way of reimbursement from the County. Credits will never be applied in quarters that precede the fiscal year for which the CalPERS actuarial report relates.

DEFINITIONS:

¹ Side Fund- At the time an agency joins the CalPERS' risk pool, aside fund is created to account for the difference between the funded status of the pool and the funded status of the agency's plan. A positive side fund will cause the required employer contribution rate to be reduced by the Amortization of Side Fund. A negative side fund will cause the required employer contribution rate to be increased by the Amortization of Side Fund. In the absence of funding changes, the side fund will disappear at the end of the amortization period.

- 3.5.5 If City does not provide a report at least 30 days prior to the fiscal year's first quarter invoice, the invoice for the first quarter will be at the gross contract rate as reflected in Exhibit B-1 with credit/s applied the quarter immediately following receipt of such report.
- 3.5.6 It is City's responsibility to provide County with an official CalPERS report detailing the amount of UAAL for Police only. The credit will not include any amounts paid for other Safety members including Fire or non-Safety members.
- 3.5.7 In determining the threshold for normal cost, if County does not receive its annual SamCERA actuarial report prior to the first quarter invoice, normal cost will be calculated using the prior year's SamCERA actuarial report until the new report is received. The invoice immediately following receipt of the SamCERA report will reflect an adjustment due to the change in normal cost, when such change results in a reduction or addition to City liability to County.
- 3.5.8 If payment made to CalPERS for purposes identified in 3.5.2 is higher than the credit received, the City will receive an adjustment subject to section 3.5.3 on the first invoice immediately following receipt of proof of such payment. If payment made to CalPERS for purposes identified in 3.5.2 exceeds County's UAAL in the agreement for the Fiscal Year in which payment is made, the balance will not be applied as a credit in a future fiscal year subject to section 3.5.3.; however, if City accelerates payment of its side fund liability and the total payment made to CalPERS including this accelerated payment exceeds County's UAAL in the agreement for the Fiscal Year, the balance of accelerated payments that exceeds the County's UAAL shall be carried forward to subsequent years of this contract as a credit until the accelerated payment credit is exhausted.
- 3.5.9 Proof of payment shall be a copy of canceled check or wire confirmation in addition to any documentation sent to CalPERS with the payment.

- 2. This Amendment Three is intended to serve as the sole Agreement of the parties with respect to the specific matters contained herein and any prior agreement, promises, negotiations or representations between the parties with respect to the subject matter of Amendment Three not expressly stated in this document are not binding. Otherwise, Amendment Three is hereby incorporated and made a part of the original Law Enforcement Services Agreement and subject to all provisions therein. This Amendment is intended to be retroactively effective as of July 1, 2011. All other terms of the Law Enforcement Services Agreement not in conflict with Amendment Three shall remain in full force and effect.

IN WITNESS WHEREOF, the parties hereto, by their duly authorized representatives, have affixed their hands.

COUNTY OF SAN MATEO

*A Political Sub-division of
the State of California*

BY: _____
PRESIDENT, BOARD OF SUPERVISORS

DATE: _____

ATTEST:

BY: _____
CLERK OF SAID BOARD

CITY OF HALF MOON BAY

BY: _____
LAURA SNIDEMAN, CITY MANAGER

DATE: _____
APPROVED AS TO FORM

CITY ATTORNEY

ATTEST:

BY: _____
CITY CLERK