

RESOLUTION NO. _____

BOARD OF SUPERVISORS, COUNTY OF SAN MATEO, STATE OF CALIFORNIA

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**RESOLUTION AUTHORIZING A MEMORANDUM OF UNDERSTANDING WITH SAN
MATEO COUNTY EMPLOYEES' RETIREMENT ASSOCIATION (SAMCERA)
REGARDING RETIREMENT SYSTEM FUNDING**

RESOLVED, by the Board of Supervisors of the County of San Mateo, State of California, that

WHEREAS, as of the most recent actuarial valuation date of June 30, 2013, SamCERA, the County's retirement system (the "System"), is 73.3% funded with an unfunded actuarial accrued liability (UAAL) of \$954 million; the UAAL is being funded by County, the Superior Court and the Mosquito District through annual contributions over a layered amortization period of 15 years; and

WHEREAS, the County's retirement obligations have increased over the past decade and now represent over 10 percent of the County's overall operating budget due primarily to increases in the UAAL; and

WHEREAS, former and current County employees comprise approximately 95% of the membership of SamCERA (with former and current employees of the Superior Court and the Mosquito District constituting the other 5%), and in order to provide greater security for SamCERA benefits for active and retired members, enhance the solvency of the System, and reduce County's long term costs of contributing to the System by accelerating the reduction of the UAAL, the County has requested SamCERA to accept deposits of certain supplemental funding amounts made in addition to the annual Statutory Contribution Rate ("SCR"); and

WHEREAS, the cumulative effect of depositing supplement funding amounts above the County's SCR in accordance with this MOU will accelerate the reduction of the County's SCR over what the County's SCR would have been had the County not deposited such supplemental funding; and

WHEREAS, any such supplemental contributions made by County shall be subject to the same investment risks as the other funds in the Retirement Fund (the "Fund") and investment gains or losses may be higher or lower than the expected rate of return, which in turn, will affect the reduction of the UAAL, other projected impacts of supplemental contributions, and the corresponding necessary Statutory Contribution Rate contribution amounts; and

WHEREAS, all of the County's supplemental contributions deposited into the Fund will remain in the Fund and will be used solely for the provision of System benefits to County members and their beneficiaries and the costs of investment, information technology and other administrative costs of the System; and

WHEREAS, on Tuesday, October 29, 2013 the SamCERA Board considered and adopted a similar resolution authorizing their Chairperson to execute the MOU on behalf of SamCERA;

NOW THEREFORE, BE IT RESOLVED, that the President of the Board is hereby authorized to execute said Memorandum of Understanding; and

BE IT FURTHER RESOLVED, that the County Manager or designee is hereby

authorized to execute amendments to the Memorandum of Understanding so long as such amendments do not modify the County's maximum fiscal obligation by more than \$25,000 (in aggregate).

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