



June 12, 2019

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CAROLYN EMERY
EXECUTIVE OFFICER

TO: Local Agency Formation Commission

FROM: Executive Officer

SUBJECT: Request by the City of San Juan Capistrano to the Orange County Employees Retirement System

On May 13, 2019, OC LAFCO staff was informed by the Orange County Employees Retirement System (OCERS) of a request from the City of San Juan Capistrano regarding the disposition of the City's retirement funds if the water utility is transferred to the Santa Margarita Water District. Currently, the retirement funds for the City's employees are pooled with five other employers - the County, Children and Families Commission, OCERS, Superior Courts, and OC LAFCO. The City is requesting to be allowed to remain in the pool and annually pay an additional amount to cover the unfunded liability costs attributed to the utility employees, who will be transferring to a new retirement system should the utility transfer be approved by the Commission.

On May 20, 2019, the OCERS Board considered the City's request and after discussion on the item, the Board continued it to the June 17 meeting. The Board further requested the OCERS staff, together with the actuarial, work with the City and impacted parties to identify the annual contribution amount that would cover the costs of the City's unfunded liability to ensure that the other members of the pool will not be required to subsidize the City's obligation. Staff will keep the Commission informed of this matter and schedule it for further discussion by the Commission if OC LAFCO action is warranted.



CAROLYN EMERY