YREKA CITY COUNCIL
AGENDA
January 5, 2017 – 6:30 P.M.
Yreka City Council Chamber 701 Fourth Street, Yreka, CA
The full agenda packet can be found on the City's website www.ci.yreka.ca.us/council

PLEDGE OF ALLEGIANCE

PUBLIC COMMENTS: This is the time for public comments. Council may ask questions but may take no action during the public comment section of the meeting, except to direct staff to prepare a report or place an item on a future agenda. If you are here to make comments on a specific agenda item, you may speak at that time. If not, this is the time. Please limit your remarks to 5 minutes.

SPEAKERS: Please speak from the podium. State your name and mailing address so that City Staff can respond to you in regard to your comments, or provide you with information, if appropriate. You are not required to state your name and address if you do not desire to do so.

1. Discussion/Possible Action - Consent Calendar: All matters listed under the consent calendar are considered routine and will be enacted by one motion unless any member of the Council wishes to remove an item for discussion or a member of the audience wishes to comment on an item. The City Manager recommends approval of the following consent calendar items:
   a. Approval/ratification of payments issued from December 16 through January 5, 2017.
   b. Approval of Minutes of the meeting held December 15, 2016.
   c. Acceptance of Treasurer's Report and Budget to Actual for the month of November 2016.
   d. Adopt Resolution Recognizing the City of Yreka's 2017 Contribution to Employees Healthcare Costs through the IRS Section 125 Cafeteria Plan.

2. Discussion/Possible Action – approval of appointment to Planning Commission.

3. Discussion/Possible Action – Adoption of:

   a) Resolution Authorizing City Manager to execute Agreements with the State Board of Equalization for Implementation of a Local Transactions and Use Tax.
   b) Resolution Authorizing the Examination of Transactions (Sales) and Use Tax Records.

4. Discussion/Possible Action – Appointment to various committees:
   - Audit, Debt and Investment Committee – *2 Councilmembers.*
   - Collier Interpretive and Information Center Committee (CIIC) *Member and Alternate.*

5. Discussion/Possible Action – Adopt a Resolution making necessary findings pursuant to Government Code Section 7522.56 for Post-Retirement Employment of Deborah Ramirez and directing the City Manager to execute an agreement regarding such employment, together with any and all other necessary documents.

6. Discussion: Information CalPERS Pension Plan Actuarial Reports dated August 2016.

City Manager Report

Council Statements and Requests: Members of the Council may make brief announcements, reports, or request staff to report to Council on any matter at a subsequent meeting.

CLOSED SESSION:

1. Conference with Labor Negotiator Government Code Section 54957.6 (a)
   Agency negotiators: Steven Baker and Rhetta Hogan.
   Employee Organizations: Yreka Police Officer's Association, Yreka Employees Association, Yreka Police Administration Association, Yreka Management Team Association, and the Confidential Unit.

2. Conference with Legal Counsel - Anticipated Litigation
   Initiation of litigation pursuant to Subdivision (c) of Section 54956.9 of the Government Code: (Number of cases to be discussed – 1 - The names of the parties are not disclosed, as it is believed that that to do so would jeopardize the City's ability to serve process or to conclude existing settlement negotiations to the City's advantage).

RETURN TO OPEN SESSION: Announcement of any action taken by the City Council in Closed Session required by the Ralph M. Brown Act. (Government Code Section 54950 et. seq.)

Adjournment.

In compliance with the requirements of the Brown Act, notice of this meeting has been posted in a public accessible place, 72 hours in advance of the meeting.

All documents produced by the City which are related to an open session agenda item and distributed to the City Council are made available for public inspection in the City Clerk’s Office during normal business hours.

In compliance with the Americans with Disabilities Act, those requiring accommodations for this meeting should notify the City Clerk 48 hours prior to the meeting at (530) 841-2324 or by notifying the Clerk at casson@ci.yreka.ca.us.

Accounts Payable

Computer Check Proof List by Vendor

User: lysandra
Printed: 12/29/2016 - 9:14AM
Batch: 60021.12.2016

Invoice No	Description	Amount	Payment Date	Acct Number	Reference
Vendor: 1527	ACME COMPUTER			Check Sequence: 1	ACH Enabled: False
FPA-91100	INV FPA-91100	3,480.00	01/06/2017	01-050-0000-525-000	
	Check Total:	3,480.00			
Vendor: 1080	ARAMARK UNIFORM SERVICES INC			Check Sequence: 2	ACH Enabled: False
634912748	INV 634912748 - UNIFORM SERVICES (COV	36.29	01/06/2017	01-350-0000-510-000	
634927122	INV 634927122 - UNIFORM SERVICES (COV	36.29	01/06/2017	01-350-0000-510-000	
634941279	INV 634941279 - UNIFORM SERVICES (COV	36.29	01/06/2017	01-350-0000-510-000	
634955515	INV 634955515 - UNIFORM SERVICES (COV	36.29	01/06/2017	01-350-0000-510-000	
	Check Total:	145.16			
Vendor: 1922	ASCAP			Check Sequence: 3	ACH Enabled: False
01/07/17	MUSIC LICENSE - 2017	341.21	01/06/2017	01-110-0000-535-000	
	Check Total:	341.21			
Vendor: 4301	AT&T CALNET			Check Sequence: 4	ACH Enabled: False
8980549	INV 8980549	30.17	01/06/2017	01-200-0000-517-000	
9021735	INV 9021735	19.74	01/06/2017	01-300-0000-517-000	
9021736	INV 9021736	19.70	01/06/2017	80-560-0000-517-000	
9021737	INV 9021737	37.70	01/06/2017	01-020-0000-517-000	
9021738	INV 9021738	19.70	01/06/2017	70-510-0000-517-000	
9037743	INV 9037743	98.48	01/06/2017	01-210-0000-517-000	
	Check Total:	225.49			
Vendor: 6021	BASIC LABORATORY INC			Check Sequence: 5	ACH Enabled: False
1611851	INV 1611851 - COLILERT BACTI	96.00	01/06/2017	70-500-0000-420-006	
1612018	INV 1612018 - COLILERT BACTI	96.00	01/06/2017	70-500-0000-420-006	
1612280	INV 1612280 - COLILERT BACTI	96.00	01/06/2017	70-500-0000-420-006	

Invoice No		Description	Amount	Payment Date	Acct Number	Reference
		Check Total:	288.00			
Vendor:	1023	BAXTER AUTO PARTS			Check Sequence: 6	ACH Enabled: False
3011220 11/16		ACCT 3011220 11/16 - STARTING FLUID	3.54	01/06/2017	70-510-0000-420-000	
		Check Total:	3.54			
Vendor:	1024	BAY ALARM COMPANY			Check Sequence: 7	ACH Enabled: False
223766 1-3/17		ACCT 223766 1-3/17	572.22	01/06/2017	01-200-0000-517-004	
641166 1-3/17		ACCT 641166 1-3/17	94.50	01/06/2017	01-020-0000-517-004	
641266 1-3/17		ACCT 641266 1-3/17	94.50	01/06/2017	01-350-0000-517-004	
		Check Total:	761.22			
Vendor:	1041	RON BLACK			Check Sequence: 8	ACH Enabled: False
01/06/17		JANUARY 2017	689.50	01/06/2017	01-200-0000-521-004	
		Check Total:	689.50			
Vendor:	1043	BUDGE-MCHUGH			Check Sequence: 9	ACH Enabled: False
162480		INV 162480 - SEWER SADDLE FOR SEWER	105.66	01/06/2017	80-550-0000-416-000	
		Check Total:	105.66			
Vendor:	2377	CAMPORA INC			Check Sequence: 10	ACH Enabled: False
12/12/16		FUEL DELIVERY - 12/12/16	436.26	01/06/2017	01-210-0000-518-002	
		Check Total:	436.26			
Vendor:	UB*00271	MARIO CARRILLO			Check Sequence: 11	ACH Enabled: False
		Refund Check	144.11	01/06/2017	70-000-0000-950-000	
		Check Total:	144.11			
Vendor:	UB*00274	MARIO CARRILLO			Check Sequence: 12	ACH Enabled: False
		Refund Check	8.94	01/06/2017	70-000-0000-950-000	
		Check Total:	8.94			
Vendor:	1094	CPOA			Check Sequence: 13	ACH Enabled: False
21220		INV 21220 - MEMBERSHIP	125.00	01/06/2017	01-200-0000-511-000	
		Check Total:	125.00			

Invoice No		Description	Amount	Payment Date	Acct Number	Reference
Vendor:	3118	CROSS PETROLEUM			Check Sequence: 14	ACH Enabled: False
95313-IN		INV 95313-IN - DIESEL FUEL	3,047.47	01/06/2017	01-350-0000-520-100	
95316-IN		INV 95316-IN - UNLEADED FUEL	9,328.30	01/06/2017	01-350-0000-520-100	
		Check Total:	12,375.77			
Vendor:	1093	DATA TICKET INC			Check Sequence: 15	ACH Enabled: False
75771		INV 75771 - NOVEMBER 2016	-45.00	01/06/2017	24-000-0000-825-000	
75771		INV 75771 - NOVEMBER 2016	500.00	01/06/2017	24-200-0000-526-005	
		Check Total:	455.00			
Vendor:	2445	DAVES CLOCKS			Check Sequence: 16	ACH Enabled: False
5195		INV 5195 - OVERHAUL CLOCK	100.00	01/06/2017	01-020-0000-520-000	
		Check Total:	100.00			
Vendor:	1109	DOBBY'S LOCK & KEY SHOP			Check Sequence: 17	ACH Enabled: False
8307		INV 8307 - KEY (1) FOR PARKS - ANDERSOI	3.76	01/06/2017	01-400-0000-416-000	
		Check Total:	3.76			
Vendor:	2405	E & S ENGINEERS & SURVEYORS INC			Check Sequence: 18	ACH Enabled: False
1620		INV 1620 - OREGON ST REHAB	3,052.50	01/06/2017	60-310-6036-525-000	
1621		INV 1621 - OREGON ST REHAB	1,410.00	01/06/2017	81-550-6036-525-000	
1622		INV 1622 - OREGON ST REHAB	1,410.00	01/06/2017	71-500-6036-525-000	
		Check Total:	5,872.50			
Vendor:	UB*00275	JUSTIN/BRIAN FONTAINE			Check Sequence: 19	ACH Enabled: False
		Refund Check	37.92	01/06/2017	70-000-0000-950-000	
		Check Total:	37.92			
Vendor:	1916	G & G HARDWARE (POLICE)			Check Sequence: 20	ACH Enabled: False
217257		INV 217257 - ICE MELT	10.74	01/06/2017	01-200-0000-516-000	
		Check Total:	10.74			
Vendor:	1137	GERARD PELLETIER TRANSFER (PW)			Check Sequence: 21	ACH Enabled: False
2297		INV 2297 ACCT 165	30.38	01/06/2017	01-400-0000-518-004	
2438		INV 2438 ACCT 165	64.98	01/06/2017	01-370-0000-518-004	
4221		INV 4221 ACCT 165	78.66	01/06/2017	01-370-0000-518-004	

Invoice No		Description	Amount	Payment Date	Acct Number	Reference
		Check Total:	174.02			
Vendor:	2442	MARK GILMAN			Check Sequence: 22	ACH Enabled: False
MG16-104		INV MG16-104 - 408 VALLEY DR	350.00	01/06/2017	65-620-0000-525-000	
		Check Total:	350.00			
Vendor:	2142	DOHN HENION			Check Sequence: 23	ACH Enabled: False
01/06/17		JANUARY 2017	1,250.00	01/06/2017	01-040-0000-525-001	
		Check Total:	1,250.00			
Vendor:	1187	LIEBERT CASSIDY & WHITMORE			Check Sequence: 24	ACH Enabled: False
1432577		INV 14732577 - GENERAL	378.00	01/06/2017	20-310-0000-525-000	
		Check Total:	378.00			
Vendor:	2443	DIANE LONGDO			Check Sequence: 25	ACH Enabled: False
RFND DOG		REFUND DOG LICENSE FEE - MAYA	30.00	01/06/2017	01-230-0000-870-200	
		Check Total:	30.00			
Vendor:	1400	MADRONE HOSPICE			Check Sequence: 26	ACH Enabled: False
01/06/17		JANUARY 2017	6,250.00	01/06/2017	01-090-0000-560-004	
		Check Total:	6,250.00			
Vendor:	13Y6401	MEEK'S (FALL CREEK)			Check Sequence: 27	ACH Enabled: False
862145		INV 862145 - BIT SET, LIQTITE, ELBOW, CO	33.89	01/06/2017	70-510-0000-420-000	
864092		INV 864092 - PVC BUSHINGS, 4X8 UNDERL	62.22	01/06/2017	70-510-0000-420-000	
		Check Total:	96.11			
Vendor:	13Y6403	MEEK'S (PUBLIC WORKS)			Check Sequence: 28	ACH Enabled: False
862372		INV 862372 - BULBS REPLACEMENT IN SEI	21.07	01/06/2017	01-370-0000-521-000	
864249		INV 864249 - READY MIX & LEVEL FOR RE	21.27	01/06/2017	24-320-0000-520-000	
		Check Total:	42.34			
Vendor:	UB*00276	JOSEPH MORGAN			Check Sequence: 29	ACH Enabled: False
		Refund Check	8.32	01/06/2017	70-000-0000-950-000	
		Check Total:	8.32			

Invoice No		Description	Amount	Payment Date	Acct Number	Reference
Vendor:	UB*00273	GARY MORRIS			Check Sequence: 30	ACH Enabled: False
		Refund Check	31.29	01/06/2017	70-000-0000-950-000	
		Check Total:	31.29			
Vendor:	1216	MOUNTAIN AIR HEATING COOLING & REI			Check Sequence: 31	ACH Enabled: False
8106		INV 8106 - HEATER REPAIR IN SIGN SHOP I	277.95	01/06/2017	01-370-0000-521-000	
		Check Total:	277.95			
Vendor:	1215	MUNNELL & SHERRILL			Check Sequence: 32	ACH Enabled: False
199767		INV 199767 - SAFETY RAIN WEAR FOR NEV	280.74	01/06/2017	01-400-0000-416-000	
199767		INV 199767 - SAFETY RAIN WEAR FOR NEV	280.74	01/06/2017	24-320-0000-416-000	
199767		INV 199767 - SAFETY RAIN WEAR FOR NEV	280.74	01/06/2017	20-390-0000-420-000	
199767		INV 199767 - SAFETY RAIN WEAR FOR NEV	280.74	01/06/2017	20-310-0000-416-001	
199767		INV 199767 - SAFETY RAIN WEAR FOR NEV	280.74	01/06/2017	70-500-0000-416-000	
199767		INV 199767 - SAFETY RAIN WEAR FOR NEV	280.73	01/06/2017	80-550-0000-416-000	
199842		INV 199842 - SAFETY RAIN PANTS - BERTO	52.14	01/06/2017	80-550-0000-416-000	
199842		INV 199842 - SAFETY RAIN JACKETS/LINEI	335.40	01/06/2017	70-500-0000-416-000	
199842		INV 199842 - SAFETY RAIN PANTS - BERTO	52.14	01/06/2017	70-500-0000-416-000	
199843		INV 199843 - SAFETY RAIN JACKET & LINI	115.56	01/06/2017	70-500-0000-416-000	
199843		INV 199843 - SAFETY RAIN JACKET, LINER	111.80	01/06/2017	70-500-0000-416-000	
199843		INV 199843 - SAFETY RAIN JACKET, LINER	111.80	01/06/2017	70-500-0000-416-000	
199843		INV 199843 - SAFETY RAIN JACKET, LINER	115.56	01/06/2017	80-550-0000-416-000	
199843		INV 199843 - SAFETY RAIN JACKET, LINER	111.80	01/06/2017	80-550-0000-416-000	
199843		INV 199843 - SAFETY RAIN JACKET, LINER	111.81	01/06/2017	80-550-0000-416-000	
199843		INV 199843 - SAFETY RAIN JACKET, LINER	111.80	01/06/2017	20-310-0000-416-001	
199843		INV 199843 - SAFETY RAIN JACKET, LINER	111.80	01/06/2017	20-310-0000-416-001	
200345		INV 200345 - HYDRATION STIKS, SAFETY (	138.74	01/06/2017	70-510-0000-416-000	
		Check Total:	3,164.78			
Vendor:	16014	PACE ENGINEERING INC			Check Sequence: 33	ACH Enabled: False
28231		INV 28231 - ENGINEERING SERVICES	115.00	01/06/2017	70-300-0000-525-002	
28231		INV 28231 - ENGINEERING SERVICES	1,183.00	01/06/2017	20-300-0000-525-000	
28231		INV 28231 - ENGINEERING SERVICES	1,395.00	01/06/2017	20-390-1024-525-000	
28231		INV 28231 - ENGINEERING SERVICES	402.00	01/06/2017	60-150-1025-525-000	
		Check Total:	3,095.00			
Vendor:	1253	PERFECTION CLEANING INC			Check Sequence: 34	ACH Enabled: False
01/06/17		DECEMBER 2016	400.00	01/06/2017	01-400-0000-426-003	
01/06/17		DECEMBER 2016	680.00	01/06/2017	01-200-0000-526-001	
01/06/17		DECEMBER 2016	425.00	01/06/2017	01-210-0000-526-001	

Invoice No		Description	Amount	Payment Date	Acct Number	Reference
01/06/17		DECEMBER 2016	425.00	01/06/2017	01-080-0000-526-001	
		Check Total:	1,930.00			
Vendor:	1630	PERSONNEL PREFERENCE			Check Sequence: 35	ACH Enabled: False
71825		INV 71825	63.93	01/06/2017	01-050-0000-525-000	
71825		INV 71825	40.68	01/06/2017	01-020-0000-525-000	
71825		INV 71825	58.12	01/06/2017	01-030-0000-525-000	
71825		INV 71825	75.55	01/06/2017	01-300-0000-525-000	
71825		INV 71825	104.63	01/06/2017	60-310-3026-525-000	
71825		INV 71825	11.63	01/06/2017	60-310-6036-525-000	
71825		INV 71825	453.38	01/06/2017	60-390-6035-525-000	
71825		INV 71825	81.38	01/06/2017	60-400-6029-525-000	
71825		INV 71825	17.44	01/06/2017	20-390-1024-525-000	
71825		INV 71825	11.63	01/06/2017	71-500-6036-525-000	
71825		INV 71825	11.63	01/06/2017	81-550-6036-525-000	
		Check Total:	930.00			
Vendor:	1540	POTABLE DIVERS INC			Check Sequence: 36	ACH Enabled: False
11/19/16		INV 11/19/16 - INSPECTION & CLEANING O	2,500.00	01/06/2017	70-500-0000-420-008	
		Check Total:	2,500.00			
Vendor:	17014	QUILL CORPORATION			Check Sequence: 37	ACH Enabled: False
2601024		INV 2601024 - ENVELOPES & LABELS	160.47	01/06/2017	01-200-0000-515-000	
2652431		INV 2652431 - PHONE	32.24	01/06/2017	01-200-0000-515-000	
		Check Total:	192.71			
Vendor:	2216	RAY MORGAN COMPANY			Check Sequence: 38	ACH Enabled: False
NEW COPIER		CANON C5250 COPIER	11,604.63	01/06/2017	11-200-0911-650-000	
		Check Total:	11,604.63			
Vendor:	2444	DARALYN REED			Check Sequence: 39	ACH Enabled: False
01/06/17		RFND SET-UP FEE	75.00	01/06/2017	80-000-0000-870-010	
		Check Total:	75.00			
Vendor:	2148	JOHN ROBUSTELLINI			Check Sequence: 40	ACH Enabled: False
12/21/16		JOB 1204 - REPAIR #440	3,078.89	01/06/2017	01-350-0000-520-000	
		Check Total:	3,078.89			

Invoice No		Description	Amount	Payment Date	Acct Number	Reference
Vendor:	1283	SC ECONOMIC DEVELOPMENT COUNCIL			Check Sequence: 41	ACH Enabled: False
01/06/17		JANUARY 2017	3,333.33	01/06/2017	01-090-0000-560-001	
		Check Total:	3,333.33			
Vendor:	1296	SCORE			Check Sequence: 42	ACH Enabled: False
1ST QTR 2017		JANUARY - MARCH 2017	59,347.25	01/06/2017	90-110-0000-360-001	
		Check Total:	59,347.25			
Vendor:	1525	SCOTT RIVER PUMP & IRRIGATION INC			Check Sequence: 43	ACH Enabled: False
16-43979		INV 1643979 - 1" FILTER	48.91	01/06/2017	70-510-0000-420-000	
16-44010		INV 1644010 - 1" FILTER, FILTER COVERS	108.85	01/06/2017	70-510-0000-420-000	
		Check Total:	157.76			
Vendor:	1304	SHASTA VALLEY CHAINSAW			Check Sequence: 44	ACH Enabled: False
16226		INV 16226 - BAR & CHAIN FOR PARKS WEI	55.35	01/06/2017	01-400-0000-416-000	
16246		INV 16246 - SHARPENING (3) CHAINSAW B	15.00	01/06/2017	01-400-0000-416-000	
		Check Total:	70.35			
Vendor:	19100	SISKIYOU DAILY NEWS			Check Sequence: 45	ACH Enabled: False
8949		NEWS #8949	209.75	01/06/2017	01-020-0000-519-000	
8964		NEWS #8964	83.75	01/06/2017	60-390-6035-519-000	
		Check Total:	293.50			
Vendor:	2042	SISKIYOU MEDIA COUNCIL			Check Sequence: 46	ACH Enabled: False
01/06/17		JANUARY - MARCH 2017	1,450.00	01/06/2017	01-090-0000-560-003	
		Check Total:	1,450.00			
Vendor:	19101	SISKIYOU PLUMBING & ELECTRIC			Check Sequence: 47	ACH Enabled: False
19020		INV 19020 - BALLAST (1) T-8 FOR FLEET BU	36.98	01/06/2017	01-370-0000-521-000	
		Check Total:	36.98			
Vendor:	1320	DONALD SOLUS			Check Sequence: 48	ACH Enabled: False
07/28/16		YFD EXAM - 9167	125.00	01/06/2017	01-210-0000-525-000	
		Check Total:	125.00			
Vendor:	1299	STAPLES ADVANTAGE			Check Sequence: 49	ACH Enabled: False
3324037470		INV 3324037470 - NITRILE GLOVES XL (CA	88.90	01/06/2017	01-350-0000-520-000	

Invoice No		Description	Amount	Payment Date	Acct Number	Reference
		Check Total:	88.90			
Vendor:	1333	STEINHOFF HEAVY EQUIPMENT & REPAIR			Check Sequence: 50	ACH Enabled: False
50324		INV 50324 - NEOPRENE MATTING (GASKET	82.11	01/06/2017	70-510-0000-420-000	
		Check Total:	82.11			
Vendor:	22015	SUBURBAN PROPANE			Check Sequence: 51	ACH Enabled: False
DECEMBER 2016		1638-002535	564.16	01/06/2017	01-020-0000-518-002	
DECEMBER 2016		1638-002543	616.02	01/06/2017	01-470-0000-518-002	
DECEMBER 2016		1638-002551	1,648.07	01/06/2017	01-480-0000-518-002	
		Check Total:	2,828.25			
Vendor:	2170	TECHNOLOGY UNLIMITED INC			Check Sequence: 52	ACH Enabled: False
310267		INV 310267 - LIC RENEWAL	1,335.51	01/06/2017	70-030-0000-526-000	
310267		INV 310267 - LIC RENEWAL	1,335.52	01/06/2017	80-030-0000-526-000	
		Check Total:	2,671.03			
Vendor:	21027	UNITED PARCEL SERVICE			Check Sequence: 53	ACH Enabled: False
84V993496		INV 84V993496 - ADDITIONAL SHIPPING C	0.32	01/06/2017	71-500-0000-450-001	
84V993496		INV 84V993496 - SHIPPING COST FOR REPA	122.84	01/06/2017	70-510-0000-420-004	
84V993496		INV 84V993496 - SHIPPING COST FOR WAR	9.41	01/06/2017	01-400-0000-416-000	
		Check Total:	132.57			
Vendor:	25090	USPS			Check Sequence: 54	ACH Enabled: False
01/06/17		JANUARY 2017	1,400.00	01/06/2017	70-030-0000-515-001	
		Check Total:	1,400.00			
Vendor:	23008	WAL-MART COMMUNITY			Check Sequence: 55	ACH Enabled: False
007418		INV 007418 - SHOP W/ A COP	75.34	01/06/2017	02-200-1008-561-030	
		Check Total:	75.34			
Vendor:	1374	YREKA CHAMBER OF COMMERCE			Check Sequence: 56	ACH Enabled: False
01/06/17		JANUARY 2017	4,750.00	01/06/2017	01-090-0000-560-000	
		Check Total:	4,750.00			
Vendor:	25120	YREKA TRANSFER			Check Sequence: 57	ACH Enabled: False
005821 12/16		ACCT 005821 12/16	82.00	01/06/2017	01-210-0000-518-004	

Invoice No	Description	Amount	Payment Date	Acct Number	Reference
054217 12/16	ACCT 054217 12/16	129.00	01/06/2017	01-480-0000-518-004	
78350 12/16	ACCT 78350 12/16	60.00	01/06/2017	80-560-0000-518-004	
	Check Total:	271.00			
Vendor: UB*00272	JESSICA ZERN			Check Sequence: 58	ACH Enabled: False
	Refund Check	12.52	01/06/2017	70-000-0000-950-000	
	Check Total:	12.52			
	Total for Check Run:	138,194.71			
	Total of Number of Checks:	58			

MINUTES OF THE REGULAR MEETING OF THE CITY COUNCIL OF THE CITY OF YREKA HELD IN SAID CITY ON DECEMBER 15, 2016

On the 15th day of December 2016, the City Council of the City of Yreka met in the City Council Chambers of said City in regular session, and upon roll call, the following were present: Deborah Baird, Joan Smith Freeman, John Mercier and David Simmen Absent - None.

<u>Consent Calendar</u>: Mayor Mercier announced that all matters listed under the consent calendar are considered routine and will be enacted by one motion unless any member of the Council wishes to remove an item for discussion or a member of the audience wishes to comment on an item:

a. Approval/ratification of payments issued from December 2 through December 15, 2016.
b. Approval of Minutes of the meeting held December 1, 2016.

Following Council discussion, Councilmember Freeman moved to approve the items on the consent calendar as submitted.

Councilmember Simmen seconded the motion, and upon roll call, the following voted YEA: Baird, Freeman, Mercier and Simmen.

Mayor Mercier thereupon declared the motion carried.

<u>Adopt Resolution declaring results of the General Municipal Election held November 8, 2016.</u>

Following Council discussion, Councilmember Baird moved to adopt Resolution No. 2016-56 declaring the results of the General Municipal Election as submitted.

Councilmember Freeman seconded the motion, and upon roll call, the following voted YEA: Baird, Freeman, Mercier and Simmen.

Mayor Mercier thereupon declared the motion carried, and stepped down from his seat at the Council table.

Mayor Pro-tempore Freeman thanked the retiring Councilmembers and welcomed the newly elected Councilmembers Kegg and Shaskey to be seated.

<u>Interview Council Applicants and Appoint a new City Councilmember to fill the unexpired term of Mayor Mercier.</u>

City Manager Steve Baker reported that the City received applications from Craig Mommer and David Simmen and both applicants are here tonight to answer questions from the Council.

Following statements from applicants Craig Mommer and David Simmen, and Council discussion, Councilmember Shaskey moved to appoint Craig Mommer to fill the unexpired term of John Mercier.

Mayor Pro-tempore called for a second, there being none, Mayor Pro-tempore Freeman declared that the motion has died for a lack of a second, and opened further discussion to the Council.

Following Council discussion, Councilmember Baird moved to appoint David Simmen to fill the unexpired term of John Mercier. Said term expiring November 2018.

Councilmember Kegg seconded the motion, and upon roll call, the following voted YEA: Baird, Freeman, Kegg, and Shaskey. Nays – None.

Mayor Pro-tempore Freeman thereupon declared the motion carried and welcomed Councilmember Simmen back to the table.

Election of Mayor – City Manager opened nominations from the Council Members.

Councilmember Shaskey nominated Joan Smith-Freeman. There being no further nominations City Manager Baker closed the nominations and called for the vote:

Ayes: Baird, Kegg, Freeman, Shaskey & Simmen. Mayor Freeman assumed the chair.

Election of Mayor Pro-Tempore – Mayor Freeman opened nominations from Council.

Councilmember Kegg nominated Councilmember Deborah Baird. There being no further nominations, Mayor Freeman closed the nominations and called for the vote:

Ayes: Baird, Kegg, Freeman, Shaskey & Simmen. Councilmember Baird assumed her position as Mayor Pro-tempore.

Cancel City Council meeting scheduled for January 19, 2017 due to lack of quorum.

City Manager Baker reported that staff has reviewed the dates for the Council meetings for the coming year and noted a conflict with the second regularly scheduled meeting in January, due to the New Mayors and Council Members' Academy to be held in Sacramento January 18 – 20, 2017.

Following Council discussion, Councilmember Kegg moved to cancel the regularly scheduled City Council meeting of January 19, 2017.

Councilmember Simmen seconded the motion, and upon roll call, the following voted YEA: Baird, Freeman, Kegg, Shaskey, and Simmen.

Mayor Freeman thereupon declared the motion carried.

Approve a Budget Revision for $30,000 in fiscal year 2016-2017 to replace the City's file/data server.

Finance Director Rhetta Hogan reported that the City has been experiencing server downtime and intermittent lockups over the past 18 months. Last summer our server crashed and computing services were non-operable from July 1 – July 8 and most recently on December 7, the server was placed in a “half-crash” state. The server has had these half-crash symptoms for some time. To date no data has been lost, however cumulative downtime adversely affects not only the City staff but also service to the customers. The cost of downtime is nearing the replacement cost for the server, therefore, we are requesting authorization to replace the server now, before these issues cause further risk of non-restorable data.

Jessie Austin of ACME Computers addressed the Council to answer any questions regarding the proposed replacement of the City’s file/data server. Stating that the server is operating in a critical condition and they can longer assure that the City server will be able to recover without data loss.

Following Council discussion, Councilmember Simmen moved to approve the budget revision in the amount of $30,000. as requested.

Councilmember Baird seconded the motion, and upon roll call, the following voted YEA: Baird, Freeman, Kegg, and Simmen. Abstain – Shaskey.

Mayor Freeman thereupon declared the motion carried.

CLOSED SESSION:

1. <u>Conference with Legal Counsel - Anticipated Litigation</u>
   Initiation of litigation pursuant to Subdivision (c) of Section 54956.9 of the Government Code: (Number of cases to be discussed – 1 - The names of the parties are not disclosed, as it is believed that that to do so would jeopardize the City's ability to serve process or to conclude existing settlement negotiations to the City's advantage).

2. Conference with Labor Negotiator Government Code Section 54957.6 (a)
   Agency negotiator: Steven Baker.
   Employee Organizations: Yreka Police Officer's Association and Yreka City Employees Association.

RETURN TO OPEN SESSION: Upon return to open session, City Manager Baker reported out as to item no. 1, no reportable action was taken, and as to item 2, Council conferred with its labor negotiator.

ADJOURNMENT There being no further business before the Council the meeting was adjourned.

Attest:

Joan Smith-Freeman, Mayor
Minutes approved by Council
Motion January 5, 2017

Elizabeth E. Casson, City Clerk

CITY OF YREKA
TREASURER'S REPORT TO THE CITY COUNCIL
Nov-2016

Fund Type	Fund	Fund Description	Previous Balance	Receipts / Debits	Disbursements / Credits	Cash Balance by Fund		
General-Unrestricted	01	**General Operating**	$ 2,214,736.35	$ 351,202.07	$ 394,410.64	$ 2,171,527.78		
General-Designated	01	**General Oper. - Other**	-	-	-	0.00		
General-Designated	01	**Comm Art**	2,772.56	-	-	2,772.56		
General-Designated	01	**Fire Museum**	3,322.35	-	-	3,322.35		
General-Designated	01	**Planning Deposits**	-	-	-	0.00		
General-Designated	01	**Sidewalk in Lieu**	36,228.46	-	-	36,228.46		
General-Designated	01	**Parkland Trust**	300.00	-	-	300.00		
General-Designated	01	**Police Asset Forfeit**	6,803.63	-	-	6,803.63		
General-Designated	01	**Parking Fees**	63,011.04	-	-	63,011.04		
General-Designated	01	**Campbell Tract Redemption**	48,020.34	-	-	48,020.34		
General-Designated	02	**Gifts Donations**	7,536.88	-	185.38	7,351.50		
General-Designated	02	**K-9 Unit**	12,635.18	-	-	12,635.18		
General-Designated	02	**YPD Donated - Hitson**	4,751.44	-	-	4,751.44		
General-Designated	02	**YPD Donated - Travellers**	1,634.44	-	-	1,634.44		
General-Designated	02	**YPD Donated - Teen Fund**	4,941.67	-	-	4,941.67		
General-Designated	03	**YVFD Volunter Fund**	61,837.61	2,586.66	-	64,424.27		
General-Restricted	04	**Crandell Cash**	109,914.09	2,244.98	-	112,159.07		
General-Designated	08	**Grant Projects Reserve**	1,111,398.67	8,009.34	16,018.68	1,103,389.33		
General-Designated	08	**PERS Pension Liability Reserve**	(81,608.96)	8,009.34	-	(73,599.62)		
General-Designated	09	**Reserves for Cap. Outlay**	485,918.54	-	-	485,918.54		
General-Designated	10	**Capital Outlay**	95,374.93	-	-	95,374.93		
General-Designated	11	**Capital Building Project - YPD**	1,755,430.95	500.00	392.27	1,755,538.68		**General - All**
General-Designated	90	**Payroll Clearing**	(22,499.12)	368,818.86	350,118.66	(3,798.92)	$	5,902,706.67
Spec. Rev. -Streets	20	**Road and Street Funds including HUTA**	327,277.60	26,336.81	38,558.18	315,056.23		
Spec. Rev. -Streets	21	**Local Transportation**	141,661.42	-	-	141,661.42		**Streets**
Spec. Rev. -Streets	24	**Fines - Traffic Safety**	147,421.63	2,026.85	3,997.69	145,450.79	$	602,168.44
Special Revenue	30	**Fire Assessment Spec. Rev**	272,244.02	20,477.94	10,870.15	281,851.81		
Special Revenue	31	**Landfill Access Fee - Debt Service**	(10,755.33)	20,435.69	622.05	9,058.31		**Special Revenues**
Special Revenue	32	**Developer Impact Fees**	257,711.79	-	-	257,711.79	$	548,621.91
Special Grants	60	**Spec Grants Capital Outlay**	(295,167.86)	20,144.41	132,747.44	(407,770.89)		**Special Grants**
Special Grants	65	**Community Development Grants**	387,060.59	2,158.18	466.81	388,751.96		
SpecialOperating	67	**SUMIT Operating**	26.08	407,538.41	-	407,564.49	$	388,545.56
Water Enterprise	70	**Water Operating**	829,159.37	242,686.79	157,205.02	914,641.14		
Water Enterprise	71	**Water Capital Projects**	(324,668.58)	-	225,877.12	(550,545.70)		
Water Enterprise	72	**Water Debt Servicing**	435,457.44	-	-	435,457.44		
Water Enterprise	72	**USDA COPS 2010**	200,000.00	-	-	200,000.00		**Water Enterprise**
Water Enterprise	74	**Water Reserves**	7,077,460.44	37,566.30	-	7,115,026.74	$	8,114,579.62
Sewer Enterprise	80	**Sewer Operating**	571,992.00	203,126.83	144,096.54	631,022.29		
Sewer Enterprise	81	**Sewer Capital Outlay**	(2,024.16)	-	4,103.39	(6,127.55)		
Sewer Enterprise	82	**Sewer Debt Servicing**	216,439.91	-	-	216,439.91		
Sewer Enterprise	82	**USDA COPS 2003**	100,000.00	-	-	100,000.00		**Enterprise-Sewer**
Sewer Enterprise	84	**Sewer Reserves**	3,397,791.16	49,850.98	-	3,447,642.14	$	4,388,976.79
								Agency
Agency	92	**Agency SUMIT - Cash**	744,569.89	-	-	744,569.89	$	744,569.89
		COLUMN TOTALS	$ 20,396,118.46	$ 1,773,720.44	$ 1,479,670.02	$ 20,690,168.88	$	20,690,168.88
						-		

	PER BANK	Market Value	PER LEDGER
BANK RECAPITULATION	**PER BANK**	**Market Value**	**PER LEDGER**
L.A.I.F. 0.678%	14,302,729.91	14,302,729.91	
Pershing Bank - CD & Treas Investments	4,435,000.00	3,457,689.85	
Petty Cash Drawers	1,200.00		
YVFD Petty Cash	100.00		
TriCounties YVFD DDA	64,650.09		
SVB SUMIT Operating	407,564.49		
SVB SUMIT Asset Forfeiture	744,569.89		
Scott Valley Bank - 01015102	761,332.80		
TOTAL PER BANK	20,717,147.18		
ADJUSTMENTS			
Less Outstanding Checks SVB	(28,098.84)		
Less Outstanding Checks TCB	(325.82)		
Less Outstanding Checks SVB SUMIT	-		
SVB DDA Interest 11/30 GL 12/1	(38.11)		
OS CC GL 11/29 SVB 12/1	945.82		
OS CC GL 11/30 SVB 12/2	1,514.00		
PR Taxes G/L 11/30 SVB 12/2	(100.92)		
PR PERS G/L 11/30 SVB 12/8	(64.95)		
ACH Deposit SVB 11/30 G/L 12/2 - FG	(821.48)		
BRMS Prem Adj. (new Hires)	12.00		
TOTAL PER LEDGER	**20,690,168.88**		**20,690,168.88**
			-

Rhetta Hogan, City Treasurer

Joan Smith Freeman, City Mayor

2016-2017 Operating Budget of Revenue and Expenditures
with Actual Results
November 30, 2016

Fund Analysis		REVENUE			EXPENSE			Excess of Rev over Exp.-Surplus/ (Deficit)		Based on Estimated Actuals			
Major Grp	Fund	Adopted	Operating Budget	Year to Date	Adopted	Operating Budget	Year to Date	Operating Budget	Net Actual Year to Date	Beginning Working Capital	Operating Budget Net Increase / (Decrease)	Ending Working Capital	Current Cash Balance
Investment in LAIF	00	-	-	-	-	-	-	-	-	-	-	-	
General Operating	01	5,274,445.00	5,277,445.00	1,030,301.35	5,409,823.03	5,412,823.03	2,355,097.67	(135,378.03)	(1,324,796.32)	3,665,129.11	(1,324,796.32)	2,340,332.79	2,331,986.16
General Operating Fund		5,274,445.00	5,277,445.00	1,030,301.35	5,409,823.03	5,412,823.03	2,355,097.67	(135,378.03)	(1,324,796.32)	3,665,129.11	(1,324,796.32)	2,340,332.79	2,331,986.16
Gifts Donations	02	-	-	3,451.58	700.00	700.00	264.53	(700.00)	3,187.05	28,127.18	3,187.05	31,314.23	31,314.23
YVFD Volunter Fund	03	9,500.00	9,500.00	3,548.81	9,500.00	9,500.00	(1,691.71)	-	5,240.52	59,183.75	5,240.52	64,424.27	64,424.27
Trusts -Crandell-Stewart	04	4,000.00	4,000.00	5,950.63	17,000.00	17,000.00	13,710.30	(13,000.00)	(7,759.67)	114,346.71	(7,759.67)	106,587.04	112,159.07
General Fund Reserves	08	(115,000.00)	(115,000.00)	(37,287.73)	(115,000.00)	(115,000.00)	(40,455.73)	-	3,168.00	1,026,621.71	3,168.00	1,029,789.71	1,029,789.71
Reserves for Cap. Outlay	09	-	2,000.00	2,001.00	57,108.00	57,108.00	57,108.00	(55,108.00)	(55,107.00)	541,025.54	(55,107.00)	485,918.54	485,918.54
Capital Outlay	10	95,000.00	95,000.00	95,000.00	105,000.00	135,000.00	(374.93)	(40,000.00)	95,374.93	-	95,374.93	95,374.93	95,374.93
Construction Fund	11	6,000.00	6,000.00	3,000.00	120,000.00	120,000.00	(1,004.88)	(114,000.00)	4,004.88	1,752,033.80	4,004.88	1,756,038.68	1,755,538.68
Payroll Clearing	90	-	-	-	-	-	(1,510.69)	-	1,510.69	-	1,510.69	1,510.69	(3,798.92)
General Fund - Restricted or Designated		(500.00)	1,500.00	75,664.29	194,308.00	224,308.00	26,044.89	(222,808.00)	49,619.40	3,521,338.69	49,619.40	3,570,958.09	3,570,720.51
Total General Fund		**5,273,945.00**	**5,278,945.00**	**1,105,965.64**	**5,604,131.03**	**5,637,131.03**	**2,381,142.56**	**(358,186.03)**	**(1,275,176.92)**	**7,186,467.80**	**(1,275,176.92)**	**5,911,290.88**	**5,902,706.67**
Gas Tax & Traffic Cong.	20	628,910.34	635,910.34	492,719.27	628,910.34	635,910.34	177,663.14	-	315,056.13	0.10	315,056.13	315,056.23	315,056.23
Local Transportation	21	139,814.18	139,814.18	(84,337.74)	224,566.52	224,566.52	24,566.52	(84,752.34)	(108,904.26)	250,565.68	(108,904.26)	141,661.42	141,661.42
Fines - Traffic Safety	24	97,475.15	97,475.15	74,147.45	97,475.15	97,475.15	15,025.31	-	59,122.14	86,328.65	59,122.14	145,450.79	145,450.79
Road, Street & Transit - Restricted		866,199.67	873,199.67	482,528.98	950,952.01	957,952.01	217,254.97	(84,752.34)	265,274.01	336,894.43	265,274.01	602,168.44	602,168.44
Total Road, Streets and Transit		***866,199.67***	***873,199.67***	***482,528.98***	***950,952.01***	***957,952.01***	***217,254.97***	***(84,752.34)***	***265,274.01***	***336,894.43***	***265,274.01***	***602,168.44***	***602,168.44***
Fire Assessment Spec. Rev	30	245,250.00	245,250.00	104,542.37	282,180.18	282,180.18	54,277.44	(36,930.18)	50,264.93	249,266.83	50,264.93	299,531.76	281,851.81
Landfill Access Fee - Debt Service	31	230,000.00	230,000.00	99,059.44	183,177.20	183,177.20	177,824.80	46,822.80	(78,765.36)	109,060.23	(78,765.36)	30,294.87	9,058.31
Developer Impact Fees	32	16,000.00	16,000.00	9,638.64	-	-	-	16,000.00	9,638.64	248,073.15	9,638.64	257,711.79	257,711.79
Special Revenue - Restricted		491,250.00	491,250.00	213,240.45	465,357.38	465,357.38	232,102.24	25,892.62	(18,861.79)	606,400.21	(18,861.79)	587,538.42	548,621.91
Total Special Revenue		**491,250.00**	**491,250.00**	**213,240.45**	**465,357.38**	**465,357.38**	**232,102.24**	**25,892.62**	**(18,861.79)**	**606,400.21**	**(18,861.79)**	**587,538.42**	**548,621.91**
Spec Grants Capital Outlay	60	1,521,864.52	1,521,864.52	(97,251.17)	1,571,864.52	1,571,864.52	536,271.09	(50,000.00)	(633,522.26)	225,751.37	(633,522.26)	(407,770.89)	(407,770.89)
Community Development Grants	65	17,700.00	17,700.00	8,914.16	12,250.00	12,250.00	3,957.92	5,450.00	4,956.24	319,398.56	4,956.24	324,354.80	388,751.96
SUMIT Operating Fund	67	-	407,540.00	407,538.41	-	167,703.00	73.92	239,837.00	407,464.49	-	407,464.49	407,464.49	407,564.49
Special Grants - Capital Projects		1,539,564.52	1,947,104.52	319,201.40	1,584,114.52	1,751,817.52	540,302.93	195,287.00	(221,101.53)	545,149.93	(221,101.53)	324,048.40	388,545.56
Special Grants - Operating & Capital Projects		***1,539,564.52***	***1,947,104.52***	***319,201.40***	***1,584,114.52***	***1,751,817.52***	***540,302.93***	***195,287.00***	***(221,101.53)***	***545,149.93***	***(221,101.53)***	***324,048.40***	***388,545.56***
Water Operating	70	1,928,806.02	1,928,806.02	732,720.23	1,928,806.02	1,927,306.02	597,563.77	1,500.00	135,156.46	-	135,156.46	135,156.46	914,641.14
Water Capital Projects	71	1,422,000.00	1,422,000.00	-	1,422,000.00	1,422,000.00	550,545.76	-	(550,545.76)	-	(550,545.76)	(550,545.76)	(550,545.70)
Water Debt Servicing	72	262,536.25	262,536.25	262,536.25	262,536.25	262,536.25	35,724.37	-	226,811.88	529,645.56	226,811.88	756,457.44	635,457.44
Water Reserves	74	(854,842.27)	(854,842.27)	294,946.79	-	-	-	(854,842.27)	294,946.79	5,587,286.97	294,946.79	5,882,233.76	7,115,026.74
Water Enterprise		2,758,500.00	2,758,500.00	1,290,203.27	3,613,342.27	3,611,842.27	1,183,833.90	(853,342.27)	106,369.37	6,116,932.53	106,369.37	6,223,301.90	8,114,579.62
Sewer Operating	80	1,691,755.66	1,691,755.66	472,380.35	1,691,755.66	1,693,255.66	420,233.74	(1,500.00)	52,146.61	-	52,146.61	52,146.61	631,022.29
Sewer Capital Outlay	81	261,500.00	261,500.00	-	261,500.00	761,500.00	6,127.55	(500,000.00)	(6,127.55)	-	(6,127.55)	(6,127.55)	(6,127.55)
Sewer Debt Servicing	82	283,036.22	283,036.22	283,036.22	283,036.22	283,036.22	4,212.51	-	278,823.71	101,822.38	278,823.71	380,646.09	316,439.91
Sewer Reserves	84	220,708.12	220,708.12	257,278.46	-	-	-	220,708.12	257,278.46	3,153,168.83	257,278.46	3,410,447.29	3,447,642.14
Sewer Enterprise Fund		2,457,000.00	2,457,000.00	1,012,695.03	2,236,291.88	2,737,791.88	430,573.80	(280,791.88)	582,121.23	3,254,991.21	582,121.23	3,837,112.44	4,388,976.79
Total Enterprise Funds		***5,215,500.00***	***5,215,500.00***	***2,302,898.30***	***5,849,634.15***	***6,349,634.15***	***1,614,407.70***	***(1,134,134.15)***	***688,490.60***	***9,371,923.74***	***688,490.60***	***10,060,414.34***	***12,503,556.41***
SUMIT Agency Trust - Cash	92	-	-	-	-	-	-	-	-	-	-	-	744,569.89
Agency Funds		-	-	-	-	-	-	-	-	-	-	-	744,569.89
Total Road, Streets and Transit		-	-	-	-	-	-	-	-	-	-	-	***744,569.89***
All Funds Combined		**13,386,459.19**	**13,805,999.19**	**4,423,834.77**	**14,454,189.09**	**15,161,892.09**	**4,985,210.40**	**(1,355,892.90)**	**(561,375.63)**	**18,046,836.11**	**(561,375.63)**	**17,485,460.48**	**20,690,168.88**

Approval:____ Joan Smith Freeman, Mayor

12/23/2016 5:22 PM

CITY OF YREKA
CITY COUNCIL AGENDA MEMORANDUM

To:	Yreka City Council
Prepared by:	Rhetta Hogan, Finance Director
Agenda title:	Adopt a Resolution Recognizing the City of Yreka's 2017 Contribution to Employees Healthcare Costs through the IRS Section 125 Cafeteria Plan
Meeting date:	January 5, 2017

Summary:
The City currently contributes to employees cost of healthcare coverage through the City's current cafeteria plan. The City provides a tiered Plan model contribution to all benefit eligible employees to participate in the City sponsored medical health benefits under the medical health insurance benefit program.

Under the CalPERS Health Benefit Program equal contribution option, the City is required under PEMHCA to provide the same benefit to active employees and retired employees (Public Employee Retirement Law Section 22892(b)(1)). The amount designated is the minimum amount required by CalPERS. The City of Yreka annually adopts the new minimum by Resolution for the coming year.

In 2017, the minimum is $128 and this amount is increased annually on January 1 by a cost-of-living adjustment. This benefit is included in our collection bargaining unit agreements.

The City provides the minimum employer contribution (MEC) for retirees, currently $128, and a larger tiered-benefit for active employees. The City's design is common and deemed PEMHCA compliant by using a flexible benefits cafeteria plan, for active employee contributions in excess of the retiree contribution. It is through the cafeteria plan, that City designates this minimum amount as the medical contribution towards active employees and then contributes the additional benefit through the plan structure for employee to use to pay (deduct from their payroll) for medical benefit premiums in excess of the minimum equal contribution.

This resolution defines the employer's contribution amount to the cafeteria plan in excess of the equal MEC.

Fiscal Impact: Fiscal impacts for 2017 were considered in the City's bi-annual budget adopted August 4, 2016. The resolution does not consider future impacts resulting from bargaining unit settlement agreements in 2017 for the employers' cafeteria benefit contribution.

Recommendation and Requested Action:
Adopt Resolution Recognizing the City of Yreka's 2017 Contribution to Employees Healthcare Costs through the IRS Section 125 Cafeteria Plan

Approved by: ____________________
Steve Baker, City Manager

Supplemental Information –
Cafeteria Plan and CalPERS PEMHCA

Cafeteria Plan

A cafeteria plan, hereafter the Plan, pursuant to Internal Revenue Code Section 125, is an employee benefits program that enables participants the opportunity to purchase certain qualified benefits (e.g., medical health insurance) on a pre-tax basis, thereby reducing their total taxable income and increasing their spendable/take- home income.

Cafeteria Plan allowance

The City agrees to provide tiered Plan model contribution to all benefit eligible employees to participate in the City sponsored medical health benefits under the medical health insurance benefit program and offer employees FSA. Any tax consequences (most likely regarding employees who opt out) resulting from City contributions to the Cafeteria Plan are the sole responsibility of the employee. Any increases to the minimum monthly contribution under PEMHCA will result in a corresponding decrease in the employee's Plan allowance, unless otherwise agreed to on the employee/employer Memorandum of Understanding.

Under the CalPERS Health Benefit Program equal contribution option, the City is required under PEMHCA to provide the same benefit to active employees and retired employees (Public Employee Retirement Law Section 22892(b)(1)). The amount designated is the minimum amount required by CalPERS. In 2017, the minimum is $128. This amount is increased annually on January 1 by a cost-of-living adjustment.

The City provides the Minimum Employer Contribution (MEC) for retirees, currently $128, and a larger tiered-benefit for active employees. The City's design is fairly common and deemed PEMHCA compliant by using a flexible benefits cafeteria plan, for active contributions in excess of the retiree contribution. It is through the cafeteria plan, that City designates this minimum amount as the medical contribution towards active employees and then contributes the additional benefit through the plan structure for employee to use to pay (deduct from their payroll) for medical benefit premiums in excess of the minimum equal contribution.

Active benefit eligible employees:

The City will contribute an amount to the Plan, on behalf of active employees currently covered by a CalPERS medical policy. The monthly contribution to the flexible benefit plan shall equal to 100% of the premium for the employee and his or her eligible dependents not to exceed the amounts in the following table.

City's Plan Contribution 2017[a]	Active Employee Cafeteria Benefit (that includes the MEC)	Annuitant MEC
Employee	$540	$128
Employee + 1 eligible covered individual	$1,020	$128
Employee + 2 or more eligible covered individuals	$1,315	$128
Opt Out Contribution	$540	N/A

(a) Does not consider future impacts resulting from bargaining unit settlement agreements in 2017 for the employers' cafeteria benefit contribution.

A portion of this amount (the minimum amount each year described above) is specifically designated toward the cost of medical insurance coverage. The City's excess of the MEC contribution to the Plan can only be used for the purchase of City provided medical coverage though CalPERS, except for the employee opt out provision (see below).

Opt Out provision for active benefit eligible employees not covered by a CalPERS medical policy:

City's Plan Contribution 2017 (b)	Active Employee Opt Out Benefit (that includes the MEC)	Annuitant MEC
Opt Out Contribution	$540	$128

(b) Does not consider future impacts resulting from bargaining unit settlement agreements in 2017 for the employers' cafeteria benefit contribution.

The City will continue to contribute $540 per month to the Plan if the employee can annually show evidence of other substantially equivalent alternate medical coverage. Employees who chose to opt out may receive a cash payment, in lieu of City offered medical insurance coverage.

No changes to retired employees:

The retiree's monthly contribution toward their medical coverage shall be the cost of their monthly health benefit premium less the total amount of the City's contribution on their behalf as described above. In order for a retired employee to be eligible to receive health benefits through the City upon retirement, a retiree must meet the following definition of "annuitant" under CalPERS' requirements:

a) The employee must be a member of CalPERS; and
b) The employee must retire within 120 days of separation from employment with the City and begin receiving a monthly retirement allowance from CalPERS.

Summary:

The City will continue to contract with the California Public Employees' Retirement System (CalPERS) for the purpose of providing employees with medical insurance benefits. The City's maximum monthly contribution for each eligible active employee for the purpose of medical insurance will be equal to the minimum MEC required under the Public Employees Medical and Hospital Care Act (PEMHCA).

RESOLUTION NO. 2017-

RESOLUTION RECOGNIZING THE CITY OF YREKA'S 2017 CONTRIBUTION TO EMPLOYEES HEALTHCARE COSTS THROUGH THE IRS SECTION 125 CAFETERIA PLAN

WHEREAS, the City Council of the City of Yreka deems it in the best interest of the City, the employees of the City of Yreka to contribute to active employees healthcare cost through a Section 125 Cafeteria Plan and adopt the Cafeteria Plan rates for 2017; and

WHEREAS, the City of Yreka contracts with CalPERS for the purpose of providing employees with medical insurance benefits; and

WHEREAS, as part of contracting with CalPERS for medical health insurance and to meet the requirements of the Public Employees Medical and Hospital Care Act (PEMHCA) Government Code §22892(a) and §22892(b) of the Act, that requires employers to provide the same health benefit to active and retired employees; and

WHEREAS, the City of Yreka's contribution for each employee, retiree, or survivor for the 2017 health benefit year shall be the amount necessary to pay the full cost of his/her enrollment, including the enrollment of family members in a health benefits plan up to the maximum of $128, (adjusted as necessary to meet the PEMCHA minimum contribution amount); and

WHEREAS, the City of Yreka through its Section 125 Cafeteria Plan meets the requirements set forth by CalPERS and PEMHCA for providing equal contributions for active and retiree health care through use of this plan; and

NOW THEREFORE BE IT RESOLVED, the City Council of the City of Yreka as follows:

Section 125 Cafeteria Plan for the City of Yreka as set forth in the attachment marked Attachment "A", and incorporated by reference.

Passed and adopted this 5th day of January, 2017 by the following vote:

AYES:
NAYS:
ABSENT:

____
Joan Freeman Smith
Mayor

Attest: ________________________
Liz Casson
City Clerk

Attachment A

This document is for the City of Yreka Cafeteria Plan 125 Document.

DOLLAR ALLOWANCE

Covered Contractual Agreements for City of Yreka Management, Confidential, Miscellaneous Employees (YEA) and Yreka Peace Officers (YPOA), and Administrators (YPA) Employees.

City's Plan Contribution 2017	Active Employee Cafeteria Benefit (that includes the MEC)[(1)]	Annuitant MEC
Employee	$540	$128
Employee + 1 eligible covered individual	$1,020	$128
Employee + 2 or more eligible covered individuals	$1,315	$128
Opt Out Contribution	$540	N/A

California Public Employees' Retirement System
P.O. Box 942709
Sacramento, CA 94229-2709
(888) CalPERS (or 888-225-7377)
TTY: (877) 249-7442
www.calpers.ca.gov

Circular Letter No.: 600-008-16
Distribution: Special

Circular Letter

March 30, 2016

TO: **CONTRACTING AGENCY HEALTH BENEFITS OFFICERS AND ASSISTANT HEALTH BENEFITS OFFICERS**

SUBJECT: **CONTRACTING AGENCY MINIMUM EMPLOYER CONTRIBUTION CALCULATION FOR 2017**

Background

The purpose of this Circular Letter is to inform contracting Public Agencies and Schools of the new minimum employer health contribution for 2017.

The Minimum Employer Contribution amount is prescribed by Government Code Section 22892 of the Public Employees' Medical and Hospital Care Act (PEMHCA)[1].

The Minimum Employer Contribution was originally established as a specific dollar value with specified increases from calendar years 2004 through 2008. Starting in calendar year 2009, the calculated adjustments are based upon the medical care component of the Consumer Price Index-Urban (CPI-U).

California Government Code Section 22892 of the PEMHCA establishes the contracting agencies' minimum health premium contribution for their participating active membership. In addition, this section provides that "Commencing January 1, 2009, the employer contribution shall be adjusted annually by the board to reflect any change in the medical care component of the CPI-U and shall be rounded to the nearest dollar."

The table below displays annual increases of the Minimum Employer Contribution for active members.

Minimum Employer Contribution by Calendar Year	
Calendar Year	Employer Contribution
2013	$115.00
2014	$119.00
2015	$122.00
2016	$125.00
2017	$128.00

---

[1] California Government Code § 20000, et seq.

Inflation Rate Changes

In January 2016, the U.S. Bureau of Labor Statistics determined the annual percentage change in the medical care component of the CPI-U for 2015 was 2.6 percent.

The table below provides an inflation comparison of medical care rates.

Medical Care Inflation		
Year	**Index**	**Percent**
2011	400.258	3.0
2012	414.924	3.7
2013	425.134	2.5
2014	435.292	2.4
2015	446.752	2.6

Calculation of the Minimum Employer Contribution

Using the 2.6 percent increase in the medical care component of the CPI-U, the minimum employer contribution for Calendar Year 2017 is $128.00. See the calculation below.

($125.00 x 2.6% = $3.25 + $125.00 = $128.25, *rounded to $128.00*).

Contribution Change Process

Contracting agencies that have designated the PEMHCA Minimum as their monthly employer health contribution will have their employer billing automatically updated to reflect the new amount effective January 1, 2017.

Contracting agencies do not need to take action unless they wish to make a change to their current contribution method. To do so, employers must submit a *change resolution*. Change resolutions are effective the first of the second month following receipt by CalPERS.

Please call our CalPERS Customer Contact Center at **888 CalPERS** (or **888**-225-7377) and speak with our Health Contracts Unit to obtain the necessary *change resolution template*.

Questions

If you have any questions about this Circular Letter, please call our CalPERS Customer Contact Center at **888 CalPERS** (or **888**-225-7377).

RENEE OSTRANDER, Chief
Employer Account Management Division

CITY OF YREKA
CITY COUNCIL AGENDA MEMORANDUM

To:	Yreka City Council
Prepared by:	Steve Baker, City Manager
Agenda Title:	Discussion/Possible Action – approval of appointment to the Yreka Planning Commission.
Meeting Date:	January 5, 2017.

Discussion:

Yreka Municipal Code provides that members of the Planning Commission shall be appointed by the Mayor with the approval of the City Council.

The City published a Notice of Vacancy to solicit applications to fill the position vacated by Duane Kegg on the Yreka Planning Commission.

The City Clerk received three applications, which are attached. Mayor Freeman plans to recommend an appointment at the meeting.

Action:

Approval of appointment to the Yreka Planning Commission.

Approved by: ______________________

Steven Baker, City Manager

APPLICATION TO CITY COMMISSIONS

Application for possible appointment to City Planning Commission.

The Planning Commission meets on the third Wednesday of every month at 6:30 p.m.

NAME: Joya Vichota Address 110 Court St.

Length of residence in Yreka: 52 Phone No (530) 598-0906

What is your particular background, interest and/or experience that would contribute to this commission?

As a long time resident of this Community, I have seen some growth in businesses & infrastructure. I have also seen little growth in population & businesses that would generate income.
Having been in several community organizations & boards I have been able to view the positives & negatives from community members, regarding our Community.
I would appreciate the opportunity to be involved to contribute to future City positive outcomes & growth.

The City Council would like to thank you for the interest you have shown in your City. If you receive an appointment to a commission, you will be notified immediately. The filling out of this application in no way guarantees an appointment but does guarantee that you will be seriously considered when one is available.

Date 9-21-16

Please return to: Liz Casson
City Clerk
701 Fourth Street
Yreka, Ca. 96097
841-2324

CITY OF YREKA
RECEIVED

NOV 28 2016

CITY CLERK

APPLICATION TO CITY COMMISSIONS

Application for appointment to City Planning Commission.
Deadline Monday December 5, 2016

The Planning Commission meets on the third Wednesday of every month at 6:30 p.m.

NAME: PETER O'BRIEN Address 410 W. CENTER YREKA

Length of residence in Yreka: 8 YEARS Phone No. 530-842-2445

What is your particular background, interest and/or experience that would contribute to this commission?

I SERVED ON THE HISTORIC DISTRICT AND
LANDMARKS COMMISION FOR 2½ YRS
FROM 2009 UNTIL 2011

The City Council would like to thank you for the interest you have shown in your City. If you receive an appointment to a commission, you will be notified immediately. The filling out of this application in no way guarantees an appointment but does guarantee that you will be seriously considered when one is available.

Date 11/17/16

Please return to: Liz Casson
City Clerk
701 Fourth Street
Yreka, Ca. 96097
841-2324

CITY OF YREKA
RECEIVED
DEC 2 0 2016
CITY CLERK

APPLICATION TO CITY COMMISSIONS

Application for possible appointment to City Planning Commission.

The Planning Commission meets on the third Wednesday of every month at 6:30 p.m.

NAME: CRAIG A. MOMMER Address 509 N OREGON ST, YREKA, CA

Length of residence in Yreka: 8 YRS Phone No. 559 706-2207

What is your particular background, interest and/or experience that would contribute to this commission?

AS A GRADUATE OF THE US ARMY SCHOOL OF ENGINEERING AND CAREER ARMY OFFICER I HAVE EXTENSIVE EXPERIENCE IN CIVIL ENGINEERING PROJECTS OVER A CAREER SPANNING THIRTY YEARS. I HAVE A MASTERS DEGREE AND BACHELOR'S DEGREE IN EDUCATION AND BUSINESS WITH A TEACHING CREDENTIAL. I AM A RETIRED SERVICE OPERATIONS MANAGER WITH AT&T RESPONSIBLE FOR MANAGING TWENTY FIVE EMPLOYING AND SERVING 40,000 CUSTOMERS. I WAS THE SAFETY COORDINATOR FOR THE CALIFORNIA CENTRAL VALLEY FROM BAKERSFIELD TO STOCKTON AND CENTRAL COAST. WHILE SERVING IN THE CALIFORNIA NATIONAL GUARD, I HAD EXTENSIVE SERVICE IN EMERGENCY OPERATIONS INVOLVING WILDFIRE, FLOODING, EARTHQUAKE, AND CIVIL DISTURBANCES. I HAVE THE EXPERIENCE, TIME, AND MOTIVATION TO SERVE THE CITY OF YREKA AND LOOK FORWARD TO WORKING WITH THE PLANNING COMMISSION.

The City Council would like to thank you for the interest you have shown in your City. If you receive an appointment to a commission, you will be notified immediately. The filling out of this application in no way guarantees an appointment but does guarantee that you will be seriously considered when one is available.

Date 12-20-2016

Please return to: Liz Casson
City Clerk
701 Fourth Street
Yreka, Ca. 96097
841-2324

Craig A. Mommer
MAJOR, US ARMY
RETIRED.

Personal Resume

Craig Andrew Mommer

November 2016

Date of Birth: November 2, 1951 **SSOC:** . Married, Five Children (all grown)

Address: 509 North Oregon Street, Yreka, CA 96097

Home Phone: 530 842-7651 **Cell:** 559 706-2207

Education:

San Juan High School, Citrus Heights, CA 1969 General Education

University Of San Francisco 1995 Bachelor of Science (Organizational Development/Behavior)

National University 1997 Master of Science (Education /Instruction with Teaching Credential)

Military: Thirty Years (1970-2000). United States Army/California Army National Guard Infantry/Engineer Officer (Major) in variety of command and administrative assignments. Served with California Office Emergency Services in wildfire, civil unrest, earthquake, and flooding operations.

AT&T: Thirty Years (1978-2008). Variety of craft and management role's with final assignment as Network Operations Manager in Madera-Firebaugh-Mendota geographical area (Supervised up to 25 technicians). Additional duties as California Central Valley Safety Coordinator and Motor Vehicle SPOC (Bakersfield to Stockton). Temporary assignments as Area Manager (Network Services) in Stockton and Bakersfield. Immediate Supervisor: Tom Cesar (559 301-8350)

ASAP Professional Services: Eight Years (2008-2016). Contract Instructor for AT&T primarily for Uverse New Hire Premises Technicians and Advanced Trouble Shooting . Extensive experience in Defensive Driving, Safety, Ladders, and Red Cross First Aid/CPR instruction.
Immediate Supervisor: Joe Sullivan (925 969-0207).

CAM Creations: Sixteen Years (2000 to present). Co-Owner and operations manager for family independent business specializing in web based mail order silk ribbon importing/exporting. Generating $100,000 sales annually.

Shasta's Chocolate Emporium: One Year (2015 to present). Co-Owner and operations manager for family run old time candy and chocolate store located in Yreka, California. Specializing in vintage candies and sodas from long ago coupled with state of the art Flavor Burst Soft Serve Ice Cream. First year sales $95,000.

CITY OF YREKA
CITY COUNCIL AGENDA MEMORANDUM

To:	Yreka City Council
Prepared by:	Steve Baker, City Manager
Agenda title:	Discussion/Possible Action: Adoption of: 1. Resolution Authorizing City Manager to Execute Agreements with the State Board of Equalization for Implementation of a Local Transactions and Use Tax. 2. Resolution Authorizing the Examination of Transactions (Sales) and Use Tax Records
Meeting date:	January 5, 2017

Discussion: The Measure C sales tax measure was passed in November by the voters. Sales tax is collected and distributed by the State Board of Equalization (BOE). In order for them to collect the new tax, certain documents and agreements need to be in place.

The first resolution would authorize execution of a Preparatory Agreement and an Administration Agreement with the BOE.

The second resolution would authorize City staff as well as the City's sales tax consultant (Hinderliter, de Llamas & Associates) to examine the sales tax records, which are confidential, for specific municipal purposes.

Fiscal Impact: The Board of Equalization charges a set up charge for starting the collection of the local sales tax. The amount varies based on how many jurisdictions are implementing a similar (1/2 cent) sales tax.

Recommendation: That the Council adopt the following Resolutions:

1. Resolution Authorizing City Manager to Execute Agreements with the State Board of Equalization for Implementation of a Local Transactions and Use Tax.
2. Resolution Authorizing the Examination of Transactions (Sales) and Use Tax Records

Approved by: [signature]

Steven Baker, City Manager

RESOLUTION NO. 2017-1

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF YREKA AUTHORIZING CITY MANAGER TO EXECUTE AGREEMENTS WITH THE STATE BOARD OF EQUALIZATION FOR IMPLEMENTATION OF A LOCAL TRANSACTIONS AND USE TAX.

WHEREAS, on July 7, 2016, the City Council approved Ordinance No. 353 amending the City Municipal Code and providing for a local transactions and use tax; and

WHEREAS, the State Board of Equalization (Board) administers and collects the transactions and use taxes for all applicable jurisdictions within the state; and

WHEREAS, the Board will be responsible to administer and collect the transactions and use tax for the City; and

WHEREAS, the Board requires that the City enter into a "Preparatory Agreement" and an "Administration Agreement" prior to implementation of said taxes, and

Whereas, the Board requires that the City Council authorize the agreements;

NOW, THEREFORE BE IT RESOLVED by the City Council of the City of Yreka that the "Preparatory Agreement" attached as Exhibit A and the "Administrative Agreement" attached as Exhibit B are hereby approved and the City Manager is hereby authorized to execute each agreement.

The foregoing resolution was introduced and adopted at a regular meeting of the City Council of the City of Yreka held on January 5, 2017, by the following vote, to wit:

AYES:
NAYS:
ABSENT:

____
Joan Smith-Freeman , Mayor

Attest:

____
Elizabeth E. Casson, City Clerk

AGREEMENT FOR PREPARATION TO ADMINISTER AND OPERATE CITY'S TRANSACTIONS AND USE TAX ORDINANCE

In order to prepare to administer a transactions and use tax ordinance adopted in accordance with the provision of Part 1.6 (commencing with Section 7251) of Division 2 of the Revenue and Taxation Code, the City of Yreka, hereinafter called *City*, and the STATE BOARD OF EQUALIZATION, hereinafter called *Board*, do agree as follows:

1. The Board agrees to enter into work to prepare to administer and operate a transactions and use tax in conformity with Part 1.6 of Division 2 of the Revenue and Taxation Code which has been approved by a majority of the electors of the City and whose ordinance has been adopted by the City.

2. City agrees to pay to the Board at the times and in the amounts hereinafter specified all of the Board's costs for preparatory work necessary to administer the City's transactions and use tax ordinance. The Board's costs for preparatory work include costs of developing procedures, programming for data processing, developing and adopting appropriate regulations, designing and printing forms, developing instructions for the Board's staff and for taxpayers, and other appropriate and necessary preparatory costs to administer a transactions and use tax ordinance. These costs shall include both direct and indirect costs as specified in Section 11256 of the Government Code.

3. Preparatory costs may be accounted for in a manner which conforms to the internal accounting and personnel records currently maintained by the Board. The billings for costs may be presented in summary form. Detailed records of preparatory costs will be retained for audit and verification by the City.

4. Any dispute as to the amount of preparatory costs incurred by the Board shall be referred to the State Director of Finance for resolution, and the Director's decision shall be final.

5. Preparatory costs incurred by the Board shall be billed by the Board periodically, with the final billing within a reasonable time after the operative date of the ordinance. City shall pay to the Board the amount of such costs on or before the last day of the next succeeding month following the month when the billing is received.

6. The amount to be paid by City for the Board's preparatory costs shall not exceed one hundred seventy-five thousand dollars ($175,000) (Revenue and Taxation Code Section 7272.)

EXHIBIT "A"

7. Communications and notices may be sent by first class United States mail. Communications and notices to be sent to the Board shall be addressed to:

State Board of Equalization
P.O. Box 942879, MIC: 27
Sacramento, California 94279-0027

Attention: Administrator,
Local Revenue Branch

Communications and notices to be sent to City shall be addressed to:

Steve Baker, City Manager

City of Yreka

701 Fourth Street, Yreka, CA 96097

8. The date of this agreement is the date on which it is approved by the Department of General Services. This agreement shall continue in effect until the preparatory work necessary to administer City's transactions and use tax ordinance has been completed and the Board has received all payments due from City under the terms of this agreement.

CITY OF Yreka

By ______________________
(Signature)

Steven W. Baker
(Typed Name)

City Manager
(Title)

STATE BOARD OF EQUALIZATION

By ______________________
Administrator

(Rev. 11/16)

EXHIBIT "A"

AGREEMENT FOR STATE ADMINISTRATION OF CITY TRANSACTIONS AND USE TAXES

The City Council of the City of Yreka has adopted, and the voters of the City of Yreka (hereafter called "City" or "District") have approved by the required majority vote, the City of Yreka Transactions and Use Tax Ordinance (hereafter called "Ordinance"), a copy of which is attached hereto. To carry out the provisions of Part 1.6 of Division 2 of the Revenue and Taxation Code and the Ordinance, the State Board of Equalization, (hereinafter called the "Board") and the City do agree as follows:

ARTICLE I

DEFINITIONS

Unless the context requires otherwise, wherever the following terms appear in the Agreement, they shall be interpreted to mean the following:

1. "District taxes" shall mean the transactions and use taxes, penalties, and interest imposed under an ordinance specifically authorized by Revenue and Taxation code Section 7285.9, and in compliance with Part 1.6, Division 2 of the Revenue and Taxation Code.

2. "City Ordinance" shall mean the City's Transactions and Use Tax Ordinance referred to above and attached hereto, Ordinance No. 843, as amended from time to time, or as deemed to be amended from time to time pursuant to Revenue and Taxation Code Section 7262.2.

ARTICLE II

ADMINISTRATION AND COLLECTION OF CITY TAXES

A. Administration. The Board and City agree that the Board shall perform exclusively all functions incident to the administration and operation of the City Ordinance.

EXHIBIT "B"

B. Other Applicable Laws. City agrees that all provisions of law applicable to the administration and operation of the State Sales and Use Tax Law which are not inconsistent with Part 1.6 of Division 2 of the Revenue and Taxation Code shall be applicable to the administration and operation of the City Ordinance. City agrees that money collected pursuant to the City Ordinance may be deposited into the State Treasury to the credit of the Retail Sales Tax Fund and may be drawn from that Fund for any authorized purpose, including making refunds, compensating and reimbursing the Board pursuant to Article IV of this Agreement, and transmitting to City the amount to which City is entitled.

C. Transmittal of money.

1. For the period during which the tax is in effect, and except as otherwise provided herein, all district taxes collected under the provisions of the City Ordinance shall be transmitted to City periodically as promptly as feasible, but not less often than twice in each calendar quarter.

2. For periods subsequent to the expiration date of the tax whether by City's self-imposed limits or by final judgment of any court of the State of California holding that City's ordinance is invalid or void, all district taxes collected under the provisions of the City Ordinance shall be transmitted to City not less than once in each calendar quarter.

3. Transmittals may be made by mail or electronic funds transfer to an account of the City designated and authorized by the City. A statement shall be furnished at least quarterly indicating the amounts withheld pursuant to Article IV of this Agreement.

D. Rules. The Board shall prescribe and adopt such rules and regulations as in its judgment are necessary or desirable for the administration and operation of the City Ordinance and the distribution of the district taxes collected thereunder.

E. Preference. Unless the payor instructs otherwise, and except as otherwise provided in this Agreement, the Board shall give no preference in applying money received for state sales and use taxes, state-administered local sales and use taxes, and district transactions and use taxes owed by a taxpayer, but shall apply moneys collected to the satisfaction of the claims of the State, cities, counties, cities and counties, redevelopment agencies, other districts, and City as their interests appear.

EXHIBIT "B"

F. Security. The Board agrees that any security which it hereafter requires to be furnished by taxpayers under the State Sales and Use Tax Law will be upon such terms that it also will be available for the payment of the claims of City for district taxes owing to it as its interest appears. The Board shall not be required to change the terms of any security now held by it, and City shall not participate in any security now held by the Board.

G. Records of the Board.

When requested by resolution of the legislative body of the City under section 7056 of the Revenue and Taxation Code, the Board agrees to permit authorized personnel of the City to examine the records of the Board, including the name, address, and account number of each seller holding a seller's permit with a registered business location in the City, pertaining to the ascertainment of transactions and use taxes collected for the City. Information obtained by the City from examination of the Board's records shall be used by the City only for purposes related to the collection of transactions and use taxes by the Board pursuant to this Agreement.

H. Annexation. City agrees that the Board shall not be required to give effect to an annexation, for the purpose of collecting, allocating, and distributing District transactions and use taxes, earlier than the first day of the calendar quarter which commences not less than two months after notice to the Board. The notice shall include the name of the county or counties annexed to the extended City boundary. In the event the City shall annex an area, the boundaries of which are not coterminous with a county or counties, the notice shall include a description of the area annexed and two maps of the City showing the area annexed and the location address of the property nearest to the extended City boundary on each side of every street or road crossing the boundary.

ARTICLE III

ALLOCATION OF TAX

A. Allocation. In the administration of the Board's contracts with all districts that impose transactions and use taxes imposed under ordinances, which comply with Part 1.6 of Division 2 of the Revenue and Taxation Code:

EXHIBIT "B"

1. Any payment not identified as being in payment of liability owing to a designated district or districts may be apportioned among the districts as their interest appear, or, in the discretion of the Board, to all districts with which the Board has contracted using ratios reflected by the distribution of district taxes collected from all taxpayers.

2. All district taxes collected as a result of determinations or billings made by the Board, and all amounts refunded or credited may be distributed or charged to the respective districts in the same ratio as the taxpayer's self-declared district taxes for the period for which the determination, billing, refund or credit applies.

B. Vehicles, Vessels, and Aircraft. For the purpose of allocating use tax with respect to vehicles, vessels, or aircraft, the address of the registered owner appearing on the application for registration or on the certificate of ownership may be used by the Board in determining the place of use.

ARTICLE IV
COMPENSATION

The City agrees to pay to the Board as the Board's cost of administering the City Ordinance such amount as is provided for by law. Such amounts shall be deducted from the taxes collected by the Board for the City.

ARTICLE V
MISCELLANEOUS PROVISIONS

A. Communications. Communications and notices may be sent by first class United States mail to the addresses listed below, or to such other addresses as the parties may from time to time designate. A notification is complete when deposited in the mail.

EXHIBIT

Communications and notices to be sent to the Board shall be addressed to:

State Board of Equalization
P.O. Box 942879, MIC: 27
Sacramento, California 94279-0027

Attention: Administrator
Local Revenue Branch

Communications and notices to be sent to the City shall be addressed to:

Steve Baker, City Manager

City of Yreka

701 Fourth Street, Yreka, CA 96097

Unless otherwise directed, transmittals of payment of District transactions and use taxes will be sent to the address above.

B. Term. The date of this Agreement is the date on which it is approved by the Department of General Services. The Agreement shall take effect on April 1, 2017. This Agreement shall continue until December 31 next following the expiration date of the City Ordinance, and shall thereafter be renewed automatically from year to year until the Board completes all work necessary to the administration of the City Ordinance and has received and disbursed all payments due under that Ordinance.

C. Notice of Repeal of Ordinance. City shall give the Board written notice of the repeal of the City Ordinance not less than 110 days prior to the operative date of the repeal.

EXHIBIT "B"

ARTICLE VI

ADMINISTRATION OF TAXES IF THE
ORDINANCE IS CHALLENGED AS BEING INVALID

A. Impoundment of funds.

1. When a legal action is begun challenging the validity of the imposition of the tax, the City shall deposit in an interest-bearing escrow account, any proceeds transmitted to it under Article II. C., until a court of competent jurisdiction renders a final and non-appealable judgment that the tax is valid.

2. If the tax is determined to be unconstitutional or otherwise invalid, the City shall transmit to the Board the moneys retained in escrow, including any accumulated interest, within ten days of the judgment of the trial court in the litigation awarding costs and fees becoming final and non-appealable.

B. Costs of administration. Should a final judgment be entered in any court of the State of California, holding that City's Ordinance is invalid or void, and requiring a rebate or refund to taxpayers of any taxes collected under the terms of this Agreement, the parties mutually agree that:

1. Board may retain all payments made by City to Board to prepare to administer the City Ordinance.

2. City will pay to Board and allow Board to retain Board's cost of administering the City Ordinance in the amounts set forth in Article IV of this Agreement.

3. City will pay to Board or to the State of California the amount of any taxes plus interest and penalties, if any, that Board or the State of California may be required to rebate or refund to taxpayers.

4. City will pay to Board its costs for rebating or refunding such taxes, interest, or penalties. Board's costs shall include its additional cost for developing procedures for processing the rebates or refunds, its costs of actually making these refunds, designing and printing forms, and developing instructions for Board's staff for use in making these rebates or refunds and any other costs incurred by Board which are reasonably appropriate or necessary to make those rebates or refunds. These costs shall include Board's direct and indirect costs as specified by Section 11256 of the Government Code.

5. Costs may be accounted for in a manner, which conforms to the internal accounting, and personnel records currently maintained by the Board. The billings for such costs may be presented in summary form. Detailed records will be retained for audit and verification by City.

6. Any dispute as to the amount of costs incurred by Board in refunding taxes shall be referred to the State Director of Finance for resolution and the Director's decision shall be final.

7. Costs incurred by Board in connection with such refunds shall be billed by Board on or before the 25th day of the second month following the month in which the judgment of a court of the State of California holding City's Ordinance invalid or void becomes final. Thereafter Board shall bill City on or before the 25th of each month for all costs incurred by Board for the preceding calendar month. City shall pay to Board the amount of such costs on or before the last day of the succeeding month and shall pay to Board the total amount of taxes, interest, and penalties refunded or paid to taxpayers, together with Board costs incurred in making those refunds.

CITY OF	STATE BOARD OF EQUALIZATION
By ______________________	By ______________________
(Signature)	Administrator
Steven W. Baker	
(Typed Name)	
City Manager	
(Title)	

RESOLUTION NO. 2017-2

RESOLUTION OF THE CITY COUNCIL OF THE CITY OF YREKA AUTHORIZING THE EXAMINATION OF TRANSACTIONS (SALES) AND USE TAX RECORDS

WHEREAS, pursuant to Ordinance No. 843 of the City of Yreka (hereinafter called "District") and Section 7270 of the Revenue and Taxation Code, the District entered into a contract with the State Board of Equalization to perform all functions incident to the administration and operation of the Transactions and Use Tax Ordinance; and

WHEREAS, the District deems it desirable and necessary for authorized representatives of the District to examine confidential transactions and use tax records of the State Board of Equalization pertaining to transactions and use taxes collected by the Board for the District pursuant to that contract; and

WHEREAS, Section 7056 of the Revenue and Taxation Code sets forth certain requirements and conditions for the disclosure of Board of Equalization records and establishes criminal penalties for the unlawful disclosure of information contained in or derived from, the transactions and use tax records of the Board;

NOW, THEREFORE IT IS RESOLVED AND ORDERED AS FOLLOWS:

Section 1. That the City Manager (All authorized positions) or other officer or employee of the District designated in writing by the City Manager (position(s) authorized to Designate) to the State Board of Equalization (hereafter referred to as Board) is hereby appointed to represent the District with authority to examine transactions and use tax records of the Board pertaining to transactions and use taxes collected for the District by the Board pursuant to the contract between the District and the Board. The information obtained by examination of Board records shall be used only for purposes related to the collection of the District's transactions and use taxes by the Board pursuant to the contract.

Section 2. That the City Manager (All authorized positions) or other officer or employee of the District designated in writing by the City Manager (position(s) authorized to Designate) to the Board of Equalization is hereby appointed to represent the District with authority to examine those transactions and use tax records of the Board for purposes related to the following governmental functions of the District:

a) City Administration
b) Revenue management and budgeting
c) Community and economic development
d) Business license tax administration

The information obtained by examination of Board records shall be used only for those governmental functions of the District listed above.

Section 3. That Hinderliter, de Llamas and Associates is hereby designated to examine the transactions and use tax records of the Board of Equalization pertaining to transactions and use taxes collected for the District by the Board. The person or entity designated by this section meets all of the following conditions:

a) has an existing contract with the District to examine those transactions and use tax records;

b) is required by that contract to disclose information contained in, or derived from those transactions and use tax records only to the officer or employee authorized under Section 1 (or Section 2) of this resolution to examine the information;

c) is prohibited by that contract from performing consulting services for a retailer during the term of that contract;

d) is prohibited by that contract from retaining the information contained in, or derived from those transactions and use tax records after that contract has expired.

BE IT FURTHER RESOLVED that the information obtained by examination of Board records shall be used only for purposes related to the collection of District's transactions and use taxes by the Board pursuant to the contracts between the District and Board.

Section 4. That this resolution supersedes all prior transactions and use tax resolutions of the District adopted pursuant to subdivision (b) of Revenue and Taxation Section 7056.

Passed and adopted this 5th day of January 2017, by the following vote:

AYES:
NAYS:
ABSENT:

Joan Smith-Freeman, Mayor

Attest:

Elizabeth E. Casson, City Clerk

CITY OF YREKA
CITY COUNCIL AGENDA MEMORANDUM

To:	Yreka City Council
Prepared by:	Steve Baker, City Manager
Agenda title:	Appointments to various Committees
Meeting date:	January 5, 2017

Discussion:
Members of the City Council represent the City by serving on various committees. Some are appointed directly by the City Council, while others are appointed by the City Selection Committee, which is comprised of the board members of the Siskiyou League of Local Agencies (LOLA).

The City Council directly appoints members to the:
- Audit, Debt and Investment Committee.
- Collier Interpretive and Information Center Agency (CIIC)

The Mayor serves as the City's representative on the following:
- Siskiyou League of Local Agencies (LOLA)
- Siskiyou Association of Government Entities (SAGE)
- The Mayor also serves as the Alternate for the Audit, Debt and Investment Committee.
- The Mayor Pro-tempore serves as the Alternate for LOLA and SAGE.

The City Selection Committee (LOLA Board) appoints representatives to:
- Siskiyou County Local Transportation Commission (LTC)
- Local Agency Formation Commission (LAFCO)

Fiscal Impact: None.

Recommendation and Requested Action:

That the Council appoint *two (2) Councilmembers* to the Audit, Debt and Investment Committee; and *a representative and an alternate* to the Collier Interpretive and Information Center Committee.

Approved by: ______________________
Steven Baker, City Manager

CITY OF YREKA
CITY COUNCIL AGENDA MEMORANDUM

To:	Yreka City Council
From:	Steve Baker, City Manager
Prepared by:	Rhetta Hogan, Finance Director
Agenda title:	Adopt a Resolution of the City Council of the City of Yreka Making Necessary Findings pursuant to Government Code section 7522.56 for Post-Retirement Employment of Deborah Ramirez and directing the City Manager to execute an agreement regarding such employment, together with any and all other necessary documents
Meeting date:	January 5, 2017

Discussion:
Deborah Ramirez, Human Resources Coordinator, announced her December 30, 2016 retirement mid-December. City staff will be considering various options for providing personnel related services in the interim, while evaluating the recruitment of a new Human Resources Coordinator.

Yreka is a full service City that operates with 50 full time employees. The City does not have any staffing redundancy in highly specialized knowledge positions, within Finance and Human Resources.

The City will be considering various recruitment options to ensure that there will be no disruption. However, due to the relative the short notice of her retirement on December 30, 2016, the most expedient and cost effective way to meet the cross training needs is to allow Ms. Ramirez to remain on advisory call as a retired annuitant immediately for the City. Government Code 7522.56(f) also provides that a retiree is eligible for post-retirement employment without the 180-day wait period, if it is urgent. A resolution of the City Council must certify the nature of the employment and that the appointment is necessary to fill a critically needed position before the 180 days has passed.

The City is currently in the midst of yearend tax and insurance (ACA) reporting, negotiations, workers compensation cases and personnel recruitments. By having the ability to call upon Ms. Ramirez for specialized knowledge as needed would help ensure organizational continuance without disruption.

Specialized Skills: Ms. Ramirez, a long term employee since September 2002, has intimate knowledge of the City's human resources, risk management, that includes workers compensation claims, employee safety and training programs, and employee recruitments.
Limit Duration: It expected that this agreement would not exceed 6 months in duration.
Compensation: Human Resources Coordinator/Accounting Manager salary schedule is currently $29.11 per hour.
Urgency: City is in the midst of year end reporting, negotiations, and recruitments. The relative short notice of her planned retirement, has not allowed for sufficient time to ensure staffing transition.

Approved by: ______________________
Steven Baker, City Manager

Fiscal Impact:
None as the savings of the vacant position would offset the cost of Ms. Ramirez as the Human Resources Coordinator.

Recommendation:
Adopt a Resolution of the City Council of the City of Yreka Making Necessary Findings pursuant to Government Code section 7522.56 for post-retirement employment of Deborah Ramirez and directing the City Manager to execute an agreement regarding such employment, together with any and all other necessary documents

RESOLUTION NO. 2017-________

RESOLUTION OF THE CITY COUNCIL OF THE CITY OF YREKA MAKING NECESSARY FINDINGS PURSUANT TO GOVERNMENT CODE SECTION 7522.56 FOR POST-RETIREMENT EMPLOYMENT OF DEBORAH RAMIREZ AND DIRECTING THE CITY MANAGER TO EXECUTE AN AGREEMENT REGARDING SUCH EMPLOYMENT, TOGETHER WITH ANY AND ALL OTHER NECESSARY DOCUMENTS

WHEREAS, the City, a municipal corporation, is a contract agency with CalPERS, and is subject to the provisions of Government Code Section 7522.56 regarding the post-retirement employment of City employees;

WHEREAS, the Agreement between the City and Deborah Ramirez has been filed with the City Clerk, and the members of the City Council of the City, with the assistance of its staff, have reviewed said document; and,

WHEREAS, Government code Section 7522.56(f) provides that a retired City employee shall not be eligible to be employed by the City for a period of 180 days following the date of that employee's retirement unless he meets one of 4 conditions. Three of those conditions cannot apply in this instance. The condition which does apply is that the employer certifies the nature of the employment and appointment is necessary to fill a critically needed position within the 180 days of employee's retirement and the appointment is approved by the governing body in a public meeting. The appointment may not be placed on a consent calendar;

WHEREAS, the City Manager has certified to the City Council that due to the retirement of Deborah Ramirez there is a vacancy for a Human Resources Coordinator, where ongoing confidential services are needed before the 180 day wait period of the employee's retirement, and is necessary to continue without disruption employee labor negotiations, workers compensation case management and personnel recruitments, that will provide for critically needed services, during that period; and,

WHEREAS, the City Council has determined it would be in the best interests of the City to approve and authorize the execution of said Agreement; and,

NOW, THEREFORE, the City Council of the City of Yreka does hereby resolve, determine and order as follows:

Section 1. The City Council of the City of Yreka does hereby find that the facts certified by the City Manager are true, the Agreement described herein is in the best interests of the City of Yreka, and the City Council does hereby authorize execution of said Agreement by the City Manager on behalf of the City of Yreka. The City Manager or designee is hereby further authorized and directed to execute such other agreements, documents and certificates, and to perform such other acts and deeds, as may be necessary or convenient to effect the purposes of this Resolution and the transactions herein authorized, and the City Clerk or such Clerk's designee is hereby authorized and directed to affix the City's seal to said documents and to attest thereto.

Section 2. It is further resolved, if any section, subsection, part, clause, sentence or phrase of this Resolution or the application thereof is for any reason held to be invalid or unconstitutional by a decision of any court of competent jurisdiction, the validity of the remaining portions of this Resolution, the application thereof, shall not be effected thereby but shall remain in full force and effect, it being the intention of the City Council to adopt each and every section, subsection, part, clause, sentence phrase regardless of whether any other section, subsection, part, clause, sentence or phrase or the application thereof is held to be invalid or unconstitutional.

Section 3. This resolution shall take effect immediately upon its passage.

Passed and adopted this 5th day of January, 2017, by the following vote:

AYES:
NAYS:
ABSENT:

The foregoing resolution was adopted this 5th day of January, 2017.

____
Joan Freeman Smith
Mayor

Attest:__________________
City Clerk

AGREEMENT FOR TEMPORARY EMPLOYMENT
Deborah Ramirez

This Agreement is made effective as of the ___ day of January 2017, by and between the City of Yreka, a Municipal Corporation ("City") and Deborah Ramirez, ("Employee") with reference to the following:

RECITALS

A. The City desires to employ Employee on at-will basis and to enter into an Agreement with Employee for as needed services upon the terms and conditions in this Agreement.

B. This Agreement is for post-retirement annuitant employment pursuant to Government Code Section 21223 (service for purpose of litigation) and 21224 (service to utilize specialized skills in performing work of limited duration);

C. Employee is uniquely skilled having served as a confidential employee for the City of Yreka for over 14 years;

D. Ms. Ramirez has intimate knowledge of the City's human resources functions. City is in the midst of year end reporting, negotiations, and recruitments. The relative short notice of her planned retirement has not allowed for sufficient time to ensure staffing transition.

E. Employee is willing to accept such employment on the terms and conditions set forth in this Agreement.

NOW, THEREFORE, it is mutually agreed by and between the undersigned parties as follows:

1. Commencement: The term of this Agreement shall commence upon the day above written.

2. Services to Be Performed by Employee: During the Term of this Agreement, Employee agrees to perform, as needed, the functions and duties of Human Resources Coordinator as specified in the laws of the State of California, and the Yreka Municipal Code.

3. Compensation: As consideration for the performance of specified services under this Agreement Employee shall be compensated as follows:

   a. Pay of Twenty Nine and eleven cents ($29.11) per hour for hours worked pursuant to this Agreement. Employee shall be paid on a bi-weekly basis subject to State and Federal income tax withholding. This hourly rate shall be considered just compensation and no additional benefits or holiday pay will be provided under this Agreement.
   b. Employee shall maintain and submit complete records of time expended pursuant to this agreement corresponding to the City's payroll schedule.
   c. By this Agreement, Employee agrees to pay, and hold the City harmless, for all income tax liability which may arise or be associated with the monies paid to him pursuant to this agreement.

4. Hours: No hours of work are guaranteed. Employee's services will be provided on an as needed, per project basis, upon written request of the City Manager, or designee. Hours of work shall generally not exceed 20 hours per week and shall not exceed 960 hours in a calendar year per section 9 below.

5. Benefits. Employee understands that she shall not be entitled to any sick leave, vacation, or other benefits provided to any other employee, employee group or organization of the City.

6. Termination: Employee understands and agrees that:

a. Employee's employment is at will which means that Employee's employment with City may be terminated at any time, with or without cause, by either party by giving 30 days prior written notice to the other party

b. Employee's at-will status cannot be changed except in writing on a form signed both by the City Manager and Employee. No representative or other employee of the City, other than the City Manager, has any authority to enter into an agreement with Employee for any specific period of time or to change Employee's Employment contrary to the at-will status provided in this Agreement.

c. No promises or representations regarding regular employment have been made to Employee and Employee has no expectation of permanent employment with the City.

d. Upon termination of this Agreement, the City shall pay to Employee that portion of compensation specified in this Agreement that is earned and unpaid prior to the effective date of termination.

7. Supervision and Confidentiality: Employee's supervisor for the term of this Agreement is the City Manager. Employee understands that a condition of employment is to maintain in confidence any information of a confidential nature which Employee may acquire in the course and scope of Employee's employment.

8. Conflicts Of Interest: Employee covenants that neither she nor any relative by blood or marriage have any interest, nor shall she or any relative by blood or marriage acquire an interest, directly or indirectly, which would conflict in any manner with the unbiased performance of Employee's services under this Agreement.

9. Compliance with Laws: Employee shall comply with all local, state and federal laws and regulations applicable to the services required hereunder.

written instrument signed by both parties

12. Entire Agreement:

a. This Agreement supersedes any and all other prior agreements, either oral or written, between the City and Employee with respect to the subject matter of this Agreement.

b. This Agreement contains all of the covenants and agreements between the parties with respect to the subject matter of this Agreement, and each party to this Agreement acknowledges that no representations, inducements, promises, or agreements have been made by or on behalf of any party except those covenants and agreements embodied in this Agreement.

c. No agreement, statement, or promise not contained in this Agreement shall be valid or binding.

13. Non-Liability of City Officers and Employees: No officer or employee of the City shall be personally liable to Employee in the event of any default or breach by the City for any amount which may become due to Employee or for any breach of any obligation of the terms of this Agreement.

14. Interpretation: This Agreement shall not be interpreted against either party on the grounds that one of the parties was solely responsible for preparing it or caused it to be prepared as both parties were involved in drafting it.

15. Waiver:

a. No waiver shall be binding, unless executed in writing by the party making the waiver.
b. No waiver of any provision of this Agreement shall be deemed, or shall constitute, a waiver of any other provision, whether or not similar, nor shall any such waiver constitute a continuing or subsequent waiver of the same provision.
c. Failure of either party to enforce any provision of this Agreement shall not constitute a waiver of the right to compel enforcement of the remaining provisions of this Agreement.

16. Captions and Headings: The captions and headings contained in this Agreement are provided for identification purposes only and shall not be interpreted to limit or define the content of the provisions described under the respective caption or heading.

17. Severability: If any one or more of the sentences, clauses, paragraphs or sections contained herein is declared invalid, void or unenforceable by a court of competent jurisdiction, the same shall be deemed severable from the remainder of this Agreement and shall not affect, impair or invalidate any of the remaining sentences, clauses, paragraphs or sections contained herein.

18. Governing Law: The validity of this Agreement and any of its terms or provisions, as well as the rights and duties of the parties under this Agreement, shall be construed pursuant to and in accordance with California law.

19. Rights And Remedies: Except with respect to rights and remedies expressly declared to be exclusive in this Agreement, the rights and remedies of the parties are cumulative and the exercise by either party of one or more of such rights or remedies shall not preclude the exercise by it, at the same or different times, of any other rights or remedies for the same default of any other default by the other party.

20. Venue: All proceedings involving disputes over the terms, provisions, covenants or conditions contained in this Agreement and all proceedings involving any enforcement action related to this Agreement shall be initiated and conducted in the applicable court or forum in Siskiyou County, California.

IN WITNESS WHEREOF, the parties have caused this Agreement to be executed on the day and year first above written.

By:______________________________
Steven Baker, City Manager

By:______________________________
Deborah Ramirez, Employee

CITY OF YREKA
CITY COUNCIL AGENDA MEMORANDUM

To:	Yreka City Council
Prepared by:	Rhetta Hogan
Agenda title:	Information CalPERS Pension Plan Actuarial Reports dated August 2016
Meeting date:	January 5, 2017

Discussion:

In September of 2016, California Public Employees' Retirement System issued its annual valuation reports. These reports historically are released in November of each year, however the June 30, 2015 report was issued in late August of 2016 and made available to participating agencies shortly thereafter. The reports are important in understanding the City's pension liability and investment development.

The annual actuarial valuations the City receives from CalPERS for its four pension plans (miscellaneous and safety Classic, and miscellaneous and safety PEPRA[(1)]) are designed to estimate the future annual contribution required by employers to ensure that there are sufficient assets in the plan. These actuarial projections are also useful in understanding the level of plan assets available to pay the benefits promised to all current employees and retirees until there are no more surviving beneficiaries of the plan. The staff report below, calls out report highlights, that are worthy to take note of in understanding the City's pension plans.

(1) PEPRA is the acronym used for the Public Employee Pension Reform Act, and "Classic" is a casual term used to distinguish the plans in place before the 1/1/2013 PEPRA effective date.

Future Employer Contributions (page 4):

Classic Safety (a)

Future Employer Contribution

Fiscal Year	Employer Normal Cost Rate	+	Employer Payment of Unfunded Liability
2017-18	14.971%		$141,950
2018-19 (projected)	15.0%		$183,216

(a) As a percentage of projected payroll the 2017-18 UAL contribution is 13.931% for an estimate total employer contribution rate of 28.902% (13.931% + 14.971%).

Approved by: Steven Baker, City Manager

PEPRA Safety (b)

Future Employer Contribution

Fiscal Year	Employer Normal Cost Rate	+	Employer Payment of Unfunded Liability
2017-18	11.990%		$47
2018-19 (projected)	12.0%		$105

(b) As a percentage of projected payroll the 2017-18 UAL contribution is 0.087% for an estimate total employer contribution rate of 12.077% (0.087% + 11.99%).

Classic Miscellaneous (c)

Future Employer Contribution

Fiscal Year	Employer Normal Cost Rate	+	Employer Payment of Unfunded Liability
2017-18	8.418%		$200,756
2018-19 (projected)	8.4%		$262,215

(c) As a percentage of projected payroll the 2017-18 UAL contribution is 12.229% for an estimate total employer contribution rate of 20.647% (12.229% + 8.418%).

PEPRA Miscellaneous (d)

Future Employer Contribution

Fiscal Year	Employer Normal Cost Rate	+	Employer Payment of Unfunded Liability
2017-18	6.533%		$10
2018-19 (projected)	6.5%		$40

(d) As a percentage of projected payroll the 2017-18 UAL contribution is 0.009% for an estimate total employer contribution rate of 6.542% (0.009% + 6.533%

<u>Projected Employer Contributions (page 5)</u>

The positive development in the actuarial report is the projection of the next five years of employer rate increases to remain flat (2017-18 through 2022-23) for both classic and PEPRA plans, based on the assumptions contained within the report.

<u>Amortization of the Unfunded Liability (pages 9-10):</u>

CalPERS allows employers to accelerate repayment of their mega pooling side fund. The City is currently repaying its mega pooling unfunded liability (side fund) over 30-years. Page 10 of the report shows examples of repayment of that side fund over a 20 year or 15 year amortization schedule (with an assumed 7.50% implicit borrowing rate).

Hypothetical Termination Liability (page 16):

This hypothetical termination liability is an estimate of the financial position of the plan should the contract with CalPERS be terminated as of plan valuation measurement date of June 30, 2015. That amount varies based on return assumptions used 2% or 3.25%, of the unfunded termination liability value, meaning the amount the City would have to pay to exit the plan and ensure its pension obligations were met.

Plan Type	Market Value of Assets	Hypothetical Liability @ 2%	Funded Status	Unfunded Termination Liability @ 2.00%	Hypothetical Liability @ 3.25%	Funded Status	Unfunded Termination Liability @ 3.25%
(in $s)							
Classic Safety	9,246,565	24,460,538	37.80%	15,213,973	19,884,452	46.50%	10,637,887
PEPRA Safety	19,635	124	158.50%	(7,246)	12,388	158.50%	(7,246)
Classic Miscellaneous	14,700,983	36,002,106	40.80%	21,301,123	30,774,381	47.80%	16,073,398
PEPRA Miscellaneous	13,995	10,033	139.50%	(3,962)	10,033	139.50%	(3,962)
Hypothetical Combined	23,981,178	60,472,801	39.66%	36,503,888	50,681,254	47.32%	26,700,077

Participant Data

The City's participants within each plan as actuarial valued payroll (as of June 30, 2015), is summarized on page 17 of each report. The trend data on the classic plans shows the transition of employees from actives to retirees or separated employees.

Classic Safety	As of June 30 2014	2015
Reported Payroll	848,996	932,513
Projected Payroll (*)	92,721	1,018,982
*Projected for Contribution Purposes		
Number of Members		
Actives	12	13
Transferred	10	9
Seperated	3	3
Retired	27	28

PEPRA Safety	As of June 30 2014	2015
Reported Payroll	44,870	48,984
Projected Payroll (*)	49,031	53,527
*Projected for Contribution Purposes		
Number of Members		
Actives	1	1
Transferred	0	0
Seperated	0	0
Retired	0	0

Classic Miscellenous	As of June 30 2014	2015
Reported Payroll	1,673,932	1,502,311
Projected Payroll (*)	1,829,151	1,641,616
*Projected for Contribution Purposes		
Number of Members		
Actives	35	31
Transferred	13	13
Seperated	13	16
Retired	56	60

PEPRA Miscellenous	As of June 30 2014	2015
Reported Payroll	98,358	99,636
Projected Payroll (*)	107,478	108,875
*Projected for Contribution Purposes		
Number of Members		
Actives	3	3
Transferred	1	3
Seperated	1	1
Retired	0	0

Overall in 2015 there were 48 actives, 25 transferred, 20 seperated and 88 retired

Fiscal Impact:
The bi-annual budget adopted on August 4, 2016 fairly represents the estimated pension liability of the City for both 2016-17 and 2017-18, however that budget did not contemplate changes in compensation arising from negotiated settlement agreements. The City's audited financial statements, government wide statement of net position disclose the City's pension obligations in compliance with Governmental Accounting Standards No. 68, Accounting and Financial Reporting for Pensions.

Recommendation and Requested Action:
Informational only

The referenced PERS Actuarial reports are available on the City's website agenda posting for 1/5/2017 in lieu of a paper attachment.
http://ci.yreka.ca.us/council/agendas

CalPERS
California Public Employees' Retirement System
Actuarial Office
P.O. Box 942709
Sacramento, CA 94229-2709
TTY: (916) 795-3240
(888) 225-7377 phone – (916) 795-2744 fax
www.calpers.ca.gov

August 2016

SAFETY PLAN OF THE CITY OF YREKA
(CalPERS ID: 5698564511)
Annual Valuation Report as of June 30, 2015

Dear Employer,

As an attachment to this letter, you will find a copy of the June 30, 2015 actuarial valuation report of the pension plan.

Because this plan is in a risk pool, the following valuation report has been separated into two sections:

- Section 1 contains specific information for the plan including the development of the current and projected employer contributions, and
- Section 2 contains the Risk Pool Actuarial Valuation appropriate to the plan as of June 30, 2015.

Section 2 can be found on the CalPERS website at (www.calpers.ca.gov). From the home page, go to "*Forms & Publications*" and select "*View All*". In the search box, enter "*Risk Pool Report*" and from the results list download the Miscellaneous or Safety Risk Pool Actuarial Valuation Report as appropriate.

Your June 30, 2015 actuarial valuation report contains important actuarial information about your pension plan at CalPERS. Your assigned CalPERS staff actuary, whose signature appears in the Actuarial Certification section on page 1, is available to discuss the report with you after August 31, 2016.

Future Employer Contribution

Fiscal Year	Employer Normal Cost Rate	+	Employer Payment of Unfunded Liability
2017-18	14.971%		$141,950
2018-19 (projected)	15.0%		$183,216

The exhibit above displays the minimum employer contributions, before any cost sharing, for Fiscal Year 2017-18 along with estimates of the contributions for Fiscal Year 2018-19. The total employer contribution is the sum of a Normal Cost Rate applied to reported payroll plus an Unfunded Liability dollar payment. The estimated contributions for Fiscal Year 2018-19 are based on a projection of the most recent information we have available, including an estimated 0.0 percent investment return for Fiscal Year 2015-16 (based on the year to date return through April 30, 2016).

For a projection of employer contributions beyond Fiscal Year 2018-19, please refer to the "Projected Employer Contributions" in the "Highlights and Executive Summary" section. This 5-year projection of future employer contributions supersedes any previous projections we have provided. The "Risk Analysis" section of the valuation report also contains estimated employer contributions in future years under a variety of investment return scenarios. Member contributions, other than cost sharing, are in addition to the above amounts. The employer contributions in this report do not reflect any cost sharing arrangements you may have with your employees.

The estimates for Fiscal Year 2018-19 also assume that there are no future contract amendments and no liability gains or losses (such as larger than expected pay increases, more retirements than expected, etc.) This is an important assumption because these gains and losses do occur and can have a significant effect on required contributions. Even for the largest plans or pools, such gains and losses can impact the employer's contributions. These gains and losses cannot be predicted in advance so the projected employer contributions are estimates. The actual required employer contribution for Fiscal Year 2018-19 will be provided in next year's valuation report.

Changes since the Prior Year's Valuation

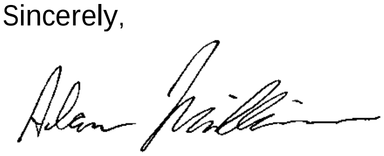
The CalPERS Board of Administration adopted a Risk Mitigation Policy which is designed to reduce funding risk over time. The policy establishes a mechanism whereby CalPERS investment performance that significantly outperforms the discount rate triggers adjustments to the discount rate, expected investment return and strategic asset allocation targets. A minimum excess investment return of 4% above the existing discount rate is necessary to cause a funding risk mitigation event. The policy has no impact on the current year valuation results but is expected to have an impact in future years. More details on the Risk Mitigation Policy can be found on our website.

Besides the above noted changes, there may also be changes specific to the plan such as contract amendments and funding changes.

Further descriptions of general changes are included in the "Highlights and Executive Summary" section and in Appendix A, "Statement of Actuarial Data, Methods and Assumptions" of the Section 2 report. We understand that you might have a number of questions about these results. While we are very interested in discussing these results with your agency, in the interest of allowing us to give every public agency their results, we ask that you wait until after August 31 to contact us with actuarial related questions.

If you have other questions, please call our customer contact center at (888) CalPERS or (888-**225-7377**).

Sincerely,



ALAN MILLIGAN
Chief Actuary

ACTUARIAL VALUATION

as of June 30, 2015

for the
SAFETY PLAN
of the
CITY OF YREKA

(CalPERS ID: 5698564511)

REQUIRED CONTRIBUTIONS
FOR FISCAL YEAR
July 1, 2017 - June 30, 2018

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Section 1

Plan Specific Information for the SAFETY PLAN of the CITY OF YREKA

(CalPERS ID: 5698564511)
(Rate Plan: 1085)

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ACTUARIAL CERTIFICATION

Section 1 of this report is based on the member and financial data contained in our records as of June 30, 2015 which was provided by your agency and the benefit provisions under your contract with CalPERS. Section 2 of this report is based on the member and financial data as of June 30, 2015 provided by employers participating in the Safety Risk Pool to which the plan belongs and benefit provisions under the CalPERS contracts for those agencies.

As set forth in Section 2 of this report, the pool actuary has certified that, in their opinion, the valuation of the risk pool containing your SAFETY PLAN has been performed in accordance with generally accepted actuarial principles consistent with standards of practice prescribed by the Actuarial Standards Board, and that the assumptions and methods are internally consistent and reasonable for the risk pool as of the date of this valuation and as prescribed by the CalPERS Board of Administration according to provisions set forth in the California Public Employees' Retirement Law.

Having relied upon the information set forth in Section 2 of this report and based on the census and benefit provision information for the plan, it is my opinion as the plan actuary that the side fund and other Unfunded Accrued Liability bases as of June 30, 2015 and employer contribution as of July 1, 2017, have been properly and accurately determined in accordance with the principles and standards stated above.

The undersigned is an actuary for CalPERS, who is a member of both the American Academy of Actuaries and Society of Actuaries and meets the Qualification Standards of the American Academy of Actuaries to render the actuarial opinion contained herein.

MAY SHUANG YU, ASA, MAAA
Senior Pension Actuary, CalPERS
Plan Actuary

HIGHLIGHTS AND EXECUTIVE SUMMARY

- **INTRODUCTION**
- **PURPOSE OF SECTION 1**
- **REQUIRED EMPLOYER CONTRIBUTION**
- **PLAN'S FUNDED STATUS**
- **PROJECTED EMPLOYER CONTRIBUTIONS**
- **CHANGES SINCE THE PRIOR YEAR VALUATION**
- **SUBSEQUENT EVENTS**

Introduction

This report presents the results of the June 30, 2015 actuarial valuation of the SAFETY PLAN of the CITY OF YREKA of the California Public Employees' Retirement System (CalPERS). This actuarial valuation sets the required employer contributions for Fiscal Year 2017-18.

The CalPERS Board of Administration adopted a Risk Mitigation Policy which is designed to reduce funding risk over time. The policy establishes a mechanism whereby CalPERS investment performance that significantly outperforms the discount rate triggers adjustments to the discount rate, expected investment return and strategic asset allocation targets. A minimum excess investment return of 4% above the existing discount rate is necessary to cause a funding risk mitigation event. The Risk Mitigation Policy does not have an impact on the current year actuarial valuation. More details on the Risk Mitigation Policy can be found on our website.

Purpose of Section 1

This Section 1 report for the SAFETY PLAN of the CITY OF YREKA of the California Public Employees' Retirement System (CalPERS) was prepared by the plan actuary in order to:

- Set forth the assets and accrued liabilities of this plan as of June 30, 2015;
- Determine the required employer contribution for this plan for the fiscal year July 1, 2017 through June 30, 2018; and
- Provide actuarial information as of June 30, 2015 to the CalPERS Board of Administration and other interested parties.

The pension funding information presented in this report should not be used in financial reports subject to GASB Statement No. 68 for a Cost Sharing Employer Defined Benefit Pension Plan. A separate accounting valuation report for such purposes is available from CalPERS and details for ordering are available on our website.

The use of this report for any other purposes may be inappropriate. In particular, this report does not contain information applicable to alternative benefit costs. The employer should contact their actuary before disseminating any portion of this report for any reason that is not explicitly described above.

California Actuarial Advisory Panel Recommendations

This report includes all the basic disclosure elements as described in the *Model Disclosure Elements for Actuarial Valuation Reports* recommended in 2011 by the California Actuarial Advisory Panel (CAAP), with the exception of including the original base amounts of the various components of the unfunded liability in the Schedule of Amortization Bases shown on page 8.

Additionally, this report includes the following "Enhanced Risk Disclosures" also recommended by the CAAP in the Model Disclosure Elements document:

- A "Deterministic Stress Test," projecting future results under different investment income scenarios
- A "Sensitivity Analysis," showing the impact on current valuation results using a 1 percent plus or minus change in the discount rate.

Required Employer Contribution

Required Employer Contribution		Fiscal Year 2016-17 [1]		Fiscal Year 2017-18
Employer Normal Cost Rate		**14.785%**		**14.971%**
Plus Either				
1) Monthly Employer Dollar UAL Payment	**$**	**9,452.69**	**$**	**11,829.18**
Or				
2) Annual Lump Sum Prepayment Option	**$**	**109,404**	**$**	**136,909**

*The total minimum required employer contribution is the **sum** of the Plan's Employer Normal Cost Rate (expressed as a percentage of payroll) **plus** the Employer Unfunded Accrued Liability (UAL) Contribution Amount (billed monthly in dollars). Only the UAL portion of the employer contribution can be prepaid (which must be received in full no later than July 31). Plan Normal Cost contributions will be made as part of the payroll reporting process. If there is contractual cost sharing or other change, this amount will change. § 20572 of the Public Employees' Retirement Law assesses interest at an annual rate of 10 percent if a contracting agency fails to remit the required contributions when due.*

		Fiscal Year 2016-17 [1]		Fiscal Year 2017-18
Development of Normal Cost as a Percentage of Payroll				
Base Total Normal Cost for Formula		23.709%		23.904%
Surcharge for Class 1 Benefits[3]				
None		0.000%		0.000%
Phase out of Normal Cost Difference[4]		0.000%		0.000%
Plan's Total Normal Cost		23.710%		23.904%
Formula's Expected Employee Contribution Rate		8.925%		8.933%
Employer Normal Cost Rate		14.785%		14.971%
Projected Payroll for the Contribution Fiscal Year	$	927,721	$	1,018,982
Estimated Employer Contributions Based on Projected Payroll				
Plan's Estimated Employer Normal Cost	$	137,159	$	152,552
Plan's Payment on Amortization Bases[2]		113,432		141,950
Total Employer Contribution[5]	$	250,591	$	294,502

[1] The results shown for Fiscal Year 2016-17 reflect the prior year valuation and do not take into account any lump sum payment, side fund payoff, or rate adjustment made after June 30, 2015.

[2] See page 8 for a breakdown of the Amortization Bases.

[3] Section 2 of this report contains a list of Class 1 benefits and corresponding surcharges for each benefit.

[4] The normal cost difference is phased out over a five year period. The phase out of normal cost difference is 100 percent for the first year of pooling, and is incrementally reduced by 20 percent of the original normal cost difference for each subsequent year. This is non-zero only for plans that joined a pool within the past 5 years. Most plans joined a pool June 30, 2003, when risk pooling was implemented.

[5] As a percentage of projected payroll the UAL contribution is 13.931 percent for an estimated total employer contribution rate of 28.902 percent.

Plan's Funded Status

		June 30, 2014		June 30, 2015
1. Present Value of Projected Benefits (PVB)	$	12,800,815	$	13,695,479
2. Entry Age Normal Accrued Liability (AL)		10,954,081		11,697,666
3. Plan's Market Value of Assets (MVA)		9,106,545		9,246,565
4. Unfunded Accrued Liability (UAL) [(2) - (3)]		1,847,536		2,451,101
5. Funded Ratio [(3) / (2)]		83.1%		79.0%

Projected Employer Contributions

The estimate for Fiscal Year 2018-19 is based on a projection of the most recent information we have available, including an estimated 0.0 percent investment return for Fiscal Year 2015-16 (based on year to date return through April 30, 2016).

The table below shows projected employer contributions (before cost sharing) for the next five fiscal years, ***assuming CalPERS earns 0.0 percent for Fiscal Year 2015-16 and 7.50 percent every fiscal year thereafter***, and assuming that all other actuarial assumptions will be realized and that no further changes to assumptions, contributions, benefits, or funding will occur between now and the beginning of the projection period.

	Required Contribution	Projected Future Employer Contributions				
Fiscal Year	**2017-18**	**2018-19**	**2019-20**	**2020-21**	**2021-22**	**2022-23**
Normal Cost %	14.971%	15.0%	15.0%	15.0%	15.0%	15.0%
UAL $	$141,950	$183,216	$226,831	$253,185	$282,177	$303,180

Changes since the Prior Year's Valuation

Benefits

None. This valuation generally reflects plan changes by amendments effective before the date of the report. Please refer to the "Plan's Major Benefit Options" and Appendix B of Section 2 for a summary of the plan provisions used in this valuation.

Actuarial Methods and Assumptions

None.

Subsequent Events

Risk Mitigation

The CalPERS Board of Administration adopted a Risk Mitigation Policy which is designed to reduce funding risk over time. The policy establishes a mechanism whereby CalPERS investment performance that significantly outperforms the discount rate triggers adjustments to the discount rate, expected investment return and strategic asset allocation targets. A minimum excess investment return of 4% above the existing discount rate is necessary to cause a funding risk mitigation event. More details on the Risk Mitigation Policy can be found on our website.

ASSETS AND LIABILITIES

- ALLOCATION OF PLAN'S SHARE OF POOL'S EXPERIENCE/ASSUMPTION CHANGE
- DEVELOPMENT OF PLAN'S SHARE OF POOL'S MVA
- SCHEDULE OF PLAN'S SIDE FUND & OTHER AMORTIZATION BASES
- 30-YEAR AMORTIZATION SCHEDULE AND ALTERNATIVES
- EMPLOYER CONTRIBUTION HISTORY
- FUNDING HISTORY

Allocation of Plan's Share of Pool's Experience/Assumption Change

It is the policy of CalPERS to ensure equity within the risk pools by allocating the pool's experience gains/losses and assumption changes in a manner that treats each employer equitably and maintains benefit security for the members of the System while minimizing substantial variations in employer contributions. The Pool's experience gains/losses and impact of assumption/method changes is allocated to the plan as follows:

1.	Plan's Accrued Liability	$	11,697,666
2.	Projected UAL balance at 6/30/15		1,946,890
3.	Pool's Accrued Liability	$	18,467,886,519
4.	Sum of Pool's Individual Plan UAL Balances at 6/30/15		3,713,009,355
5.	Pool's 2014/15 Investment & Asset (Gain)/Loss		765,720,345
6.	Pool's 2014/15 Other (Gain)/Loss		(2,867,161)
7.	Plan's Share of Pool's Asset (Gain)/Loss [(1)-(2)]/[(3)-(4)] * (5)		506,027
8.	Plan's Share of Pool's Other (Gain)/Loss [(1)]/[(3)] * (6)		(1,816)
9.	Plan's New (Gain)/Loss as of 6/30/2015 [(7)+(8)]	$	504,211
10.	Increase in Pool's Accrued Liability due to Change in Assumptions		0
11.	Plan's Share of Pool's Change in Assumptions [(1)]/[(3)] * (10)	$	0

Development of the Plan's Share of Pool's Market Value of Assets

1.	Plan's Accrued Liability	$	11,697,666
2.	Plan's UAL	$	2,451,101
3.	Plan's Share of Pool's MVA [(1)-(2)]	$	**9,246,565**

Schedule of Plan's Side Fund and Other Amortization Bases

There is a two-year lag between the valuation date and the start of the contribution fiscal year.

- The assets, liabilities, and funded status of the plan are measured as of the valuation date: June 30, 2015.
- The employer contribution determined by the valuation is for the fiscal year beginning two years after the valuation date: Fiscal Year 2017-18.

This two-year lag is necessary due to the amount of time needed to extract and test the membership and financial data, and the need to provide public agencies with their employer contribution well in advance of the start of the fiscal year.

The Unfunded Accrued Liability (UAL) is used to determine the employer contribution and therefore must be rolled forward two years from the valuation date to the first day of the fiscal year for which the contribution is being determined. The UAL is rolled forward each year by subtracting the payment on the UAL for the fiscal year and adjusting for interest.

							Amounts for Fiscal 2017-18	
Reason for Base	**Date Established**	**Amortization Period**	**Balance 6/30/15**	**Payment 2015-16**	**Balance 6/30/16**	**Payment 2016-17**	**Balance 6/30/17**	**Scheduled Payment for 2017-18**
SHARE OF PRE-2013 POOL UAL	06/30/13	18	$1,022,124	$77,176	$1,018,766	$79,491	$1,012,755	$81,876
ASSET (GAIN)/LOSS	06/30/13	28	$1,282,262	$18,035	$1,359,733	$37,152	$1,423,193	$57,400
NON-ASSET (GAIN)/LOSS	06/30/13	28	$(73,272)	$(1,031)	$(77,698)	$(2,123)	$(81,324)	$(3,280)
ASSET (GAIN)/LOSS	06/30/14	29	$(861,208)	$0	$(925,799)	$(13,021)	$(981,733)	$(26,824)
ASSUMPTION CHANGE	06/30/14	19	$566,525	$(8,854)	$618,194	$11,775	$652,350	$24,257
NON-ASSET (GAIN)/LOSS	06/30/14	29	$10,459	$0	$11,243	$158	$11,922	$326
ASSET (GAIN)/LOSS	06/30/15	30	$506,027	$0	$543,979	$0	$584,778	$8,225
NON-ASSET (GAIN)/LOSS	06/30/15	30	$(1,816)	$0	$(1,952)	$0	$(2,099)	$(30)
TOTAL			**$2,451,101**	**$85,326**	**$2,546,466**	**$113,432**	**$2,619,842**	**$141,950**

The (gain)/loss bases are the plan's allocated share of the risk pool's (gain)/loss for the fiscal year as disclosed on the previous page. These (gain)/loss bases will be amortized according to Board policy over 30 years with a 5-year ramp-up.

If the total Unfunded Liability is negative (i.e., plan has a surplus), the scheduled payment is $0, because the minimum required contribution under PEPRA must be at least equal to the normal cost.

30-Year Amortization Schedule and Alternatives

The amortization schedule on the previous page shows the minimum contributions required according to CalPERS amortization policy. There has been considerable interest from many agencies in paying off these unfunded accrued liabilities sooner and the possible savings in doing so. As a result, we have provided alternate amortization schedules to help analyze the current amortization schedule and illustrate the advantages of accelerating unfunded liability payments.

Shown on the following page are future year amortization payments based on 1) the current amortization schedule reflecting the individual bases and remaining periods shown on the previous page, and 2) alternate "fresh start" amortization schedules using two sample periods that would both result in interest savings relative to the current amortization schedule. Note that the payments under each alternate scenario increase by 3 percent for each year into the future. The schedules do not attempt to reflect any experience after June 30, 2015 that may deviate from the actuarial assumptions. Therefore, future amortization payments displayed in the Current Amortization Schedule may not match projected amortization payments shown in connection with Projected Employer Contributions provided elsewhere in this report.

The Current Amortization Schedule typically contains individual bases that are both positive and negative. Positive bases result from plan changes, assumption changes or plan experience that result in increases to unfunded liability. Negative bases result from plan changes, assumption changes or plan experience that result in decreases to unfunded liability. The combination of positive and negative bases within an amortization schedule can result in unusual or problematic circumstances in future years such as:

- A positive total unfunded liability with a negative total payment,
- A negative total unfunded liability with a positive total payment, or
- Total payments that completely amortize the unfunded liability over a very short period of time

In any year where one of the above scenarios occurs, the actuary will consider corrective action such as replacing the existing unfunded liability bases with a single "fresh start" base and amortizing it over a reasonable period.

The Current Amortization Schedule on the following page may appear to show that, based on the current amortization bases, one of the above scenarios will occur at some point in the future. It is impossible to know today whether such a scenario will in fact arise since there will be additional bases added to the amortization schedule in each future year. Should such a scenario arise in any future year, the actuary will take appropriate action based on guidelines in the CalPERS amortization policy. For purposes of this display, total payments include any negative payments. Therefore, the amount of estimated savings may be understated to the extent that negative payments appear in the current schedule.

30-Year Amortization Schedule and Alternatives

	Current Amortization Schedule		Alternate Schedules: 20 Year Amortization		Alternate Schedules: 15 Year Amortization	
Date	**Balance**	**Payment**	**Balance**	**Payment**	**Balance**	**Payment**
6/30/2017	2,619,842	141,950	2,619,842	197,812	2,619,842	240,160
6/30/2018	2,669,153	172,077	2,611,234	203,747	2,567,327	247,365
6/30/2019	2,690,927	203,883	2,595,828	209,859	2,503,404	254,785
6/30/2020	2,681,355	217,731	2,572,928	216,155	2,426,992	262,429
6/30/2021	2,656,709	233,486	2,541,784	222,639	2,336,924	270,302
6/30/2022	2,613,879	240,491	2,501,580	229,319	2,231,939	278,411
6/30/2023	2,560,573	247,706	2,451,436	236,198	2,110,672	286,763
6/30/2024	2,495,789	255,137	2,390,398	243,284	1,971,649	295,366
6/30/2025	2,418,442	262,791	2,317,435	250,583	1,813,281	304,227
6/30/2026	2,327,357	270,675	2,231,433	258,100	1,633,848	313,354
6/30/2027	2,221,267	278,795	2,131,187	265,843	1,431,494	322,755
6/30/2028	2,098,802	287,159	2,015,394	273,818	1,204,217	332,437
6/30/2029	1,958,479	295,774	1,882,647	282,033	949,855	342,410
6/30/2030	1,798,700	304,647	1,731,428	290,494	666,076	352,683
6/30/2031	1,617,738	313,786	1,560,094	299,209	350,362	363,263
6/30/2032	1,413,728	304,304	1,366,875	308,185		
6/30/2033	1,204,248	293,971	1,149,857	317,431		
6/30/2034	989,772	282,743	906,978	326,954		
6/30/2035	770,850	131,190	636,008	336,762		
6/30/2036	692,644	113,858	334,546	346,865		
6/30/2037	626,541	117,274				
6/30/2038	551,940	120,792				
6/30/2039	468,096	124,416				
6/30/2040	374,206	128,148				
6/30/2041	269,405	95,321				
6/30/2042	190,779	88,149				
6/30/2043	113,693	62,788				
6/30/2044	57,120	35,825				
6/30/2045	24,260	7,188				
6/30/2046	18,627	19,313				
Totals		**5,651,366**		**5,315,291**		**4,466,710**
Estimated Savings				**336,076**		**1,184,656**

Current CalPERS Board policy prioritizes the order for which lump sum contributions in excess of the required employer contribution shall be applied. Excess contributions shall first be applied toward payment on the plan's side fund, and any remainder shall then be applied toward the plan's share of the pool's unfunded accrued liability.

Please contact the plan actuary before making such a payment to ensure that the payment is applied correctly.

Employer Contribution History

The table below provides a recent history of the required employer contributions for the plan, as determined by the annual actuarial valuation. It does not account for prepayments or benefit changes made during a fiscal year.

Fiscal Year	Employer Normal Cost	Unfunded Liability Payment ($)
2016 - 17	14.785%	113,432
2017 - 18	14.971%	141,950

Funding History

The funding history below shows the plan's actuarial accrued liability, share of the pool's market value of assets, share of the pool's unfunded liability, funded ratio, and annual covered payroll.

Valuation Date	Accrued Liability (AL)	Share of Pool's Market Value of Assets (MVA)	Plan's Share of Pool's Unfunded Liability	Funded Ratio	Annual Covered Payroll
06/30/2011	$ 8,764,345	$ 6,908,697	$ 1,855,648	78.8%	$ 861,301
06/30/2012	9,054,065	6,764,137	2,289,928	74.7%	853,459
06/30/2013	9,506,807	7,495,669	2,011,138	78.8%	834,986
06/30/2014	10,954,081	9,106,545	1,847,536	83.1%	848,996
06/30/2015	11,697,666	9,246,565	2,451,101	79.0%	932,513

RISK ANALYSIS

- **ANALYSIS OF FUTURE INVESTMENT RETURN SCENARIOS**
- **ANALYSIS OF DISCOUNT RATE SENSITIVITY**
- **VOLATILITY RATIOS**
- **HYPOTHETICAL TERMINATION LIABILITY**

Analysis of Future Investment Return Scenarios

The investment return for Fiscal Year 2015-16 was not known at the time this report was produced. The investment return in Fiscal Year 2015-16 as of April 30, 2016 is 0.0 percent before administrative expenses. For purposes of projecting future employer contributions, we are assuming a 0.0 percent investment return for Fiscal Year 2015-16.

The investment return realized during a fiscal year first affects the contribution for the fiscal year two years later. For example, the investment return for Fiscal Year 2015-16 will first be reflected in the June 30, 2016 actuarial valuation that will be used to set the Fiscal Year 2018-19 employer contributions, the Fiscal Year 2016-17 investment return will first be reflected in the June 30, 2017 actuarial valuation that will be used to set the Fiscal Year 2019-20 employer contributions, and so forth.

A sensitivity analysis was performed to determine the effects of various investment returns during fiscal years 2016-17, 2017-18, and 2018-19 on the employer contributions for fiscal years 2019-20, 2020-21, and 2021-22. The projected contributions assume that all other actuarial assumptions will be realized and that no further changes to assumptions, contributions, benefits, or funding will occur.

Five different investment return scenarios were selected.

- The first scenario is a -3.8 percent return for each of the 2016-17, 2017-18, and 2018-19 fiscal years. Based on the current investment allocation, this is what one would expect if the markets were to give us about a 5th percentile return from July 1, 2016 through June 30, 2019.
- The second scenario is a 2.8 percent return for each of the 2016-17, 2017-18, and 2018-19 fiscal years. Based on the current investment allocation, this is what one would expect if the markets were to give us about a 25th percentile return from July 1, 2016 through June 30, 2019.
- The third scenario is a 7.5 percent return for each of the 2016-17, 2017-18, and 2018-19 fiscal years. Based on the current investment allocation, this is what one would expect if the markets were to give us about a 49th percentile return from July 1, 2016 through June 30, 2019.
- The fourth scenario is a 12.0 percent return for each of the 2016-17, 2017-18, and 2018-19 fiscal years. Based on the current investment allocation, this is what one would expect if the markets were to give us about a 75th percentile return from July 1, 2016 through June 30, 2019.
- Finally, the last scenario is an 18.9 percent return for each of the 2016-17, 2017-18, and 2018-19 fiscal years. Based on the current investment allocation, this is what one would expect if the markets were to give us about a 95th percentile return from July 1, 2016 through June 30, 2019.

The table below shows the estimated projected contributions and the estimated increases for the plan under the five different scenarios.

2016-19 Investment Return Scenario	**Fiscal Year**			**Estimated Change Between 2018-19 and 2021-22**
	2019-20	**2020-21**	**2021-22**	
(3.8%)				
Normal Cost	15.0%	15.0%	15.0%	0.0%
UAL Contribution	$243,287	$302,617	$381,236	$198,020
2.8%				
Normal Cost	15.0%	15.0%	15.0%	0.0%
UAL Contribution	$233,677	$274,200	$325,205	$141,989
7.5%				
Normal Cost	15.0%	15.0%	15.0%	0.0%
UAL Contribution	$226,831	$253,185	$282,177	$98,961
12.0%				
Normal Cost	15.3%	15.6%	15.8%	0.8%
UAL Contribution	$220,658	$234,644	$243,927	$60,711
18.9%				
Normal Cost	15.8%	16.7%	17.6%	2.6%
UAL Contribution	$211,523	$207,065	$186,013	$2,797

For the last two scenarios in the table above the results incorporate the impact of CalPERS Risk Mitigation Policy. A 12.0% return would result in a reduction of the discount rate by 0.05% and a return of 18.9% would reduce the discount rate by 0.15%. Reducing the discount rate increases both the plan's accrued liability and normal cost. More details about Risk Mitigation policy can be found on our website.

Analysis of Discount Rate Sensitivity

The following analysis looks at the Fiscal Year 2017-18 total normal cost rates and liabilities under two different discount rate scenarios. Shown below are the total normal cost rates assuming discount rates that are 1 percent lower and 1 percent higher than the current valuation discount rate. This analysis shows the potential plan impacts if the Public Employees' Retirement Fund (PERF) were to realize investment returns of 6.50 percent or 8.50 percent over the long-term.

This analysis is intended to illustrate the long-term risk to the contribution rates.

Sensitivity Analysis			
As of June 30, 2015	**6.50% Discount Rate (-1%)**	**7.50% Discount Rate (assumed rate)**	**8.50% Discount Rate (+1%)**
Plan's Total Normal Cost	29.7%	23.9%	19.4%
Accrued Liability	$13,358,267	$11,697,666	$10,339,225
Unfunded Accrued Liability	$4,111,702	$2,451,101	$1,092,660

Volatility Ratios

Actuarial calculations are based on a number of assumptions about long-term demographic and economic behavior. Unless these assumptions (terminations, deaths, disabilities, retirements, salary growth, and investment return) are exactly realized each year, there will be differences on a year-to-year basis. The year-to-year differences between actual experience and the assumptions are called actuarial gains and losses and serve to lower or raise required employer contributions from one year to the next. Therefore, employer contributions will inevitably fluctuate, especially due to the ups and downs of investment returns.

Asset Volatility Ratio (AVR)

Plans that have higher asset-to-payroll ratios experience more volatile employer contributions (as a percentage of payroll) due to investment return. For example, a plan with an asset-to-payroll ratio of 8 may experience twice the contribution volatility due to investment return volatility, than a plan with an asset-to-payroll ratio of 4. Shown below is the asset volatility ratio, a measure of the plan's current contribution volatility. It should be noted that this ratio is a measure of the current situation. It increases over time but generally tends to stabilize as the plan matures.

Liability Volatility Ratio (LVR)

Plans that have higher liability-to-payroll ratios experience more volatile employer contributions (as a percentage of payroll) due to investment return and changes in liability. For example, a plan with a liability-to-payroll ratio of 8 is expected to have twice the contribution volatility of a plan with a liability-to-payroll ratio of 4. The liability volatility ratio is also shown in the table below. It should be noted that this ratio indicates a longer-term potential for contribution volatility. The asset volatility ratio, described above, will tend to move closer to the liability volatility ratio as the plan matures.

Rate Volatility		**As of June 30, 2015**
1. Market Value of Assets	$	9,246,565
2. Payroll		932,513
3. Asset Volatility Ratio (AVR) [(1) / (2)]		9.9
4. Accrued Liability	$	11,697,666
5. Liability Volatility Ratio (LVR) [(4) / (2)]		12.5

Hypothetical Termination Liability

The hypothetical termination liability is an estimate of the financial position of the plan had the contract with CalPERS been terminated as of June 30, 2015. The plan liability on a termination basis is calculated differently compared to the plan's ongoing funding liability. For the hypothetical termination liability calculation, both compensation and service are frozen as of the valuation date and no future pay increases or service accruals are assumed.

A more conservative investment policy and asset allocation strategy was adopted by the CalPERS Board for the Terminated Agency Pool. The Terminated Agency Pool has limited funding sources since no future employer contributions will be made. Therefore, expected benefit payments are secured by risk-free assets and benefit security for members is increased while funding risk is limited. However, this asset allocation has a lower expected rate of return than the PERF and consequently, a lower discount rate is assumed. The lower discount rate for the Terminated Agency Pool results in higher liabilities for terminated plans.

The effective termination discount rate will depend on actual market rates of return for risk-free securities on the date of termination. As market discount rates are variable, the table below shows a range for the hypothetical termination liability based on the lowest and highest interest rates observed during an approximate 2-year period centered around the valuation date.

Market Value of Assets (MVA)	Hypothetical Termination Liability[1,2] @ 2.00%	Funded Status	Unfunded Termination Liability @ 2.00%	Hypothetical Termination Liability[1,2] @ 3.25%	Funded Status	Unfunded Termination Liability @ 3.25%
$9,246,565	$24,460,538	37.8%	$15,213,973	$19,884,452	46.5%	$10,637,887

[1] The hypothetical liabilities calculated above include a 7 percent mortality contingency load in accordance with Board policy. Other actuarial assumptions, such as wage and inflation assumptions, can be found in Appendix A.

[2] The current discount rate assumption used for termination valuations is a weighted average of the 10-year and 30-year U.S. Treasury yields where the weights are based on matching asset and liability durations as of the termination date. The discount rates used in the table are based on 20-year Treasury bonds, rounded to the nearest quarter percentage point, which is a good proxy for most plans. The 20-year Treasury yield was 2.75 percent on June 30, 2015.

In order to terminate the plan, you must first contact our Retirement Services Contract Unit to initiate a Resolution of Intent to terminate. The completed Resolution will allow the plan actuary to give you a preliminary termination valuation with a more up-to-date estimate of the plan liabilities. CalPERS advises you to consult with the plan actuary before beginning this process.

Participant Data

The table below shows a summary of your plan's member data upon which this valuation is based:

	June 30, 2014	June 30, 2015
Reported Payroll	$ 848,996	$ 932,513
Projected Payroll for Contribution Purposes	$ 927,721	$ 1,018,982
Number of Members		
Active	12	13
Transferred	10	9
Separated	3	3
Retired	27	28

List of Class 1 Benefit Provisions

This plan has the additional Class 1 Benefit Provisions:

- None

PLAN'S MAJOR BENEFIT OPTIONS

Plan's Major Benefit Options

Shown below is a summary of the major optional benefits for which your agency has contracted. A description of principal standard and optional plan provisions is in Appendix B within Section 2 of this report.

	Contract package		
Benefit Provision	Active Police	Receiving Police	
Benefit Formula	2.0% @ 50		
Social Security Coverage	Yes		
Full/Modified	Modified		
Employee Contribution Rate	9.00%		
Final Average Compensation Period	Three Year		
Sick Leave Credit	Yes		
Non-Industrial Disability	Standard		
Industrial Disability	Yes		
Pre-Retirement Death Benefits			
Optional Settlement 2W	Yes		
1959 Survivor Benefit Level	No		
Special	Yes		
Alternate (firefighters)	No	No	
Post-Retirement Death Benefits			
Lump Sum	$500	$500	
Survivor Allowance (PRSA)	No	No	
COLA	2%	2%	

Section 2

Section 2 may be found on the CalPERS website (www.calpers.ca.gov) in the Forms and Publications section

CalPERS
California Public Employees' Retirement System
Actuarial Office
P.O. Box 942709
Sacramento, CA 94229-2709
TTY: (916) 795-3240
(888) 225-7377 phone – (916) 795-2744 fax
www.calpers.ca.gov

August 2016

PEPRA SAFETY POLICE PLAN OF THE CITY OF YREKA
(CalPERS ID: 5698564511)
Annual Valuation Report as of June 30, 2015

Dear Employer,

As an attachment to this letter, you will find a copy of the June 30, 2015 actuarial valuation report of the pension plan.

Because this plan is in a risk pool, the following valuation report has been separated into two sections:

- Section 1 contains specific information for the plan including the development of the current and projected employer contributions, and
- Section 2 contains the Risk Pool Actuarial Valuation appropriate to the plan as of June 30, 2015.

Section 2 can be found on the CalPERS website at (www.calpers.ca.gov). From the home page, go to "*Forms & Publications*" and select "*View All*". In the search box, enter "*Risk Pool Report*" and from the results list download the Miscellaneous or Safety Risk Pool Actuarial Valuation Report as appropriate.

Your June 30, 2015 actuarial valuation report contains important actuarial information about your pension plan at CalPERS. Your assigned CalPERS staff actuary, whose signature appears in the Actuarial Certification section on page 1, is available to discuss the report with you after August 31, 2016.

Future Employer Contribution

Fiscal Year	Employer Normal Cost Rate	+	Employer Payment of Unfunded Liability
2017-18	11.990%		$47
2018-19 (projected)	12.0%		$105

The exhibit above displays the minimum employer contributions, before any cost sharing, for Fiscal Year 2017-18 along with estimates of the contributions for Fiscal Year 2018-19. The total employer contribution is the sum of a Normal Cost Rate applied to reported payroll plus an Unfunded Liability dollar payment. The estimated contributions for Fiscal Year 2018-19 are based on a projection of the most recent information we have available, including an estimated 0.0 percent investment return for Fiscal Year 2015-16 (based on the year to date return through April 30, 2016).

For a projection of employer contributions beyond Fiscal Year 2018-19, please refer to the "Projected Employer Contributions" in the "Highlights and Executive Summary" section. This 5-year projection of future employer contributions supersedes any previous projections we have provided. The "Risk Analysis" section of the valuation report also contains estimated employer contributions in future years under a variety of investment return scenarios. Member contributions, other than cost sharing, are in addition to the above amounts. The employer contributions in this report do not reflect any cost sharing arrangements you may have with your employees.

The estimates for Fiscal Year 2018-19 also assume that there are no future contract amendments and no liability gains or losses (such as larger than expected pay increases, more retirements than expected, etc.) This is an important assumption because these gains and losses do occur and can have a significant effect on required contributions. Even for the largest plans or pools, such gains and losses can impact the employer's contributions. These gains and losses cannot be predicted in advance so the projected employer contributions are estimates. The actual required employer contribution for Fiscal Year 2018-19 will be provided in next year's valuation report.

Changes since the Prior Year's Valuation

The CalPERS Board of Administration adopted a Risk Mitigation Policy which is designed to reduce funding risk over time. The policy establishes a mechanism whereby CalPERS investment performance that significantly outperforms the discount rate triggers adjustments to the discount rate, expected investment return and strategic asset allocation targets. A minimum excess investment return of 4% above the existing discount rate is necessary to cause a funding risk mitigation event. The policy has no impact on the current year valuation results but is expected to have an impact in future years. More details on the Risk Mitigation Policy can be found on our website.

Besides the above noted changes, there may also be changes specific to the plan such as contract amendments and funding changes.

Further descriptions of general changes are included in the "Highlights and Executive Summary" section and in Appendix A, "Statement of Actuarial Data, Methods and Assumptions" of the Section 2 report. We understand that you might have a number of questions about these results. While we are very interested in discussing these results with your agency, in the interest of allowing us to give every public agency their results, we ask that you wait until after August 31 to contact us with actuarial related questions.

If you have other questions, please call our customer contact center at (888) CalPERS or (888-**225-7377**).

Sincerely,

ALAN MILLIGAN
Chief Actuary

ACTUARIAL VALUATION
as of June 30, 2015

for the
PEPRA SAFETY POLICE PLAN
of the
CITY OF YREKA
(CalPERS ID: 5698564511)

REQUIRED CONTRIBUTIONS
FOR FISCAL YEAR
July 1, 2017 - June 30, 2018

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Section 1

CALIFORNIA PUBLIC EMPLOYEES' RETIREMENT SYSTEM

Plan Specific Information for the PEPRA SAFETY POLICE PLAN of the CITY OF YREKA

(CalPERS ID: 5698564511)
(Rate Plan: 25443)

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ACTUARIAL CERTIFICATION

Section 1 of this report is based on the member and financial data contained in our records as of June 30, 2015 which was provided by your agency and the benefit provisions under your contract with CalPERS. Section 2 of this report is based on the member and financial data as of June 30, 2015 provided by employers participating in the Safety Risk Pool to which the plan belongs and benefit provisions under the CalPERS contracts for those agencies.

As set forth in Section 2 of this report, the pool actuary has certified that, in their opinion, the valuation of the risk pool containing your PEPRA SAFETY POLICE PLAN has been performed in accordance with generally accepted actuarial principles consistent with standards of practice prescribed by the Actuarial Standards Board, and that the assumptions and methods are internally consistent and reasonable for the risk pool as of the date of this valuation and as prescribed by the CalPERS Board of Administration according to provisions set forth in the California Public Employees' Retirement Law.

Having relied upon the information set forth in Section 2 of this report and based on the census and benefit provision information for the plan, it is my opinion as the plan actuary that the side fund and other Unfunded Accrued Liability bases as of June 30, 2015 and employer contribution as of July 1, 2017, have been properly and accurately determined in accordance with the principles and standards stated above.

The undersigned is an actuary for CalPERS, who is a member of both the American Academy of Actuaries and Society of Actuaries and meets the Qualification Standards of the American Academy of Actuaries to render the actuarial opinion contained herein.

MAY SHUANG YU, ASA, MAAA
Senior Pension Actuary, CalPERS
Plan Actuary

HIGHLIGHTS AND EXECUTIVE SUMMARY

- **INTRODUCTION**
- **PURPOSE OF SECTION 1**
- **REQUIRED EMPLOYER CONTRIBUTION**
- **PLAN'S FUNDED STATUS**
- **PROJECTED EMPLOYER CONTRIBUTIONS**
- **CHANGES SINCE THE PRIOR YEAR VALUATION**
- **SUBSEQUENT EVENTS**

Introduction

This report presents the results of the June 30, 2015 actuarial valuation of the PEPRA SAFETY POLICE PLAN of the CITY OF YREKA of the California Public Employees' Retirement System (CalPERS). This actuarial valuation sets the required employer contributions for Fiscal Year 2017-18.

The CalPERS Board of Administration adopted a Risk Mitigation Policy which is designed to reduce funding risk over time. The policy establishes a mechanism whereby CalPERS investment performance that significantly outperforms the discount rate triggers adjustments to the discount rate, expected investment return and strategic asset allocation targets. A minimum excess investment return of 4% above the existing discount rate is necessary to cause a funding risk mitigation event. The Risk Mitigation Policy does not have an impact on the current year actuarial valuation. More details on the Risk Mitigation Policy can be found on our website.

Purpose of Section 1

This Section 1 report for the PEPRA SAFETY POLICE PLAN of the CITY OF YREKA of the California Public Employees' Retirement System (CalPERS) was prepared by the plan actuary in order to:

- Set forth the assets and accrued liabilities of this plan as of June 30, 2015;
- Determine the required employer contribution for this plan for the fiscal year July 1, 2017 through June 30, 2018; and
- Provide actuarial information as of June 30, 2015 to the CalPERS Board of Administration and other interested parties.

The pension funding information presented in this report should not be used in financial reports subject to GASB Statement No. 68 for a Cost Sharing Employer Defined Benefit Pension Plan. A separate accounting valuation report for such purposes is available from CalPERS and details for ordering are available on our website.

The use of this report for any other purposes may be inappropriate. In particular, this report does not contain information applicable to alternative benefit costs. The employer should contact their actuary before disseminating any portion of this report for any reason that is not explicitly described above.

California Actuarial Advisory Panel Recommendations

This report includes all the basic disclosure elements as described in the *Model Disclosure Elements for Actuarial Valuation Reports* recommended in 2011 by the California Actuarial Advisory Panel (CAAP), with the exception of including the original base amounts of the various components of the unfunded liability in the Schedule of Amortization Bases shown on page 8.

Additionally, this report includes the following "Enhanced Risk Disclosures" also recommended by the CAAP in the Model Disclosure Elements document:

- A "Deterministic Stress Test," projecting future results under different investment income scenarios
- A "Sensitivity Analysis," showing the impact on current valuation results using a 1 percent plus or minus change in the discount rate.

Required Employer Contribution

Required Employer Contribution		**Fiscal Year 2016-17** [1]		**Fiscal Year 2017-18**
Employer Normal Cost Rate		**12.082%**		**11.990%**
Plus Either				
1) Monthly Employer Dollar UAL Payment	**$**	**1.12**	**$**	**3.88**
Or				
2) Annual Lump Sum Prepayment Option	**$**	**13**	**$**	**45**

The total minimum required employer contribution is the ***sum*** *of the Plan's Employer Normal Cost Rate (expressed as a percentage of payroll)* ***plus*** *the Employer Unfunded Accrued Liability (UAL) Contribution Amount (billed monthly in dollars). Only the UAL portion of the employer contribution can be prepaid (which must be received in full no later than July 31). Plan Normal Cost contributions will be made as part of the payroll reporting process. If there is contractual cost sharing or other change, this amount will change. § 20572 of the Public Employees' Retirement Law assesses interest at an annual rate of 10 percent if a contracting agency fails to remit the required contributions when due.*

		Fiscal Year 2016-17 [1]		**Fiscal Year 2017-18**
Development of Normal Cost as a Percentage of Payroll				
Base Total Normal Cost for Formula		23.582%		23.490%
Surcharge for Class 1 Benefits[3]				
None		0.000%		0.000%
Phase out of Normal Cost Difference[4]		0.000%		0.000%
Plan's Total Normal Cost		23.582%		23.490%
Plan's Employee Contribution Rate		11.500%		11.500%
Employer Normal Cost Rate		12.082%		11.990%
Projected Payroll for the Contribution Fiscal Year	$	49,031	$	53,527
Estimated Employer Contributions Based on Projected Payroll				
Plan's Estimated Employer Normal Cost	$	5,924	$	6,418
Plan's Payment on Amortization Bases[2]		13		47
Total Employer Contribution[5]	$	5,937	$	6,465

[1] The results shown for Fiscal Year 2016-17 reflect the prior year valuation and do not take into account any lump sum payment, side fund payoff, or rate adjustment made after June 30, 2015.

[2] See page 8 for a breakdown of the Amortization Bases.

[3] Section 2 of this report contains a list of Class 1 benefits and corresponding surcharges for each benefit.

[4] The normal cost difference is phased out over a five year period. The phase out of normal cost difference is 100 percent for the first year of pooling, and is incrementally reduced by 20 percent of the original normal cost difference for each subsequent year. This is non-zero only for plans that joined a pool within the past 5 years. Most plans joined a pool June 30, 2003, when risk pooling was implemented.

[5] As a percentage of projected payroll the UAL contribution is 0.087 percent for an estimated total employer contribution rate of 12.077 percent.

Plan's Funded Status

		June 30, 2014		June 30, 2015
1. Present Value of Projected Benefits (PVB)	$	173,411	$	193,877
2. Entry Age Normal Accrued Liability (AL)		9,695		20,713
3. Plan's Market Value of Assets (MVA)		10,127		19,635
4. Unfunded Accrued Liability (UAL) [(2) - (3)]		(432)		1,078
5. Funded Ratio [(3) / (2)]		104.5%		94.8%

Projected Employer Contributions

The estimate for Fiscal Year 2018-19 is based on a projection of the most recent information we have available, including an estimated 0.0 percent investment return for Fiscal Year 2015-16 (based on year to date return through April 30, 2016).

The table below shows projected employer contributions (before cost sharing) for the next five fiscal years, ***assuming CalPERS earns 0.0 percent for Fiscal Year 2015-16 and 7.50 percent every fiscal year thereafter***, and assuming that all other actuarial assumptions will be realized and that no further changes to assumptions, contributions, benefits, or funding will occur between now and the beginning of the projection period.

	Required Contribution	Projected Future Employer Contributions				
Fiscal Year	**2017-18**	**2018-19**	**2019-20**	**2020-21**	**2021-22**	**2022-23**
Normal Cost %	11.990%	12.0%	12.0%	12.0%	12.0%	12.0%
UAL $	$47	$105	$168	$233	$286	$321

Changes since the Prior Year's Valuation

Benefits

None. This valuation generally reflects plan changes by amendments effective before the date of the report. Please refer to the "Plan's Major Benefit Options" and Appendix B of Section 2 for a summary of the plan provisions used in this valuation.

Actuarial Methods and Assumptions

None.

Subsequent Events

Risk Mitigation

The CalPERS Board of Administration adopted a Risk Mitigation Policy which is designed to reduce funding risk over time. The policy establishes a mechanism whereby CalPERS investment performance that significantly outperforms the discount rate triggers adjustments to the discount rate, expected investment return and strategic asset allocation targets. A minimum excess investment return of 4% above the existing discount rate is necessary to cause a funding risk mitigation event. More details on the Risk Mitigation Policy can be found on our website.

ASSETS AND LIABILITIES

- ALLOCATION OF PLAN'S SHARE OF POOL'S EXPERIENCE/ASSUMPTION CHANGE
- DEVELOPMENT OF PLAN'S SHARE OF POOL'S MVA
- SCHEDULE OF PLAN'S SIDE FUND & OTHER AMORTIZATION BASES
- 30-YEAR AMORTIZATION SCHEDULE AND ALTERNATIVES
- EMPLOYER CONTRIBUTION HISTORY
- FUNDING HISTORY

Allocation of Plan's Share of Pool's Experience/Assumption Change

It is the policy of CalPERS to ensure equity within the risk pools by allocating the pool's experience gains/losses and assumption changes in a manner that treats each employer equitably and maintains benefit security for the members of the System while minimizing substantial variations in employer contributions. The Pool's experience gains/losses and impact of assumption/method changes is allocated to the plan as follows:

1.	Plan's Accrued Liability	$	20,713
2.	Projected UAL balance at 6/30/15		7
3.	Pool's Accrued Liability	$	18,467,886,519
4.	Sum of Pool's Individual Plan UAL Balances at 6/30/15		3,713,009,355
5.	Pool's 2014/15 Investment & Asset (Gain)/Loss		765,720,345
6.	Pool's 2014/15 Other (Gain)/Loss		(2,867,161)
7.	Plan's Share of Pool's Asset (Gain)/Loss [(1)-(2)]/[(3)-(4)] * (5)		1,075
8.	Plan's Share of Pool's Other (Gain)/Loss [(1)]/[(3)] * (6)		(3)
9.	Plan's New (Gain)/Loss as of 6/30/2015 [(7)+(8)]	$	1,071
10.	Increase in Pool's Accrued Liability due to Change in Assumptions		0
11.	Plan's Share of Pool's Change in Assumptions [(1)]/[(3)] * (10)	$	0

Development of the Plan's Share of Pool's Market Value of Assets

1.	Plan's Accrued Liability	$	20,713
2.	Plan's UAL	$	1,078
3.	Plan's Share of Pool's MVA [(1)-(2)]	$	**19,635**

Schedule of Plan's Side Fund and Other Amortization Bases

There is a two-year lag between the valuation date and the start of the contribution fiscal year.

- The assets, liabilities, and funded status of the plan are measured as of the valuation date: June 30, 2015.
- The employer contribution determined by the valuation is for the fiscal year beginning two years after the valuation date: Fiscal Year 2017-18.

This two-year lag is necessary due to the amount of time needed to extract and test the membership and financial data, and the need to provide public agencies with their employer contribution well in advance of the start of the fiscal year.

The Unfunded Accrued Liability (UAL) is used to determine the employer contribution and therefore must be rolled forward two years from the valuation date to the first day of the fiscal year for which the contribution is being determined. The UAL is rolled forward each year by subtracting the payment on the UAL for the fiscal year and adjusting for interest.

							Amounts for Fiscal 2017-18	
Reason for Base	Date Established	Amortization Period	Balance 6/30/15	Payment 2015-16	Balance 6/30/16	Payment 2016-17	Balance 6/30/17	Scheduled Payment for 2017-18
FRESH START	06/30/13	28	$(20)	$0	$(22)	$(1)	$(23)	$(1)
ASSET (GAIN)/LOSS	06/30/14	29	$(947)	$0	$(1,018)	$(14)	$(1,080)	$(30)
NON-ASSET (GAIN)/LOSS	06/30/14	29	$9	$0	$10	$0	$11	$0
ASSUMPTION CHANGE	06/30/14	19	$965	$(468)	$1,523	$29	$1,607	$60
ASSET (GAIN)/LOSS	06/30/15	30	$1,075	$0	$1,155	$0	$1,242	$17
NON-ASSET (GAIN)/LOSS	06/30/15	30	$(3)	$0	$(3)	$0	$(4)	$0
TOTAL			**$1,079**	**$(468)**	**$1,645**	**$14**	**$1,753**	**$46**

The (gain)/loss bases are the plan's allocated share of the risk pool's (gain)/loss for the fiscal year as disclosed on the previous page. These (gain)/loss bases will be amortized according to Board policy over 30 years with a 5-year ramp-up.

If the total Unfunded Liability is negative (i.e., plan has a surplus), the scheduled payment is $0, because the minimum required contribution under PEPRA must be at least equal to the normal cost.

30-Year Amortization Schedule and Alternatives

The amortization schedule on the previous page shows the minimum contributions required according to CalPERS amortization policy. There has been considerable interest from many agencies in paying off these unfunded accrued liabilities sooner and the possible savings in doing so. As a result, we have provided alternate amortization schedules to help analyze the current amortization schedule and illustrate the advantages of accelerating unfunded liability payments.

Shown on the following page are future year amortization payments based on 1) the current amortization schedule reflecting the individual bases and remaining periods shown on the previous page, and 2) alternate "fresh start" amortization schedules using two sample periods that would both result in interest savings relative to the current amortization schedule. Note that the payments under each alternate scenario increase by 3 percent for each year into the future. The schedules do not attempt to reflect any experience after June 30, 2015 that may deviate from the actuarial assumptions. Therefore, future amortization payments displayed in the Current Amortization Schedule may not match projected amortization payments shown in connection with Projected Employer Contributions provided elsewhere in this report.

The Current Amortization Schedule typically contains individual bases that are both positive and negative. Positive bases result from plan changes, assumption changes or plan experience that result in increases to unfunded liability. Negative bases result from plan changes, assumption changes or plan experience that result in decreases to unfunded liability. The combination of positive and negative bases within an amortization schedule can result in unusual or problematic circumstances in future years such as:

- A positive total unfunded liability with a negative total payment,
- A negative total unfunded liability with a positive total payment, or
- Total payments that completely amortize the unfunded liability over a very short period of time

In any year where one of the above scenarios occurs, the actuary will consider corrective action such as replacing the existing unfunded liability bases with a single "fresh start" base and amortizing it over a reasonable period.

The Current Amortization Schedule on the following page may appear to show that, based on the current amortization bases, one of the above scenarios will occur at some point in the future. It is impossible to know today whether such a scenario will in fact arise since there will be additional bases added to the amortization schedule in each future year. Should such a scenario arise in any future year, the actuary will take appropriate action based on guidelines in the CalPERS amortization policy. For purposes of this display, total payments include any negative payments. Therefore, the amount of estimated savings may be understated to the extent that negative payments appear in the current schedule.

30-Year Amortization Schedule and Alternatives

			Alternate Schedules			
	Current Amortization Schedule		20 Year Amortization		15 Year Amortization	
Date	Balance	Payment	Balance	Payment	Balance	Payment
6/30/2017	1,754	47	1,754	132	1,754	161
6/30/2018	1,837	82	1,748	136	1,719	166
6/30/2019	1,890	119	1,738	140	1,676	171
6/30/2020	1,909	158	1,722	145	1,625	176
6/30/2021	1,888	182	1,702	149	1,564	181
6/30/2022	1,841	188	1,675	154	1,494	186
6/30/2023	1,784	194	1,641	158	1,413	192
6/30/2024	1,717	199	1,600	163	1,320	198
6/30/2025	1,639	205	1,551	168	1,214	204
6/30/2026	1,549	211	1,494	173	1,094	210
6/30/2027	1,446	218	1,427	178	958	216
6/30/2028	1,329	224	1,349	183	806	223
6/30/2029	1,196	231	1,260	189	636	229
6/30/2030	1,046	238	1,159	194	446	236
6/30/2031	878	245	1,044	200	235	243
6/30/2032	690	206	915	206		
6/30/2033	528	164	770	213		
6/30/2034	397	120	607	219		
6/30/2035	303	72	426	225		
6/30/2036	251	22	224	232		
6/30/2037	246	23				
6/30/2038	241	24				
6/30/2039	235	24				
6/30/2040	227	25				
6/30/2041	218	26				
6/30/2042	208	57				
6/30/2043	164	53				
6/30/2044	122	48				
6/30/2045	81	46				
6/30/2046	40	41				
Totals		**3,692**		**3,558**		**2,990**
Estimated Savings				**133**		**701**

Current CalPERS Board policy prioritizes the order for which lump sum contributions in excess of the required employer contribution shall be applied. Excess contributions shall first be applied toward payment on the plan's side fund, and any remainder shall then be applied toward the plan's share of the pool's unfunded accrued liability.

Please contact the plan actuary before making such a payment to ensure that the payment is applied correctly.

Employer Contribution History

The table below provides a recent history of the required employer contributions for the plan, as determined by the annual actuarial valuation. It does not account for prepayments or benefit changes made during a fiscal year.

Fiscal Year	Employer Normal Cost	Unfunded Liability Payment ($)
2016 - 17	12.082%	13
2017 - 18	11.990%	47

Funding History

The funding history below shows the plan's actuarial accrued liability, share of the pool's market value of assets, share of the pool's unfunded liability, funded ratio, and annual covered payroll.

Valuation Date	Accrued Liability (AL)	Share of Pool's Market Value of Assets (MVA)	Plan's Share of Pool's Unfunded Liability	Funded Ratio	Annual Covered Payroll
06/30/2013	$ 38	$ 56	$ (18)	147.4%	$ 41,799
06/30/2014	9,695	10,127	(432)	104.5%	44,870
06/30/2015	20,713	19,635	1,078	94.8%	48,984

RISK ANALYSIS

- **ANALYSIS OF FUTURE INVESTMENT RETURN SCENARIOS**
- **ANALYSIS OF DISCOUNT RATE SENSITIVITY**
- **VOLATILITY RATIOS**
- **HYPOTHETICAL TERMINATION LIABILITY**

Analysis of Future Investment Return Scenarios

The investment return for Fiscal Year 2015-16 was not known at the time this report was produced. The investment return in Fiscal Year 2015-16 as of April 30, 2016 is 0.0 percent before administrative expenses. For purposes of projecting future employer contributions, we are assuming a 0.0 percent investment return for Fiscal Year 2015-16.

The investment return realized during a fiscal year first affects the contribution for the fiscal year two years later. For example, the investment return for Fiscal Year 2015-16 will first be reflected in the June 30, 2016 actuarial valuation that will be used to set the Fiscal Year 2018-19 employer contributions, the Fiscal Year 2016-17 investment return will first be reflected in the June 30, 2017 actuarial valuation that will be used to set the Fiscal Year 2019-20 employer contributions, and so forth.

A sensitivity analysis was performed to determine the effects of various investment returns during fiscal years 2016-17, 2017-18, and 2018-19 on the employer contributions for fiscal years 2019-20, 2020-21, and 2021-22. The projected contributions assume that all other actuarial assumptions will be realized and that no further changes to assumptions, contributions, benefits, or funding will occur.

Five different investment return scenarios were selected.

- The first scenario is a -3.8 percent return for each of the 2016-17, 2017-18, and 2018-19 fiscal years. Based on the current investment allocation, this is what one would expect if the markets were to give us about a 5th percentile return from July 1, 2016 through June 30, 2019.
- The second scenario is a 2.8 percent return for each of the 2016-17, 2017-18, and 2018-19 fiscal years. Based on the current investment allocation, this is what one would expect if the markets were to give us about a 25th percentile return from July 1, 2016 through June 30, 2019.
- The third scenario is a 7.5 percent return for each of the 2016-17, 2017-18, and 2018-19 fiscal years. Based on the current investment allocation, this is what one would expect if the markets were to give us about a 49th percentile return from July 1, 2016 through June 30, 2019.
- The fourth scenario is a 12.0 percent return for each of the 2016-17, 2017-18, and 2018-19 fiscal years. Based on the current investment allocation, this is what one would expect if the markets were to give us about a 75th percentile return from July 1, 2016 through June 30, 2019.
- Finally, the last scenario is an 18.9 percent return for each of the 2016-17, 2017-18, and 2018-19 fiscal years. Based on the current investment allocation, this is what one would expect if the markets were to give us about a 95th percentile return from July 1, 2016 through June 30, 2019.

The table below shows the estimated projected contributions and the estimated increases for the plan under the five different scenarios.

2016-19 Investment Return Scenario	Fiscal Year			Estimated Change Between 2018-19 and 2021-22
	2019-20	2020-21	2021-22	
(3.8%)				
Normal Cost	12.0%	12.0%	12.0%	0.0%
UAL Contribution	$202	$338	$496	$391
2.8%				
Normal Cost	12.0%	12.0%	12.0%	0.0%
UAL Contribution	$182	$278	$377	$272
7.5%				
Normal Cost	12.0%	12.0%	12.0%	0.0%
UAL Contribution	$168	$233	$286	$181
12.0%				
Normal Cost	11.9%	12.0%	12.2%	0.2%
UAL Contribution	$156	$197	$209	$104
18.9%				
Normal Cost	12.2%	12.6%	13.0%	1.0%
UAL Contribution	$140	$0	$0	$(105)

For the last two scenarios in the table above the results incorporate the impact of CalPERS Risk Mitigation Policy. A 12.0% return would result in a reduction of the discount rate by 0.05% and a return of 18.9% would reduce the discount rate by 0.15%. Reducing the discount rate increases both the plan's accrued liability and normal cost. More details about Risk Mitigation policy can be found on our website.

Analysis of Discount Rate Sensitivity

The following analysis looks at the Fiscal Year 2017-18 total normal cost rates and liabilities under two different discount rate scenarios. Shown below are the total normal cost rates assuming discount rates that are 1 percent lower and 1 percent higher than the current valuation discount rate. This analysis shows the potential plan impacts if the Public Employees' Retirement Fund (PERF) were to realize investment returns of 6.50 percent or 8.50 percent over the long-term.

This analysis is intended to illustrate the long-term risk to the contribution rates.

Sensitivity Analysis			
As of June 30, 2015	**6.50% Discount Rate (-1%)**	**7.50% Discount Rate (assumed rate)**	**8.50% Discount Rate (+1%)**
Plan's Total Normal Cost	29.1%	23.5%	19.2%
Accrued Liability	$26,650	$20,713	$16,232
Unfunded Accrued Liability	$7,015	$1,078	$(3,403)

Volatility Ratios

Actuarial calculations are based on a number of assumptions about long-term demographic and economic behavior. Unless these assumptions (terminations, deaths, disabilities, retirements, salary growth, and investment return) are exactly realized each year, there will be differences on a year-to-year basis. The year-to-year differences between actual experience and the assumptions are called actuarial gains and losses and serve to lower or raise required employer contributions from one year to the next. Therefore, employer contributions will inevitably fluctuate, especially due to the ups and downs of investment returns.

Asset Volatility Ratio (AVR)

Plans that have higher asset-to-payroll ratios experience more volatile employer contributions (as a percentage of payroll) due to investment return. For example, a plan with an asset-to-payroll ratio of 8 may experience twice the contribution volatility due to investment return volatility, than a plan with an asset-to-payroll ratio of 4. Shown below is the asset volatility ratio, a measure of the plan's current contribution volatility. It should be noted that this ratio is a measure of the current situation. It increases over time but generally tends to stabilize as the plan matures.

Liability Volatility Ratio (LVR)

Plans that have higher liability-to-payroll ratios experience more volatile employer contributions (as a percentage of payroll) due to investment return and changes in liability. For example, a plan with a liability-to-payroll ratio of 8 is expected to have twice the contribution volatility of a plan with a liability-to-payroll ratio of 4. The liability volatility ratio is also shown in the table below. It should be noted that this ratio indicates a longer-term potential for contribution volatility. The asset volatility ratio, described above, will tend to move closer to the liability volatility ratio as the plan matures.

Rate Volatility		As of June 30, 2015
1. Market Value of Assets	$	19,635
2. Payroll		48,984
3. Asset Volatility Ratio (AVR) [(1) / (2)]		0.4
4. Accrued Liability	$	20,713
5. Liability Volatility Ratio (LVR) [(4) / (2)]		0.4

Hypothetical Termination Liability

The hypothetical termination liability is an estimate of the financial position of the plan had the contract with CalPERS been terminated as of June 30, 2015. The plan liability on a termination basis is calculated differently compared to the plan's ongoing funding liability. For the hypothetical termination liability calculation, both compensation and service are frozen as of the valuation date and no future pay increases or service accruals are assumed.

A more conservative investment policy and asset allocation strategy was adopted by the CalPERS Board for the Terminated Agency Pool. The Terminated Agency Pool has limited funding sources since no future employer contributions will be made. Therefore, expected benefit payments are secured by risk-free assets and benefit security for members is increased while funding risk is limited. However, this asset allocation has a lower expected rate of return than the PERF and consequently, a lower discount rate is assumed. The lower discount rate for the Terminated Agency Pool results in higher liabilities for terminated plans.

The effective termination discount rate will depend on actual market rates of return for risk-free securities on the date of termination. As market discount rates are variable, the table below shows a range for the hypothetical termination liability based on the lowest and highest interest rates observed during an approximate 2-year period centered around the valuation date.

Market Value of Assets (MVA)	Hypothetical Termination Liability[1,2] @ 2.00%	Funded Status	Unfunded Termination Liability @ 2.00%	Hypothetical Termination Liability[1,2] @ 3.25%	Funded Status	Unfunded Termination Liability @ 3.25%
$19,635	$12,388	158.5%	$(7,246)	$12,388	158.5%	$(7,246)

For plans where active members have little service the hypothetical termination liability methodology used does not fully vest active members upon termination. In these cases the hypothetical termination liability is understated.

[1] The hypothetical liabilities calculated above include a 7 percent mortality contingency load in accordance with Board policy. Other actuarial assumptions, such as wage and inflation assumptions, can be found in Appendix A.

[2] The current discount rate assumption used for termination valuations is a weighted average of the 10-year and 30-year U.S. Treasury yields where the weights are based on matching asset and liability durations as of the termination date. The discount rates used in the table are based on 20-year Treasury bonds, rounded to the nearest quarter percentage point, which is a good proxy for most plans. The 20-year Treasury yield was 2.75 percent on June 30, 2015.

In order to terminate the plan, you must first contact our Retirement Services Contract Unit to initiate a Resolution of Intent to terminate. The completed Resolution will allow the plan actuary to give you a preliminary termination valuation with a more up-to-date estimate of the plan liabilities. CalPERS advises you to consult with the plan actuary before beginning this process.

Participant Data

The table below shows a summary of your plan's member data upon which this valuation is based:

	June 30, 2014	June 30, 2015
Reported Payroll	$ 44,870	$ 48,984
Projected Payroll for Contribution Purposes	$ 49,031	$ 53,527
Number of Members		
Active	1	1
Transferred	0	0
Separated	0	0
Retired	0	0

List of Class 1 Benefit Provisions

This plan has the additional Class 1 Benefit Provisions:

- None

PLAN'S MAJOR BENEFIT OPTIONS

Plan's Major Benefit Options

Shown below is a summary of the major optional benefits for which your agency has contracted. A description of principal standard and optional plan provisions is in Appendix B within Section 2 of this report.

	Contract package	
Benefit Provision	Active Police	
Benefit Formula	2.7% @ 57	
Social Security Coverage	Yes	
Full/Modified	Full	
Employee Contribution Rate	11.50%	
Final Average Compensation Period	Three Year	
Sick Leave Credit	Yes	
Non-Industrial Disability	Standard	
Industrial Disability	Yes	
Pre-Retirement Death Benefits		
Optional Settlement 2W	Yes	
1959 Survivor Benefit Level	No	
Special	Yes	
Alternate (firefighters)	No	
Post-Retirement Death Benefits		
Lump Sum	$500	
Survivor Allowance (PRSA)	No	
COLA	2%	

Section 2

Section 2 may be found on the CalPERS website (www.calpers.ca.gov) in the Forms and Publications section

California Public Employees' Retirement System
Actuarial Office
P.O. Box 942709
Sacramento, CA 94229-2709
TTY: (916) 795-3240
(888) 225-7377 phone – (916) 795-2744 fax
www.calpers.ca.gov

August 2016

MISCELLANEOUS PLAN OF THE CITY OF YREKA
(CalPERS ID: 5698564511)
Annual Valuation Report as of June 30, 2015

Dear Employer,

As an attachment to this letter, you will find a copy of the June 30, 2015 actuarial valuation report of the pension plan.

Because this plan is in a risk pool, the following valuation report has been separated into two sections:

- Section 1 contains specific information for the plan including the development of the current and projected employer contributions, and
- Section 2 contains the Risk Pool Actuarial Valuation appropriate to the plan as of June 30, 2015.

Section 2 can be found on the CalPERS website at (www.calpers.ca.gov). From the home page, go to "*Forms & Publications*" and select "*View All*". In the search box, enter "*Risk Pool Report*" and from the results list download the Miscellaneous or Safety Risk Pool Actuarial Valuation Report as appropriate.

Your June 30, 2015 actuarial valuation report contains important actuarial information about your pension plan at CalPERS. Your assigned CalPERS staff actuary, whose signature appears in the Actuarial Certification section on page 1, is available to discuss the report with you after August 31, 2016.

Future Employer Contribution

Fiscal Year	Employer Normal Cost Rate	+	Employer Payment of Unfunded Liability
2017-18	8.418%		$200,756
2018-19 (projected)	8.4%		$262,215

The exhibit above displays the minimum employer contributions, before any cost sharing, for Fiscal Year 2017-18 along with estimates of the contributions for Fiscal Year 2018-19. The total employer contribution is the sum of a Normal Cost Rate applied to reported payroll plus an Unfunded Liability dollar payment. The estimated contributions for Fiscal Year 2018-19 are based on a projection of the most recent information we have available, including an estimated 0.0 percent investment return for Fiscal Year 2015-16 (based on the year to date return through April 30, 2016).

For a projection of employer contributions beyond Fiscal Year 2018-19, please refer to the "Projected Employer Contributions" in the "Highlights and Executive Summary" section. This 5-year projection of future employer contributions supersedes any previous projections we have provided. The "Risk Analysis" section of the valuation report also contains estimated employer contributions in future years under a variety of investment return scenarios. Member contributions, other than cost sharing, are in addition to the above amounts. The employer contributions in this report do not reflect any cost sharing arrangements you may have with your employees.

The estimates for Fiscal Year 2018-19 also assume that there are no future contract amendments and no liability gains or losses (such as larger than expected pay increases, more retirements than expected, etc.) This is an important assumption because these gains and losses do occur and can have a significant effect on required contributions. Even for the largest plans or pools, such gains and losses can impact the employer's contributions. These gains and losses cannot be predicted in advance so the projected employer contributions are estimates. The actual required employer contribution for Fiscal Year 2018-19 will be provided in next year's valuation report.

Changes since the Prior Year's Valuation

The CalPERS Board of Administration adopted a Risk Mitigation Policy which is designed to reduce funding risk over time. The policy establishes a mechanism whereby CalPERS investment performance that significantly outperforms the discount rate triggers adjustments to the discount rate, expected investment return and strategic asset allocation targets. A minimum excess investment return of 4% above the existing discount rate is necessary to cause a funding risk mitigation event. The policy has no impact on the current year valuation results but is expected to have an impact in future years. More details on the Risk Mitigation Policy can be found on our website.

Besides the above noted changes, there may also be changes specific to the plan such as contract amendments and funding changes.

Further descriptions of general changes are included in the "Highlights and Executive Summary" section and in Appendix A, "Statement of Actuarial Data, Methods and Assumptions" of the Section 2 report. We understand that you might have a number of questions about these results. While we are very interested in discussing these results with your agency, in the interest of allowing us to give every public agency their results, we ask that you wait until after August 31 to contact us with actuarial related questions.

If you have other questions, please call our customer contact center at (888) CalPERS or (888-**225-7377**).

Sincerely,

ALAN MILLIGAN
Chief Actuary

ACTUARIAL VALUATION

as of June 30, 2015

for the
MISCELLANEOUS PLAN
of the
CITY OF YREKA

(CalPERS ID: 5698564511)

REQUIRED CONTRIBUTIONS
FOR FISCAL YEAR
July 1, 2017 - June 30, 2018

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Section 1

CALIFORNIA PUBLIC EMPLOYEES' RETIREMENT SYSTEM

Plan Specific Information for the MISCELLANEOUS PLAN of the CITY OF YREKA

(CalPERS ID: 5698564511)
(Rate Plan: 1084)

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ACTUARIAL CERTIFICATION

Section 1 of this report is based on the member and financial data contained in our records as of June 30, 2015 which was provided by your agency and the benefit provisions under your contract with CalPERS. Section 2 of this report is based on the member and financial data as of June 30, 2015 provided by employers participating in the Miscellaneous Risk Pool to which the plan belongs and benefit provisions under the CalPERS contracts for those agencies.

As set forth in Section 2 of this report, the pool actuary has certified that, in their opinion, the valuation of the risk pool containing your MISCELLANEOUS PLAN has been performed in accordance with generally accepted actuarial principles consistent with standards of practice prescribed by the Actuarial Standards Board, and that the assumptions and methods are internally consistent and reasonable for the risk pool as of the date of this valuation and as prescribed by the CalPERS Board of Administration according to provisions set forth in the California Public Employees' Retirement Law.

Having relied upon the information set forth in Section 2 of this report and based on the census and benefit provision information for the plan, it is my opinion as the plan actuary that the side fund and other Unfunded Accrued Liability bases as of June 30, 2015 and employer contribution as of July 1, 2017, have been properly and accurately determined in accordance with the principles and standards stated above.

The undersigned is an actuary for CalPERS, who is a member of both the American Academy of Actuaries and Society of Actuaries and meets the Qualification Standards of the American Academy of Actuaries to render the actuarial opinion contained herein.

MAY SHUANG YU, ASA, MAAA
Senior Pension Actuary, CalPERS
Plan Actuary

HIGHLIGHTS AND EXECUTIVE SUMMARY

- INTRODUCTION
- PURPOSE OF SECTION 1
- REQUIRED EMPLOYER CONTRIBUTION
- PLAN'S FUNDED STATUS
- PROJECTED EMPLOYER CONTRIBUTIONS
- CHANGES SINCE THE PRIOR YEAR VALUATION
- SUBSEQUENT EVENTS

Introduction

This report presents the results of the June 30, 2015 actuarial valuation of the MISCELLANEOUS PLAN of the CITY OF YREKA of the California Public Employees' Retirement System (CalPERS). This actuarial valuation sets the required employer contributions for Fiscal Year 2017-18.

The CalPERS Board of Administration adopted a Risk Mitigation Policy which is designed to reduce funding risk over time. The policy establishes a mechanism whereby CalPERS investment performance that significantly outperforms the discount rate triggers adjustments to the discount rate, expected investment return and strategic asset allocation targets. A minimum excess investment return of 4% above the existing discount rate is necessary to cause a funding risk mitigation event. The Risk Mitigation Policy does not have an impact on the current year actuarial valuation. More details on the Risk Mitigation Policy can be found on our website.

Purpose of Section 1

This Section 1 report for the MISCELLANEOUS PLAN of the CITY OF YREKA of the California Public Employees' Retirement System (CalPERS) was prepared by the plan actuary in order to:

- Set forth the assets and accrued liabilities of this plan as of June 30, 2015;
- Determine the required employer contribution for this plan for the fiscal year July 1, 2017 through June 30, 2018; and
- Provide actuarial information as of June 30, 2015 to the CalPERS Board of Administration and other interested parties.

The pension funding information presented in this report should not be used in financial reports subject to GASB Statement No. 68 for a Cost Sharing Employer Defined Benefit Pension Plan. A separate accounting valuation report for such purposes is available from CalPERS and details for ordering are available on our website.

The use of this report for any other purposes may be inappropriate. In particular, this report does not contain information applicable to alternative benefit costs. The employer should contact their actuary before disseminating any portion of this report for any reason that is not explicitly described above.

California Actuarial Advisory Panel Recommendations

This report includes all the basic disclosure elements as described in the *Model Disclosure Elements for Actuarial Valuation Reports* recommended in 2011 by the California Actuarial Advisory Panel (CAAP), with the exception of including the original base amounts of the various components of the unfunded liability in the Schedule of Amortization Bases shown on page 8.

Additionally, this report includes the following "Enhanced Risk Disclosures" also recommended by the CAAP in the Model Disclosure Elements document:

- A "Deterministic Stress Test," projecting future results under different investment income scenarios
- A "Sensitivity Analysis," showing the impact on current valuation results using a 1 percent plus or minus change in the discount rate.

Required Employer Contribution

Required Employer Contribution		Fiscal Year 2016-17 [1]		Fiscal Year 2017-18
Employer Normal Cost Rate		**8.377%**		**8.418%**
Plus Either				
1) Monthly Employer Dollar UAL Payment	**$**	**13,289.94**	**$**	**16,729.66**
Or				
2) Annual Lump Sum Prepayment Option	**$**	**153,815**	**$**	**193,626**

*The total minimum required employer contribution is the **sum** of the Plan's Employer Normal Cost Rate (expressed as a percentage of payroll) **plus** the Employer Unfunded Accrued Liability (UAL) Contribution Amount (billed monthly in dollars). Only the UAL portion of the employer contribution can be prepaid (which must be received in full no later than July 31). Plan Normal Cost contributions will be made as part of the payroll reporting process. If there is contractual cost sharing or other change, this amount will change. § 20572 of the Public Employees' Retirement Law assesses interest at an annual rate of 10 percent if a contracting agency fails to remit the required contributions when due.*

		Fiscal Year 2016-17 [1]		Fiscal Year 2017-18
Development of Normal Cost as a Percentage of Payroll				
Base Total Normal Cost for Formula		15.263%		15.314%
Surcharge for Class 1 Benefits[3]				
None		0.000%		0.000%
Phase out of Normal Cost Difference[4]		0.000%		0.000%
Plan's Total Normal Cost		15.263%		15.314%
Formula's Expected Employee Contribution Rate		6.886%		6.896%
Employer Normal Cost Rate		8.377%		8.418%
Projected Payroll for the Contribution Fiscal Year	$	1,829,151	$	1,641,616
Estimated Employer Contributions Based on Projected Payroll				
Plan's Estimated Employer Normal Cost	$	153,229	$	138,191
Plan's Payment on Amortization Bases[2]		159,479		200,756
Total Employer Contribution[5]	$	312,708	$	338,947

[1] The results shown for Fiscal Year 2016-17 reflect the prior year valuation and do not take into account any lump sum payment, side fund payoff, or rate adjustment made after June 30, 2015.

[2] See page 8 for a breakdown of the Amortization Bases.

[3] Section 2 of this report contains a list of Class 1 benefits and corresponding surcharges for each benefit.

[4] The normal cost difference is phased out over a five year period. The phase out of normal cost difference is 100 percent for the first year of pooling, and is incrementally reduced by 20 percent of the original normal cost difference for each subsequent year. This is non-zero only for plans that joined a pool within the past 5 years. Most plans joined a pool June 30, 2003, when risk pooling was implemented.

[5] As a percentage of projected payroll the UAL contribution is 12.229 percent for an estimated total employer contribution rate of 20.647 percent.

Plan's Funded Status

		June 30, 2014		June 30, 2015
1. Present Value of Projected Benefits (PVB)	$	19,096,040	$	19,755,487
2. Entry Age Normal Accrued Liability (AL)		17,509,930		18,264,327
3. Plan's Market Value of Assets (MVA)		14,833,345		14,700,983
4. Unfunded Accrued Liability (UAL) [(2) - (3)]		2,676,585		3,563,344
5. Funded Ratio [(3) / (2)]		84.7%		80.5%

Projected Employer Contributions

The estimate for Fiscal Year 2018-19 is based on a projection of the most recent information we have available, including an estimated 0.0 percent investment return for Fiscal Year 2015-16 (based on year to date return through April 30, 2016).

The table below shows projected employer contributions (before cost sharing) for the next five fiscal years, ***assuming CalPERS earns 0.0 percent for Fiscal Year 2015-16 and 7.50 percent every fiscal year thereafter***, and assuming that all other actuarial assumptions will be realized and that no further changes to assumptions, contributions, benefits, or funding will occur between now and the beginning of the projection period.

	Required Contribution	Projected Future Employer Contributions				
Fiscal Year	**2017-18**	**2018-19**	**2019-20**	**2020-21**	**2021-22**	**2022-23**
Normal Cost %	8.418%	8.4%	8.4%	8.4%	8.4%	8.4%
UAL $	$200,756	$262,215	$327,182	$365,315	$409,290	$441,658

Changes since the Prior Year's Valuation

Benefits

None. This valuation generally reflects plan changes by amendments effective before the date of the report. Please refer to the "Plan's Major Benefit Options" and Appendix B of Section 2 for a summary of the plan provisions used in this valuation.

Actuarial Methods and Assumptions

None.

Subsequent Events

Risk Mitigation

The CalPERS Board of Administration adopted a Risk Mitigation Policy which is designed to reduce funding risk over time. The policy establishes a mechanism whereby CalPERS investment performance that significantly outperforms the discount rate triggers adjustments to the discount rate, expected investment return and strategic asset allocation targets. A minimum excess investment return of 4% above the existing discount rate is necessary to cause a funding risk mitigation event. More details on the Risk Mitigation Policy can be found on our website.

ASSETS AND LIABILITIES

- ALLOCATION OF PLAN'S SHARE OF POOL'S EXPERIENCE/ASSUMPTION CHANGE
- DEVELOPMENT OF PLAN'S SHARE OF POOL'S MVA
- SCHEDULE OF PLAN'S SIDE FUND & OTHER AMORTIZATION BASES
- 30-YEAR AMORTIZATION SCHEDULE AND ALTERNATIVES
- EMPLOYER CONTRIBUTION HISTORY
- FUNDING HISTORY

Allocation of Plan's Share of Pool's Experience/Assumption Change

It is the policy of CalPERS to ensure equity within the risk pools by allocating the pool's experience gains/losses and assumption changes in a manner that treats each employer equitably and maintains benefit security for the members of the System while minimizing substantial variations in employer contributions. The Pool's experience gains/losses and impact of assumption/method changes is allocated to the plan as follows:

1.	Plan's Accrued Liability	$	18,264,327
2.	Projected UAL balance at 6/30/15		2,824,814
3.	Pool's Accrued Liability	$	13,889,938,645
4.	Sum of Pool's Individual Plan UAL Balances at 6/30/15		2,423,468,906
5.	Pool's 2014/15 Investment & Asset (Gain)/Loss		596,365,421
6.	Pool's 2014/15 Other (Gain)/Loss		(49,030,273)
7.	Plan's Share of Pool's Asset (Gain)/Loss [(1)-(2)]/[(3)-(4)] * (5)		803,001
8.	Plan's Share of Pool's Other (Gain)/Loss [(1)]/[(3)] * (6)		(64,471)
9.	Plan's New (Gain)/Loss as of 6/30/2015 [(7)+(8)]	$	738,530
10.	Increase in Pool's Accrued Liability due to Change in Assumptions		0
11.	Plan's Share of Pool's Change in Assumptions [(1)]/[(3)] * (10)	$	0

Development of the Plan's Share of Pool's Market Value of Assets

1.	Plan's Accrued Liability	$	18,264,327
2.	Plan's UAL	$	3,563,344
3.	Plan's Share of Pool's MVA [(1)-(2)]	$	**14,700,983**

Schedule of Plan's Side Fund and Other Amortization Bases

There is a two-year lag between the valuation date and the start of the contribution fiscal year.

- The assets, liabilities, and funded status of the plan are measured as of the valuation date: June 30, 2015.
- The employer contribution determined by the valuation is for the fiscal year beginning two years after the valuation date: Fiscal Year 2017-18.

This two-year lag is necessary due to the amount of time needed to extract and test the membership and financial data, and the need to provide public agencies with their employer contribution well in advance of the start of the fiscal year.

The Unfunded Accrued Liability (UAL) is used to determine the employer contribution and therefore must be rolled forward two years from the valuation date to the first day of the fiscal year for which the contribution is being determined. The UAL is rolled forward each year by subtracting the payment on the UAL for the fiscal year and adjusting for interest.

							Amounts for Fiscal 2017-18	
Reason for Base	Date Established	Amortization Period	Balance 6/30/15	Payment 2015-16	Balance 6/30/16	Payment 2016-17	Balance 6/30/17	Scheduled Payment for 2017-18
SHARE OF PRE-2013 POOL UAL	06/30/13	20	$1,481,215	$105,446	$1,482,977	$108,610	$1,481,591	$111,868
ASSET (GAIN)/LOSS	06/30/13	28	$1,888,393	$26,560	$2,002,484	$54,714	$2,095,942	$84,534
NON-ASSET (GAIN)/LOSS	06/30/13	28	$(18,152)	$(255)	$(19,249)	$(526)	$(20,147)	$(813)
ASSET (GAIN)/LOSS	06/30/14	29	$(1,363,821)	$0	$(1,466,108)	$(20,621)	$(1,554,686)	$(42,479)
ASSUMPTION CHANGE	06/30/14	19	$835,710	$(8,479)	$907,179	$17,280	$957,301	$35,596
NON-ASSET (GAIN)/LOSS	06/30/14	29	$1,469	$0	$1,579	$22	$1,675	$46
ASSET (GAIN)/LOSS	06/30/15	30	$803,001	$0	$863,227	$0	$927,969	$13,052
NON-ASSET (GAIN)/LOSS	06/30/15	30	$(64,471)	$0	$(69,307)	$0	$(74,505)	$(1,048)
TOTAL			**$3,563,344**	**$123,272**	**$3,702,782**	**$159,479**	**$3,815,140**	**$200,756**

The (gain)/loss bases are the plan's allocated share of the risk pool's (gain)/loss for the fiscal year as disclosed on the previous page. These (gain)/loss bases will be amortized according to Board policy over 30 years with a 5-year ramp-up.

If the total Unfunded Liability is negative (i.e., plan has a surplus), the scheduled payment is $0, because the minimum required contribution under PEPRA must be at least equal to the normal cost.

30-Year Amortization Schedule and Alternatives

The amortization schedule on the previous page shows the minimum contributions required according to CalPERS amortization policy. There has been considerable interest from many agencies in paying off these unfunded accrued liabilities sooner and the possible savings in doing so. As a result, we have provided alternate amortization schedules to help analyze the current amortization schedule and illustrate the advantages of accelerating unfunded liability payments.

Shown on the following page are future year amortization payments based on 1) the current amortization schedule reflecting the individual bases and remaining periods shown on the previous page, and 2) alternate "fresh start" amortization schedules using two sample periods that would both result in interest savings relative to the current amortization schedule. Note that the payments under each alternate scenario increase by 3 percent for each year into the future. The schedules do not attempt to reflect any experience after June 30, 2015 that may deviate from the actuarial assumptions. Therefore, future amortization payments displayed in the Current Amortization Schedule may not match projected amortization payments shown in connection with Projected Employer Contributions provided elsewhere in this report.

The Current Amortization Schedule typically contains individual bases that are both positive and negative. Positive bases result from plan changes, assumption changes or plan experience that result in increases to unfunded liability. Negative bases result from plan changes, assumption changes or plan experience that result in decreases to unfunded liability. The combination of positive and negative bases within an amortization schedule can result in unusual or problematic circumstances in future years such as:

- A positive total unfunded liability with a negative total payment,
- A negative total unfunded liability with a positive total payment, or
- Total payments that completely amortize the unfunded liability over a very short period of time

In any year where one of the above scenarios occurs, the actuary will consider corrective action such as replacing the existing unfunded liability bases with a single "fresh start" base and amortizing it over a reasonable period.

The Current Amortization Schedule on the following page may appear to show that, based on the current amortization bases, one of the above scenarios will occur at some point in the future. It is impossible to know today whether such a scenario will in fact arise since there will be additional bases added to the amortization schedule in each future year. Should such a scenario arise in any future year, the actuary will take appropriate action based on guidelines in the CalPERS amortization policy. For purposes of this display, total payments include any negative payments. Therefore, the amount of estimated savings may be understated to the extent that negative payments appear in the current schedule.

30-Year Amortization Schedule and Alternatives

	Current Amortization Schedule		Alternate Schedules: 20 Year Amortization		Alternate Schedules: 15 Year Amortization	
Date	**Balance**	**Payment**	**Balance**	**Payment**	**Balance**	**Payment**
6/30/2017	3,815,139	200,756	3,815,139	288,064	3,815,139	349,732
6/30/2018	3,893,127	244,366	3,802,604	296,706	3,738,665	360,224
6/30/2019	3,931,747	290,412	3,780,168	305,607	3,645,577	371,031
6/30/2020	3,925,523	308,506	3,746,821	314,775	3,534,302	382,162
6/30/2021	3,900,072	331,271	3,701,467	324,218	3,403,141	393,627
6/30/2022	3,849,108	341,209	3,642,920	333,945	3,250,256	405,435
6/30/2023	3,784,017	351,446	3,569,898	343,963	3,073,661	417,598
6/30/2024	3,703,432	361,989	3,481,012	354,282	2,871,210	430,126
6/30/2025	3,605,871	372,849	3,374,760	364,911	2,640,586	443,030
6/30/2026	3,489,734	384,034	3,249,520	375,858	2,379,287	456,321
6/30/2027	3,353,289	395,555	3,103,536	387,134	2,084,610	470,011
6/30/2028	3,194,665	407,422	2,934,913	398,748	1,753,638	484,111
6/30/2029	3,011,841	419,645	2,741,601	410,710	1,383,224	498,634
6/30/2030	2,802,632	432,234	2,521,388	423,031	969,971	513,593
6/30/2031	2,564,680	445,201	2,271,884	435,722	510,214	529,001
6/30/2032	2,295,437	430,828	1,990,509	448,794		
6/30/2033	2,020,902	415,192	1,674,477	462,258		
6/30/2034	1,741,989	398,231	1,320,784	476,125		
6/30/2035	1,459,744	379,878	926,186	490,409		
6/30/2036	1,175,360	360,065	487,182	505,121		
6/30/2037	890,188	168,821				
6/30/2038	781,915	173,885				
6/30/2039	660,271	179,102				
6/30/2040	524,095	184,475				
6/30/2041	372,134	133,280				
6/30/2042	261,857	123,270				
6/30/2043	153,687	86,652				
6/30/2044	75,370	47,726				
6/30/2045	31,540	6,387				
6/30/2046	27,284	28,288				
Totals		**8,402,973**		**7,740,380**		**6,504,636**
Estimated Savings				**662,593**		**1,898,337**

Current CalPERS Board policy prioritizes the order for which lump sum contributions in excess of the required employer contribution shall be applied. Excess contributions shall first be applied toward payment on the plan's side fund, and any remainder shall then be applied toward the plan's share of the pool's unfunded accrued liability.

Please contact the plan actuary before making such a payment to ensure that the payment is applied correctly.

Employer Contribution History

The table below provides a recent history of the required employer contributions for the plan, as determined by the annual actuarial valuation. It does not account for prepayments or benefit changes made during a fiscal year.

Fiscal Year	Employer Normal Cost	Unfunded Liability Payment ($)
2016 - 17	8.377%	159,479
2017 - 18	8.418%	200,756

Funding History

The funding history below shows the plan's actuarial accrued liability, share of the pool's market value of assets, share of the pool's unfunded liability, funded ratio, and annual covered payroll.

Valuation Date	Accrued Liability (AL)	Share of Pool's Market Value of Assets (MVA)	Plan's Share of Pool's Unfunded Liability	Funded Ratio	Annual Covered Payroll
06/30/2011	$ 15,057,515	$ 12,321,498	$ 2,736,017	81.8%	$ 2,045,334
06/30/2012	15,298,876	11,807,196	3,491,680	77.2%	1,841,274
06/30/2013	15,963,150	12,973,187	2,989,963	81.3%	1,652,903
06/30/2014	17,509,930	14,833,345	2,676,585	84.7%	1,673,932
06/30/2015	18,264,327	14,700,983	3,563,344	80.5%	1,502,311

RISK ANALYSIS

- ANALYSIS OF FUTURE INVESTMENT RETURN SCENARIOS
- ANALYSIS OF DISCOUNT RATE SENSITIVITY
- VOLATILITY RATIOS
- HYPOTHETICAL TERMINATION LIABILITY

Analysis of Future Investment Return Scenarios

The investment return for Fiscal Year 2015-16 was not known at the time this report was produced. The investment return in Fiscal Year 2015-16 as of April 30, 2016 is 0.0 percent before administrative expenses. For purposes of projecting future employer contributions, we are assuming a 0.0 percent investment return for Fiscal Year 2015-16.

The investment return realized during a fiscal year first affects the contribution for the fiscal year two years later. For example, the investment return for Fiscal Year 2015-16 will first be reflected in the June 30, 2016 actuarial valuation that will be used to set the Fiscal Year 2018-19 employer contributions, the Fiscal Year 2016-17 investment return will first be reflected in the June 30, 2017 actuarial valuation that will be used to set the Fiscal Year 2019-20 employer contributions, and so forth.

A sensitivity analysis was performed to determine the effects of various investment returns during fiscal years 2016-17, 2017-18, and 2018-19 on the employer contributions for fiscal years 2019-20, 2020-21, and 2021-22. The projected contributions assume that all other actuarial assumptions will be realized and that no further changes to assumptions, contributions, benefits, or funding will occur.

Five different investment return scenarios were selected.

- The first scenario is a -3.8 percent return for each of the 2016-17, 2017-18, and 2018-19 fiscal years. Based on the current investment allocation, this is what one would expect if the markets were to give us about a 5th percentile return from July 1, 2016 through June 30, 2019.
- The second scenario is a 2.8 percent return for each of the 2016-17, 2017-18, and 2018-19 fiscal years. Based on the current investment allocation, this is what one would expect if the markets were to give us about a 25th percentile return from July 1, 2016 through June 30, 2019.
- The third scenario is a 7.5 percent return for each of the 2016-17, 2017-18, and 2018-19 fiscal years. Based on the current investment allocation, this is what one would expect if the markets were to give us about a 49th percentile return from July 1, 2016 through June 30, 2019.
- The fourth scenario is a 12.0 percent return for each of the 2016-17, 2017-18, and 2018-19 fiscal years. Based on the current investment allocation, this is what one would expect if the markets were to give us about a 75th percentile return from July 1, 2016 through June 30, 2019.
- Finally, the last scenario is an 18.9 percent return for each of the 2016-17, 2017-18, and 2018-19 fiscal years. Based on the current investment allocation, this is what one would expect if the markets were to give us about a 95th percentile return from July 1, 2016 through June 30, 2019.

The table below shows the estimated projected contributions and the estimated increases for the plan under the five different scenarios.

2016-19 Investment Return Scenario	Fiscal Year			Estimated Change Between 2018-19 and 2021-22
	2019-20	2020-21	2021-22	
(3.8%)				
Normal Cost	8.4%	8.4%	8.4%	0.0%
UAL Contribution	$353,960	$446,107	$571,896	$309,681
2.8%				
Normal Cost	8.4%	8.4%	8.4%	0.0%
UAL Contribution	$338,320	$399,655	$479,899	$217,684
7.5%				
Normal Cost	8.4%	8.4%	8.4%	0.0%
UAL Contribution	$327,182	$365,315	$409,290	$147,075
12.0%				
Normal Cost	8.6%	8.8%	9.0%	0.6%
UAL Contribution	$317,158	$334,948	$346,212	$83,997
18.9%				
Normal Cost	9.0%	9.5%	10.1%	1.7%
UAL Contribution	$302,341	$289,781	$0	$(262,215)

For the last two scenarios in the table above the results incorporate the impact of CalPERS Risk Mitigation Policy. A 12.0% return would result in a reduction of the discount rate by 0.05% and a return of 18.9% would reduce the discount rate by 0.15%. Reducing the discount rate increases both the plan's accrued liability and normal cost. More details about Risk Mitigation policy can be found on our website.

Analysis of Discount Rate Sensitivity

The following analysis looks at the Fiscal Year 2017-18 total normal cost rates and liabilities under two different discount rate scenarios. Shown below are the total normal cost rates assuming discount rates that are 1 percent lower and 1 percent higher than the current valuation discount rate. This analysis shows the potential plan impacts if the Public Employees' Retirement Fund (PERF) were to realize investment returns of 6.50 percent or 8.50 percent over the long-term.

This analysis is intended to illustrate the long-term risk to the contribution rates.

Sensitivity Analysis			
As of June 30, 2015	**6.50% Discount Rate (-1%)**	**7.50% Discount Rate (assumed rate)**	**8.50% Discount Rate (+1%)**
Plan's Total Normal Cost	19.0%	15.3%	12.5%
Accrued Liability	$20,406,272	$18,264,327	$16,462,567
Unfunded Accrued Liability	$5,705,289	$3,563,344	$1,761,584

Volatility Ratios

Actuarial calculations are based on a number of assumptions about long-term demographic and economic behavior. Unless these assumptions (terminations, deaths, disabilities, retirements, salary growth, and investment return) are exactly realized each year, there will be differences on a year-to-year basis. The year-to-year differences between actual experience and the assumptions are called actuarial gains and losses and serve to lower or raise required employer contributions from one year to the next. Therefore, employer contributions will inevitably fluctuate, especially due to the ups and downs of investment returns.

Asset Volatility Ratio (AVR)

Plans that have higher asset-to-payroll ratios experience more volatile employer contributions (as a percentage of payroll) due to investment return. For example, a plan with an asset-to-payroll ratio of 8 may experience twice the contribution volatility due to investment return volatility, than a plan with an asset-to-payroll ratio of 4. Shown below is the asset volatility ratio, a measure of the plan's current contribution volatility. It should be noted that this ratio is a measure of the current situation. It increases over time but generally tends to stabilize as the plan matures.

Liability Volatility Ratio (LVR)

Plans that have higher liability-to-payroll ratios experience more volatile employer contributions (as a percentage of payroll) due to investment return and changes in liability. For example, a plan with a liability-to-payroll ratio of 8 is expected to have twice the contribution volatility of a plan with a liability-to-payroll ratio of 4. The liability volatility ratio is also shown in the table below. It should be noted that this ratio indicates a longer-term potential for contribution volatility. The asset volatility ratio, described above, will tend to move closer to the liability volatility ratio as the plan matures.

Rate Volatility		**As of June 30, 2015**
1. Market Value of Assets	$	14,700,983
2. Payroll		1,502,311
3. Asset Volatility Ratio (AVR) [(1) / (2)]		9.8
4. Accrued Liability	$	18,264,327
5. Liability Volatility Ratio (LVR) [(4) / (2)]		12.2

Hypothetical Termination Liability

The hypothetical termination liability is an estimate of the financial position of the plan had the contract with CalPERS been terminated as of June 30, 2015. The plan liability on a termination basis is calculated differently compared to the plan's ongoing funding liability. For the hypothetical termination liability calculation, both compensation and service are frozen as of the valuation date and no future pay increases or service accruals are assumed.

A more conservative investment policy and asset allocation strategy was adopted by the CalPERS Board for the Terminated Agency Pool. The Terminated Agency Pool has limited funding sources since no future employer contributions will be made. Therefore, expected benefit payments are secured by risk-free assets and benefit security for members is increased while funding risk is limited. However, this asset allocation has a lower expected rate of return than the PERF and consequently, a lower discount rate is assumed. The lower discount rate for the Terminated Agency Pool results in higher liabilities for terminated plans.

The effective termination discount rate will depend on actual market rates of return for risk-free securities on the date of termination. As market discount rates are variable, the table below shows a range for the hypothetical termination liability based on the lowest and highest interest rates observed during an approximate 2-year period centered around the valuation date.

Market Value of Assets (MVA)	Hypothetical Termination Liability[1,2] @ 2.00%	Funded Status	Unfunded Termination Liability @ 2.00%	Hypothetical Termination Liability[1,2] @ 3.25%	Funded Status	Unfunded Termination Liability @ 3.25%
$14,700,983	$36,002,106	40.8%	$21,301,123	$30,774,381	47.8%	$16,073,398

[1] The hypothetical liabilities calculated above include a 7 percent mortality contingency load in accordance with Board policy. Other actuarial assumptions, such as wage and inflation assumptions, can be found in Appendix A.

[2] The current discount rate assumption used for termination valuations is a weighted average of the 10-year and 30-year U.S. Treasury yields where the weights are based on matching asset and liability durations as of the termination date. The discount rates used in the table are based on 20-year Treasury bonds, rounded to the nearest quarter percentage point, which is a good proxy for most plans. The 20-year Treasury yield was 2.75 percent on June 30, 2015.

In order to terminate the plan, you must first contact our Retirement Services Contract Unit to initiate a Resolution of Intent to terminate. The completed Resolution will allow the plan actuary to give you a preliminary termination valuation with a more up-to-date estimate of the plan liabilities. CalPERS advises you to consult with the plan actuary before beginning this process.

Participant Data

The table below shows a summary of your plan's member data upon which this valuation is based:

	June 30, 2014	June 30, 2015
Reported Payroll	$ 1,673,932	$ 1,502,311
Projected Payroll for Contribution Purposes	$ 1,829,151	$ 1,641,616
Number of Members		
Active	35	31
Transferred	13	13
Separated	13	16
Retired	56	60

List of Class 1 Benefit Provisions

This plan has the additional Class 1 Benefit Provisions:

- None

PLAN'S MAJOR BENEFIT OPTIONS

Plan's Major Benefit Options

Shown below is a summary of the major optional benefits for which your agency has contracted. A description of principal standard and optional plan provisions is in Appendix B within Section 2 of this report.

	Contract package		
Benefit Provision	Active Misc	Receiving Misc	
Benefit Formula	2.0% @ 55		
Social Security Coverage	Yes		
Full/Modified	Modified		
Employee Contribution Rate	7.00%		
Final Average Compensation Period	Three Year		
Sick Leave Credit	Yes		
Non-Industrial Disability	Standard		
Industrial Disability	No		
Pre-Retirement Death Benefits			
Optional Settlement 2W	Yes		
1959 Survivor Benefit Level	No		
Special	No		
Alternate (firefighters)	No	No	
Post-Retirement Death Benefits			
Lump Sum	$500	$500	
Survivor Allowance (PRSA)	No	No	
COLA	2%	2%	

Section 2

Section 2 may be found on the CalPERS website (www.calpers.ca.gov) in the Forms and Publications section

California Public Employees' Retirement System
Actuarial Office
P.O. Box 942709
Sacramento, CA 94229-2709
TTY: (916) 795-3240
(888) 225-7377 phone – (916) 795-2744 fax
www.calpers.ca.gov

August 2016

PEPRA MISCELLANEOUS PLAN OF THE CITY OF YREKA
(CalPERS ID: 5698564511)
Annual Valuation Report as of June 30, 2015

Dear Employer,

As an attachment to this letter, you will find a copy of the June 30, 2015 actuarial valuation report of the pension plan.

Because this plan is in a risk pool, the following valuation report has been separated into two sections:

- Section 1 contains specific information for the plan including the development of the current and projected employer contributions, and
- Section 2 contains the Risk Pool Actuarial Valuation appropriate to the plan as of June 30, 2015.

Section 2 can be found on the CalPERS website at (www.calpers.ca.gov). From the home page, go to "*Forms & Publications*" and select "*View All*". In the search box, enter "*Risk Pool Report*" and from the results list download the Miscellaneous or Safety Risk Pool Actuarial Valuation Report as appropriate.

Your June 30, 2015 actuarial valuation report contains important actuarial information about your pension plan at CalPERS. Your assigned CalPERS staff actuary, whose signature appears in the Actuarial Certification section on page 1, is available to discuss the report with you after August 31, 2016.

Future Employer Contribution

Fiscal Year	Employer Normal Cost Rate	+	Employer Payment of Unfunded Liability
2017-18	6.533%		$10
2018-19 (projected)	6.5%		$40

The exhibit above displays the minimum employer contributions, before any cost sharing, for Fiscal Year 2017-18 along with estimates of the contributions for Fiscal Year 2018-19. The total employer contribution is the sum of a Normal Cost Rate applied to reported payroll plus an Unfunded Liability dollar payment. The estimated contributions for Fiscal Year 2018-19 are based on a projection of the most recent information we have available, including an estimated 0.0 percent investment return for Fiscal Year 2015-16 (based on the year to date return through April 30, 2016).

For a projection of employer contributions beyond Fiscal Year 2018-19, please refer to the "Projected Employer Contributions" in the "Highlights and Executive Summary" section. This 5-year projection of future employer contributions supersedes any previous projections we have provided. The "Risk Analysis" section of the valuation report also contains estimated employer contributions in future years under a variety of investment return scenarios. Member contributions, other than cost sharing, are in addition to the above amounts. The employer contributions in this report do not reflect any cost sharing arrangements you may have with your employees.

The estimates for Fiscal Year 2018-19 also assume that there are no future contract amendments and no liability gains or losses (such as larger than expected pay increases, more retirements than expected, etc.) This is an important assumption because these gains and losses do occur and can have a significant effect on required contributions. Even for the largest plans or pools, such gains and losses can impact the employer's contributions. These gains and losses cannot be predicted in advance so the projected employer contributions are estimates. The actual required employer contribution for Fiscal Year 2018-19 will be provided in next year's valuation report.

Changes since the Prior Year's Valuation

The CalPERS Board of Administration adopted a Risk Mitigation Policy which is designed to reduce funding risk over time. The policy establishes a mechanism whereby CalPERS investment performance that significantly outperforms the discount rate triggers adjustments to the discount rate, expected investment return and strategic asset allocation targets. A minimum excess investment return of 4% above the existing discount rate is necessary to cause a funding risk mitigation event. The policy has no impact on the current year valuation results but is expected to have an impact in future years. More details on the Risk Mitigation Policy can be found on our website.

Besides the above noted changes, there may also be changes specific to the plan such as contract amendments and funding changes.

Further descriptions of general changes are included in the "Highlights and Executive Summary" section and in Appendix A, "Statement of Actuarial Data, Methods and Assumptions" of the Section 2 report. We understand that you might have a number of questions about these results. While we are very interested in discussing these results with your agency, in the interest of allowing us to give every public agency their results, we ask that you wait until after August 31 to contact us with actuarial related questions.

If you have other questions, please call our customer contact center at (888) CalPERS or (888-**225-7377**).

Sincerely,

ALAN MILLIGAN
Chief Actuary

ACTUARIAL VALUATION

as of June 30, 2015

for the
PEPRA MISCELLANEOUS PLAN
of the
CITY OF YREKA

(CalPERS ID: 5698564511)

REQUIRED CONTRIBUTIONS
FOR FISCAL YEAR
July 1, 2017 - June 30, 2018

TABLE OF CONTENTS

Section 1

Plan Specific Information for the PEPRA MISCELLANEOUS PLAN of the CITY OF YREKA

(CalPERS ID: 5698564511)
(Rate Plan: 26550)

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ACTUARIAL CERTIFICATION

Section 1 of this report is based on the member and financial data contained in our records as of June 30, 2015 which was provided by your agency and the benefit provisions under your contract with CalPERS. Section 2 of this report is based on the member and financial data as of June 30, 2015 provided by employers participating in the Miscellaneous Risk Pool to which the plan belongs and benefit provisions under the CalPERS contracts for those agencies.

As set forth in Section 2 of this report, the pool actuary has certified that, in their opinion, the valuation of the risk pool containing your PEPRA MISCELLANEOUS PLAN has been performed in accordance with generally accepted actuarial principles consistent with standards of practice prescribed by the Actuarial Standards Board, and that the assumptions and methods are internally consistent and reasonable for the risk pool as of the date of this valuation and as prescribed by the CalPERS Board of Administration according to provisions set forth in the California Public Employees' Retirement Law.

Having relied upon the information set forth in Section 2 of this report and based on the census and benefit provision information for the plan, it is my opinion as the plan actuary that the side fund and other Unfunded Accrued Liability bases as of June 30, 2015 and employer contribution as of July 1, 2017, have been properly and accurately determined in accordance with the principles and standards stated above.

The undersigned is an actuary for CalPERS, who is a member of both the American Academy of Actuaries and Society of Actuaries and meets the Qualification Standards of the American Academy of Actuaries to render the actuarial opinion contained herein.

MAY SHUANG YU, ASA, MAAA
Senior Pension Actuary, CalPERS
Plan Actuary

HIGHLIGHTS AND EXECUTIVE SUMMARY

- **INTRODUCTION**
- **PURPOSE OF SECTION 1**
- **REQUIRED EMPLOYER CONTRIBUTION**
- **PLAN'S FUNDED STATUS**
- **PROJECTED EMPLOYER CONTRIBUTIONS**
- **CHANGES SINCE THE PRIOR YEAR VALUATION**
- **SUBSEQUENT EVENTS**

Introduction

This report presents the results of the June 30, 2015 actuarial valuation of the PEPRA MISCELLANEOUS PLAN of the CITY OF YREKA of the California Public Employees' Retirement System (CalPERS). This actuarial valuation sets the required employer contributions for Fiscal Year 2017-18.

The CalPERS Board of Administration adopted a Risk Mitigation Policy which is designed to reduce funding risk over time. The policy establishes a mechanism whereby CalPERS investment performance that significantly outperforms the discount rate triggers adjustments to the discount rate, expected investment return and strategic asset allocation targets. A minimum excess investment return of 4% above the existing discount rate is necessary to cause a funding risk mitigation event. The Risk Mitigation Policy does not have an impact on the current year actuarial valuation. More details on the Risk Mitigation Policy can be found on our website.

Purpose of Section 1

This Section 1 report for the PEPRA MISCELLANEOUS PLAN of the CITY OF YREKA of the California Public Employees' Retirement System (CalPERS) was prepared by the plan actuary in order to:

- Set forth the assets and accrued liabilities of this plan as of June 30, 2015;
- Determine the required employer contribution for this plan for the fiscal year July 1, 2017 through June 30, 2018; and
- Provide actuarial information as of June 30, 2015 to the CalPERS Board of Administration and other interested parties.

The pension funding information presented in this report should not be used in financial reports subject to GASB Statement No. 68 for a Cost Sharing Employer Defined Benefit Pension Plan. A separate accounting valuation report for such purposes is available from CalPERS and details for ordering are available on our website.

The use of this report for any other purposes may be inappropriate. In particular, this report does not contain information applicable to alternative benefit costs. The employer should contact their actuary before disseminating any portion of this report for any reason that is not explicitly described above.

California Actuarial Advisory Panel Recommendations

This report includes all the basic disclosure elements as described in the *Model Disclosure Elements for Actuarial Valuation Reports* recommended in 2011 by the California Actuarial Advisory Panel (CAAP), with the exception of including the original base amounts of the various components of the unfunded liability in the Schedule of Amortization Bases shown on page 8.

Additionally, this report includes the following "Enhanced Risk Disclosures" also recommended by the CAAP in the Model Disclosure Elements document:

- A "Deterministic Stress Test," projecting future results under different investment income scenarios
- A "Sensitivity Analysis," showing the impact on current valuation results using a 1 percent plus or minus change in the discount rate.

Required Employer Contribution

Required Employer Contribution		Fiscal Year 2016-17 [1]		Fiscal Year 2017-18
Employer Normal Cost Rate		**6.555%**		**6.533%**
Plus Either				
1) Monthly Employer Dollar UAL Payment	**$**	**0.00**	**$**	**0.86**
Or				
2) Annual Lump Sum Prepayment Option	**$**	**0**	**$**	**10**

*The total minimum required employer contribution is the **sum** of the Plan's Employer Normal Cost Rate (expressed as a percentage of payroll) **plus** the Employer Unfunded Accrued Liability (UAL) Contribution Amount (billed monthly in dollars). Only the UAL portion of the employer contribution can be prepaid (which must be received in full no later than July 31). Plan Normal Cost contributions will be made as part of the payroll reporting process. If there is contractual cost sharing or other change, this amount will change. § 20572 of the Public Employees' Retirement Law assesses interest at an annual rate of 10 percent if a contracting agency fails to remit the required contributions when due.*

		Fiscal Year 2016-17 [1]		Fiscal Year 2017-18
Development of Normal Cost as a Percentage of Payroll				
Base Total Normal Cost for Formula		12.805%		12.783%
Surcharge for Class 1 Benefits[3]				
None		0.000%		0.000%
Phase out of Normal Cost Difference[4]		0.000%		0.000%
Plan's Total Normal Cost		12.805%		12.783%
Plan's Employee Contribution Rate		6.250%		6.250%
Employer Normal Cost Rate		6.555%		6.533%
Projected Payroll for the Contribution Fiscal Year	$	107,478	$	108,875
Estimated Employer Contributions Based on Projected Payroll				
Plan's Estimated Employer Normal Cost	$	7,045	$	7,113
Plan's Payment on Amortization Bases[2]		0		10
Total Employer Contribution[5]	$	7,045	$	7,123

[1] The results shown for Fiscal Year 2016-17 reflect the prior year valuation and do not take into account any lump sum payment, side fund payoff, or rate adjustment made after June 30, 2015.

[2] See page 8 for a breakdown of the Amortization Bases.

[3] Section 2 of this report contains a list of Class 1 benefits and corresponding surcharges for each benefit.

[4] The normal cost difference is phased out over a five year period. The phase out of normal cost difference is 100 percent for the first year of pooling, and is incrementally reduced by 20 percent of the original normal cost difference for each subsequent year. This is non-zero only for plans that joined a pool within the past 5 years. Most plans joined a pool June 30, 2003, when risk pooling was implemented.

[5] As a percentage of projected payroll the UAL contribution is 0.009 percent for an estimated total employer contribution rate of 6.542 percent.

Plan's Funded Status

		June 30, 2014		June 30, 2015
1. Present Value of Projected Benefits (PVB)	$	101,694	$	112,925
2. Entry Age Normal Accrued Liability (AL)		1,667		14,211
3. Plan's Market Value of Assets (MVA)		2,598		13,995
4. Unfunded Accrued Liability (UAL) [(2) - (3)]		(931)		216
5. Funded Ratio [(3) / (2)]		155.8%		98.5%

Projected Employer Contributions

The estimate for Fiscal Year 2018-19 is based on a projection of the most recent information we have available, including an estimated 0.0 percent investment return for Fiscal Year 2015-16 (based on year to date return through April 30, 2016).

The table below shows projected employer contributions (before cost sharing) for the next five fiscal years, ***assuming CalPERS earns 0.0 percent for Fiscal Year 2015-16 and 7.50 percent every fiscal year thereafter***, and assuming that all other actuarial assumptions will be realized and that no further changes to assumptions, contributions, benefits, or funding will occur between now and the beginning of the projection period.

	Required Contribution	Projected Future Employer Contributions				
Fiscal Year	**2017-18**	**2018-19**	**2019-20**	**2020-21**	**2021-22**	**2022-23**
Normal Cost %	6.533%	6.5%	6.5%	6.5%	6.5%	6.5%
UAL $	$10	$40	$71	$103	$138	$162

Changes since the Prior Year's Valuation

Benefits

None. This valuation generally reflects plan changes by amendments effective before the date of the report. Please refer to the "Plan's Major Benefit Options" and Appendix B of Section 2 for a summary of the plan provisions used in this valuation.

Actuarial Methods and Assumptions

None.

Subsequent Events

Risk Mitigation

The CalPERS Board of Administration adopted a Risk Mitigation Policy which is designed to reduce funding risk over time. The policy establishes a mechanism whereby CalPERS investment performance that significantly outperforms the discount rate triggers adjustments to the discount rate, expected investment return and strategic asset allocation targets. A minimum excess investment return of 4% above the existing discount rate is necessary to cause a funding risk mitigation event. More details on the Risk Mitigation Policy can be found on our website.

ASSETS AND LIABILITIES

- ALLOCATION OF PLAN'S SHARE OF POOL'S EXPERIENCE/ASSUMPTION CHANGE
- DEVELOPMENT OF PLAN'S SHARE OF POOL'S MVA
- SCHEDULE OF PLAN'S SIDE FUND & OTHER AMORTIZATION BASES
- 30-YEAR AMORTIZATION SCHEDULE AND ALTERNATIVES
- EMPLOYER CONTRIBUTION HISTORY
- FUNDING HISTORY

Allocation of Plan's Share of Pool's Experience/Assumption Change

It is the policy of CalPERS to ensure equity within the risk pools by allocating the pool's experience gains/losses and assumption changes in a manner that treats each employer equitably and maintains benefit security for the members of the System while minimizing substantial variations in employer contributions. The Pool's experience gains/losses and impact of assumption/method changes is allocated to the plan as follows:

1.	Plan's Accrued Liability	$	14,211
2.	Projected UAL balance at 6/30/15		(499)
3.	Pool's Accrued Liability	$	13,889,938,645
4.	Sum of Pool's Individual Plan UAL Balances at 6/30/15		2,423,468,906
5.	Pool's 2014/15 Investment & Asset (Gain)/Loss		596,365,421
6.	Pool's 2014/15 Other (Gain)/Loss		(49,030,273)
7.	Plan's Share of Pool's Asset (Gain)/Loss [(1)-(2)]/[(3)-(4)] * (5)		765
8.	Plan's Share of Pool's Other (Gain)/Loss [(1)]/[(3)] * (6)		(50)
9.	Plan's New (Gain)/Loss as of 6/30/2015 [(7)+(8)]	$	715
10.	Increase in Pool's Accrued Liability due to Change in Assumptions		0
11.	Plan's Share of Pool's Change in Assumptions [(1)]/[(3)] * (10)	$	0

Development of the Plan's Share of Pool's Market Value of Assets

1.	Plan's Accrued Liability	$	14,211
2.	Plan's UAL	$	216
3.	Plan's Share of Pool's MVA [(1)-(2)]	$	**13,995**

Schedule of Plan's Side Fund and Other Amortization Bases

There is a two-year lag between the valuation date and the start of the contribution fiscal year.

- The assets, liabilities, and funded status of the plan are measured as of the valuation date: June 30, 2015.
- The employer contribution determined by the valuation is for the fiscal year beginning two years after the valuation date: Fiscal Year 2017-18.

This two-year lag is necessary due to the amount of time needed to extract and test the membership and financial data, and the need to provide public agencies with their employer contribution well in advance of the start of the fiscal year.

The Unfunded Accrued Liability (UAL) is used to determine the employer contribution and therefore must be rolled forward two years from the valuation date to the first day of the fiscal year for which the contribution is being determined. The UAL is rolled forward each year by subtracting the payment on the UAL for the fiscal year and adjusting for interest.

							Amounts for Fiscal 2017-18	
Reason for Base	**Date Established**	**Amortization Period**	**Balance 6/30/15**	**Payment 2015-16**	**Balance 6/30/16**	**Payment 2016-17**	**Balance 6/30/17**	**Scheduled Payment for 2017-18**
FRESH START	06/30/14	29	$(499)	$(498)	$(20)	$0	$(22)	$(1)
NON-ASSET (GAIN)/LOSS	06/30/15	30	$(50)	$0	$(54)	$0	$(58)	$(1)
ASSET (GAIN)/LOSS	06/30/15	30	$765	$0	$822	$0	$884	$12
TOTAL			**$216**	**$(498)**	**$748**	**$0**	**$804**	**$10**

The (gain)/loss bases are the plan's allocated share of the risk pool's (gain)/loss for the fiscal year as disclosed on the previous page. These (gain)/loss bases will be amortized according to Board policy over 30 years with a 5-year ramp-up.

If the total Unfunded Liability is negative (i.e., plan has a surplus), the scheduled payment is $0, because the minimum required contribution under PEPRA must be at least equal to the normal cost.

30-Year Amortization Schedule and Alternatives

The amortization schedule on the previous page shows the minimum contributions required according to CalPERS amortization policy. There has been considerable interest from many agencies in paying off these unfunded accrued liabilities sooner and the possible savings in doing so. As a result, we have provided alternate amortization schedules to help analyze the current amortization schedule and illustrate the advantages of accelerating unfunded liability payments.

Shown on the following page are future year amortization payments based on 1) the current amortization schedule reflecting the individual bases and remaining periods shown on the previous page, and 2) alternate "fresh start" amortization schedules using two sample periods that would both result in interest savings relative to the current amortization schedule. Note that the payments under each alternate scenario increase by 3 percent for each year into the future. The schedules do not attempt to reflect any experience after June 30, 2015 that may deviate from the actuarial assumptions. Therefore, future amortization payments displayed in the Current Amortization Schedule may not match projected amortization payments shown in connection with Projected Employer Contributions provided elsewhere in this report.

The Current Amortization Schedule typically contains individual bases that are both positive and negative. Positive bases result from plan changes, assumption changes or plan experience that result in increases to unfunded liability. Negative bases result from plan changes, assumption changes or plan experience that result in decreases to unfunded liability. The combination of positive and negative bases within an amortization schedule can result in unusual or problematic circumstances in future years such as:

- A positive total unfunded liability with a negative total payment,
- A negative total unfunded liability with a positive total payment, or
- Total payments that completely amortize the unfunded liability over a very short period of time

In any year where one of the above scenarios occurs, the actuary will consider corrective action such as replacing the existing unfunded liability bases with a single "fresh start" base and amortizing it over a reasonable period.

The Current Amortization Schedule on the following page may appear to show that, based on the current amortization bases, one of the above scenarios will occur at some point in the future. It is impossible to know today whether such a scenario will in fact arise since there will be additional bases added to the amortization schedule in each future year. Should such a scenario arise in any future year, the actuary will take appropriate action based on guidelines in the CalPERS amortization policy. For purposes of this display, total payments include any negative payments. Therefore, the amount of estimated savings may be understated to the extent that negative payments appear in the current schedule.

30-Year Amortization Schedule and Alternatives

	Current Amortization Schedule		Alternate Schedules: 25 Year Amortization		Alternate Schedules: 20 Year Amortization	
Date	**Balance**	**Payment**	**Balance**	**Payment**	**Balance**	**Payment**
6/30/2017	804	10	804	53	804	61
6/30/2018	854	23	809	55	801	63
6/30/2019	894	36	813	56	797	64
6/30/2020	925	49	816	58	790	66
6/30/2021	943	64	817	60	780	68
6/30/2022	947	66	816	62	768	70
6/30/2023	950	68	813	63	752	73
6/30/2024	951	70	809	65	734	75
6/30/2025	950	72	801	67	711	77
6/30/2026	947	74	792	69	685	79
6/30/2027	941	76	779	71	654	82
6/30/2028	933	79	764	74	619	84
6/30/2029	921	81	745	76	578	87
6/30/2030	906	83	722	78	531	89
6/30/2031	888	86	695	80	479	92
6/30/2032	865	88	664	83	420	95
6/30/2033	839	91	628	85	353	97
6/30/2034	807	94	586	88	278	100
6/30/2035	770	97	539	90	195	103
6/30/2036	728	100	486	93	103	106
6/30/2037	679	102	426	96		
6/30/2038	624	106	358	99		
6/30/2039	561	109	282	102		
6/30/2040	491	112	198	105		
6/30/2041	412	115	104	108		
6/30/2042	323	119				
6/30/2043	224	97				
6/30/2044	140	74				
6/30/2045	73	50				
6/30/2046	26	27				
Totals		**2,317**		**1,938**		**1,631**
Estimated Savings				**380**		**686**

Current CalPERS Board policy prioritizes the order for which lump sum contributions in excess of the required employer contribution shall be applied. Excess contributions shall first be applied toward payment on the plan's side fund, and any remainder shall then be applied toward the plan's share of the pool's unfunded accrued liability.

Please contact the plan actuary before making such a payment to ensure that the payment is applied correctly.

Employer Contribution History

The table below provides a recent history of the required employer contributions for the plan, as determined by the annual actuarial valuation. It does not account for prepayments or benefit changes made during a fiscal year.

Fiscal Year	Employer Normal Cost	Unfunded Liability Payment ($)
2016 - 17	6.555%	0
2017 - 18	6.533%	10

Funding History

The funding history below shows the plan's actuarial accrued liability, share of the pool's market value of assets, share of the pool's unfunded liability, funded ratio, and annual covered payroll.

Valuation Date	Accrued Liability (AL)	Share of Pool's Market Value of Assets (MVA)	Plan's Share of Pool's Unfunded Liability	Funded Ratio	Annual Covered Payroll
06/30/2013	$ 2,143	$ 2,875	$ (732)	134.2%	$ 31,387
06/30/2014	1,667	2,598	(931)	155.8%	98,358
06/30/2015	14,211	13,995	216	98.5%	99,636

RISK ANALYSIS

- **ANALYSIS OF FUTURE INVESTMENT RETURN SCENARIOS**
- **ANALYSIS OF DISCOUNT RATE SENSITIVITY**
- **VOLATILITY RATIOS**
- **HYPOTHETICAL TERMINATION LIABILITY**

Analysis of Future Investment Return Scenarios

The investment return for Fiscal Year 2015-16 was not known at the time this report was produced. The investment return in Fiscal Year 2015-16 as of April 30, 2016 is 0.0 percent before administrative expenses. For purposes of projecting future employer contributions, we are assuming a 0.0 percent investment return for Fiscal Year 2015-16.

The investment return realized during a fiscal year first affects the contribution for the fiscal year two years later. For example, the investment return for Fiscal Year 2015-16 will first be reflected in the June 30, 2016 actuarial valuation that will be used to set the Fiscal Year 2018-19 employer contributions, the Fiscal Year 2016-17 investment return will first be reflected in the June 30, 2017 actuarial valuation that will be used to set the Fiscal Year 2019-20 employer contributions, and so forth.

A sensitivity analysis was performed to determine the effects of various investment returns during fiscal years 2016-17, 2017-18, and 2018-19 on the employer contributions for fiscal years 2019-20, 2020-21, and 2021-22. The projected contributions assume that all other actuarial assumptions will be realized and that no further changes to assumptions, contributions, benefits, or funding will occur.

Five different investment return scenarios were selected.

- The first scenario is a -3.8 percent return for each of the 2016-17, 2017-18, and 2018-19 fiscal years. Based on the current investment allocation, this is what one would expect if the markets were to give us about a 5th percentile return from July 1, 2016 through June 30, 2019.
- The second scenario is a 2.8 percent return for each of the 2016-17, 2017-18, and 2018-19 fiscal years. Based on the current investment allocation, this is what one would expect if the markets were to give us about a 25th percentile return from July 1, 2016 through June 30, 2019.
- The third scenario is a 7.5 percent return for each of the 2016-17, 2017-18, and 2018-19 fiscal years. Based on the current investment allocation, this is what one would expect if the markets were to give us about a 49th percentile return from July 1, 2016 through June 30, 2019.
- The fourth scenario is a 12.0 percent return for each of the 2016-17, 2017-18, and 2018-19 fiscal years. Based on the current investment allocation, this is what one would expect if the markets were to give us about a 75th percentile return from July 1, 2016 through June 30, 2019.
- Finally, the last scenario is an 18.9 percent return for each of the 2016-17, 2017-18, and 2018-19 fiscal years. Based on the current investment allocation, this is what one would expect if the markets were to give us about a 95th percentile return from July 1, 2016 through June 30, 2019.

The table below shows the estimated projected contributions and the estimated increases for the plan under the five different scenarios.

2016-19 Investment Return Scenario	Fiscal Year			Estimated Change Between 2018-19 and 2021-22
	2019-20	2020-21	2021-22	
(3.8%)				
Normal Cost	6.5%	6.5%	6.5%	0.0%
UAL Contribution	$96	$180	$293	$253
2.8%				
Normal Cost	6.5%	6.5%	6.5%	0.0%
UAL Contribution	$81	$136	$205	$165
7.5%				
Normal Cost	6.5%	6.5%	6.5%	0.0%
UAL Contribution	$71	$103	$138	$98
12.0%				
Normal Cost	6.5%	6.5%	6.6%	0.1%
UAL Contribution	$62	$77	$81	$41
18.9%				
Normal Cost	6.6%	6.8%	7.1%	0.6%
UAL Contribution	$50	$0	$0	$(40)

For the last two scenarios in the table above the results incorporate the impact of CalPERS Risk Mitigation Policy. A 12.0% return would result in a reduction of the discount rate by 0.05% and a return of 18.9% would reduce the discount rate by 0.15%. Reducing the discount rate increases both the plan's accrued liability and normal cost. More details about Risk Mitigation policy can be found on our website.

Analysis of Discount Rate Sensitivity

The following analysis looks at the Fiscal Year 2017-18 total normal cost rates and liabilities under two different discount rate scenarios. Shown below are the total normal cost rates assuming discount rates that are 1 percent lower and 1 percent higher than the current valuation discount rate. This analysis shows the potential plan impacts if the Public Employees' Retirement Fund (PERF) were to realize investment returns of 6.50 percent or 8.50 percent over the long-term.

This analysis is intended to illustrate the long-term risk to the contribution rates.

Sensitivity Analysis			
As of June 30, 2015	**6.50% Discount Rate (-1%)**	**7.50% Discount Rate (assumed rate)**	**8.50% Discount Rate (+1%)**
Plan's Total Normal Cost	15.7%	12.8%	10.5%
Accrued Liability	$18,507	$14,211	$11,095
Unfunded Accrued Liability	$4,512	$216	$(2,900)

Volatility Ratios

Actuarial calculations are based on a number of assumptions about long-term demographic and economic behavior. Unless these assumptions (terminations, deaths, disabilities, retirements, salary growth, and investment return) are exactly realized each year, there will be differences on a year-to-year basis. The year-to-year differences between actual experience and the assumptions are called actuarial gains and losses and serve to lower or raise required employer contributions from one year to the next. Therefore, employer contributions will inevitably fluctuate, especially due to the ups and downs of investment returns.

Asset Volatility Ratio (AVR)

Plans that have higher asset-to-payroll ratios experience more volatile employer contributions (as a percentage of payroll) due to investment return. For example, a plan with an asset-to-payroll ratio of 8 may experience twice the contribution volatility due to investment return volatility, than a plan with an asset-to-payroll ratio of 4. Shown below is the asset volatility ratio, a measure of the plan's current contribution volatility. It should be noted that this ratio is a measure of the current situation. It increases over time but generally tends to stabilize as the plan matures.

Liability Volatility Ratio (LVR)

Plans that have higher liability-to-payroll ratios experience more volatile employer contributions (as a percentage of payroll) due to investment return and changes in liability. For example, a plan with a liability-to-payroll ratio of 8 is expected to have twice the contribution volatility of a plan with a liability-to-payroll ratio of 4. The liability volatility ratio is also shown in the table below. It should be noted that this ratio indicates a longer-term potential for contribution volatility. The asset volatility ratio, described above, will tend to move closer to the liability volatility ratio as the plan matures.

Rate Volatility		**As of June 30, 2015**
1. Market Value of Assets	$	13,995
2. Payroll		99,636
3. Asset Volatility Ratio (AVR) [(1) / (2)]		0.1
4. Accrued Liability	$	14,211
5. Liability Volatility Ratio (LVR) [(4) / (2)]		0.1

Hypothetical Termination Liability

The hypothetical termination liability is an estimate of the financial position of the plan had the contract with CalPERS been terminated as of June 30, 2015. The plan liability on a termination basis is calculated differently compared to the plan's ongoing funding liability. For the hypothetical termination liability calculation, both compensation and service are frozen as of the valuation date and no future pay increases or service accruals are assumed.

A more conservative investment policy and asset allocation strategy was adopted by the CalPERS Board for the Terminated Agency Pool. The Terminated Agency Pool has limited funding sources since no future employer contributions will be made. Therefore, expected benefit payments are secured by risk-free assets and benefit security for members is increased while funding risk is limited. However, this asset allocation has a lower expected rate of return than the PERF and consequently, a lower discount rate is assumed. The lower discount rate for the Terminated Agency Pool results in higher liabilities for terminated plans.

The effective termination discount rate will depend on actual market rates of return for risk-free securities on the date of termination. As market discount rates are variable, the table below shows a range for the hypothetical termination liability based on the lowest and highest interest rates observed during an approximate 2-year period centered around the valuation date.

Market Value of Assets (MVA)	Hypothetical Termination Liability[1,2] @ 2.00%	Funded Status	Unfunded Termination Liability @ 2.00%	Hypothetical Termination Liability[1,2] @ 3.25%	Funded Status	Unfunded Termination Liability @ 3.25%
$13,995	$10,033	139.5%	$(3,962)	$10,033	139.5%	$(3,962)

For plans where active members have little service the hypothetical termination liability methodology used does not fully vest active members upon termination. In these cases the hypothetical termination liability is understated.

[1] The hypothetical liabilities calculated above include a 7 percent mortality contingency load in accordance with Board policy. Other actuarial assumptions, such as wage and inflation assumptions, can be found in Appendix A.

[2] The current discount rate assumption used for termination valuations is a weighted average of the 10-year and 30-year U.S. Treasury yields where the weights are based on matching asset and liability durations as of the termination date. The discount rates used in the table are based on 20-year Treasury bonds, rounded to the nearest quarter percentage point, which is a good proxy for most plans. The 20-year Treasury yield was 2.75 percent on June 30, 2015.

In order to terminate the plan, you must first contact our Retirement Services Contract Unit to initiate a Resolution of Intent to terminate. The completed Resolution will allow the plan actuary to give you a preliminary termination valuation with a more up-to-date estimate of the plan liabilities. CalPERS advises you to consult with the plan actuary before beginning this process.

Participant Data

The table below shows a summary of your plan's member data upon which this valuation is based:

	June 30, 2014	June 30, 2015
Reported Payroll	$ 98,358	$ 99,636
Projected Payroll for Contribution Purposes	$ 107,478	$ 108,875
Number of Members		
Active	3	3
Transferred	1	3
Separated	1	1
Retired	0	0

List of Class 1 Benefit Provisions

This plan has the additional Class 1 Benefit Provisions:

- None

PLAN’S MAJOR BENEFIT OPTIONS

Plan's Major Benefit Options

Shown below is a summary of the major optional benefits for which your agency has contracted. A description of principal standard and optional plan provisions is in Appendix B within Section 2 of this report.

	Contract package	
Benefit Provision	Active Misc	
Benefit Formula	2.0% @ 62	
Social Security Coverage	Yes	
Full/Modified	Full	
Employee Contribution Rate	6.25%	
Final Average Compensation Period	Three Year	
Sick Leave Credit	Yes	
Non-Industrial Disability	Standard	
Industrial Disability	No	
Pre-Retirement Death Benefits		
Optional Settlement 2W	Yes	
1959 Survivor Benefit Level	No	
Special	No	
Alternate (firefighters)	No	
Post-Retirement Death Benefits		
Lump Sum	$500	
Survivor Allowance (PRSA)	No	
COLA	2%	

Section 2

CALIFORNIA PUBLIC EMPLOYEES' RETIREMENT SYSTEM

Section 2 may be found on the CalPERS website (www.calpers.ca.gov) in the Forms and Publications section