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STATE OF CALIFORNIA
BOARD OF ADMINISTRATION

State Employees' Retirement System

1320 K STREET
SACRAMENTO 14

January 22, 1952

112
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ACTUARY

EDWARD K. COOMBS
ASSISTANT EXECUTIVE OFFICER

LAUREN C. HAIGHT
ASSISTANT ACTUARY

PLEASE DIRECT YOUR REPLY TO SECTION _____

REFER TO MEMBER ACCOUNT NUMBER _____

City of Redlands

Redlands, California

Attention: Mr. Julius E. Harp

Gentlemen:

Enclosed for your file is a copy of the contract executed between the CITY OF REDLANDS and COATES, HERFURTH, AND ENGLAND, Consulting Actuaries, and approved by the Retirement Board on January 18, 1952, for the purpose of determining the approximate contribution which would be required of the Agency because of its proposed amendment to its contract with the State Employees' Retirement System.

Very truly yours,


LAUREN C. HAIGHT,
ASSISTANT ACTUARY.

mc
Encl.

BOARD OF ADMINISTRATION

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STATE OF CALIFORNIA
BOARD OF ADMINISTRATION

State Employees' Retirement System

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SACRAMENTO 14

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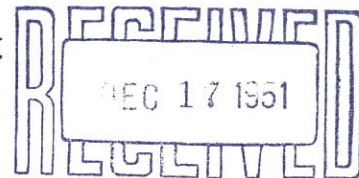
STATE EMPLOYEES
RETIREMENT SYSTEM

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RALPH R. NELSON
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ASSISTANT EXECUTIVE OFFICER

LAUREN C. HAIGHT
ASSISTANT ACTUARY



PLEASE DIRECT YOUR REPLY TO SECTION **COATES, HERFURTH & ENGLAND**

REFER TO MEMBER ACCOUNT NUMBER _____

CONTRACT OF

CITY OF REDLANDS

with the

Firm of COATES, HERFURTH AND ENGLAND, CONSULTING ACTUARIES, for
making an investigation and valuation as stated herein.

1. This AGREEMENT made this 20th day of November, 1951, by and between the City of Redlands, California hereinafter referred to as Agency, and COATES, HERFURTH and ENGLAND, A co-partnership composed of Carl E. Herfurth and Arthur W. England, Consulting Actuaries, hereinafter referred to as Actuaries.

WITNESSETH:

2. Agency herewith engages and retains the services of Actuaries for the following work:
- a. To make as of January 1, 1952, such valuation of assets and liabilities as may be necessary to determine the contribution which would be required of Agency if it subjected itself and its employees to the amendments to the Retirement Law as outlined in paragraphs A, B, and D of Form 559 which is attached to this contract and made a part hereof. The Actuaries reports with respect to said amendments shall be as follows:

One report re: Paragraph A & B of Form 559.

c. Actuaries are to prepare additional reports, or information supplementary to the reports mentioned above, with respect to the contributions which would be required of Agency, on the basis of the foregoing valuations and information which will be furnished by the Retirement System, if it elects to be subject to amendments as outlined in sub-paragraphs (3) of paragraph D of Form 559.

3. It is assumed that the employees of the Agency are of 2 member classifications and that there will be included in the valuation 200 persons who are members or who are receiving retirement allowances because of service rendered to Agency.
4. Should Actuaries encounter in the valuation any unusual situation or should Actuaries be requested by Agency to make further valuations of different combinations of benefits and contributions, which might require an additional expenditure of time, said situation and request shall be brought to the attention of the Board of Administration, State Employees' Retirement System for further consideration. It is understood that the time expended in connection with said unusual situation and further valuation, is not included within the fee stated herein.
5. Agency and Actuaries understand that said Board of Administration will furnish to Actuaries, the data relative to persons who are members of said Retirement System with credit for service rendered as employees of Agency, necessary for performance of the work described in paragraph 2. Both parties also understand that said Board of Administration will make available to Actuaries, various tables and schedules of rates based on the experience under said Retirement System among members thereof, as determined in current and previous investigations and valuations. Both parties understand, further, that in accordance with said Retirement Law, the work to be performed by Actuaries shall be performed under the direction of the Actuary of the Retirement System, and that all data in connection with said work, including work sheets, final results, and reports from Actuaries, shall be the property of the Board of Administration and shall be delivered to said Board at the conclusion of said work.
6. For the full performance and completion of said services, Actuaries shall receive from Agency, the following amounts:

For work provided in sub-paragraph a. of paragraph 2 hereof	\$ 250.00
For work provided in sub-paragraph b. of paragraph 2 hereof	\$
" " " " " c. " " "	\$ 20.00
Total	\$ 270.00

subject to adjustment on account of variation in the number of employees for whom data are submitted as provided in paragraph 5 hereof, from the number of such employees stated in paragraph 3, and subject to any adjustment made on account of any unusual situation, or on account of further valuations of different combinations of benefits and contributions requested by Agency, as hereinbefore provided. Agency agrees that the sum fixed in this paragraph as compensation for the services to be performed by Actuaries, shall cover only the calculations and conferences between the officers and employees of the Board of Administration and Actuaries, necessary in the performance of the work, excluding conferences between Agency and Actuaries. It is understood and agree that Agency shall deal only through said Board of Administration.

7. Actuaries hereby agree to render the services herein provided for and to complete the same in a satisfactory and expeditious manner. Actuaries shall furnish to the Board of Administration, in addition to data provided herein to be furnished, a written summary in duplicate on the Retirement System's form, of the results of the calculations made under this agreement and the compensation provided for herein shall be payable by Agency when such summary is delivered to the Board of Administration.
8. This contract is made and entered into in accordance with the provisions of Chapter 4 of the State Employees' Retirement Law, and is subject to the provisions of said Law.

WITNESS OUR HANDS the day and year first above written.

CITY OF REDLANDS
(Name of Agency)

Approved by the Board of Administration, STATE EMPLOYEES' RETIREMENT SYSTEM, at the meeting held

JAN 18 1952

By

Hugh M. Folkins

Mayor

(Title)

Date

JAN 18 1952

COATES, HERFURTH AND ENGLAND, a co-partnership composed of:

By

Earle Chapman

Executive Officer

Carl E. Herfurth
Arthur W. England

By

Arthur W. England

SUMMARY OF AMENDMENTS TO
THE CALIFORNIA STATE EMPLOYEES' RETIREMENT LAW
(To be attached to Contract with Actuaries)

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- A. The amendments to the Retirement Law made in 1945 and 1947 reduced the ages at which members may be retired and increased the benefits members will receive, the principal amendments briefly being as follows:
- (1) Normal service retirement age for Miscellaneous Members reduced from 65 to 60;
 - (2) The factor in the service retirement benefit formula for Miscellaneous Members increased from 1/70 to 1/60;
 - (3) The minimum guaranteed monthly retirement allowance increased from \$40 to \$60 to apply at age 65 or over with credit for 20 years of service or at age 70 with prior service credit;
 - (4) A death benefit of \$300 provided for retired persons;
 - (5) A guaranteed percentage of final compensation for each year of service as a member, provided for Miscellaneous Members;
 - (6) The removal of the maximum of \$5,000 per annum of compensation to be included in computations under the Retirement Law;
 - (7) ~~Normal service retirement age for Local Safety members reduced from 60 to 55 and basis of benefits increased.~~
- B. The amendments to the Retirement Law made in 1949, which a Public Agency may elect to apply to its contract, are:
- (1) Section 21253 of the Retirement Law, providing for prior service benefits of Miscellaneous Members at one-sixtieth of final compensation upon service retirement at age 60 or its actuarial equivalent upon service retirement ages 55 to 65 and over;
 - (2) Section 21252.4 of the Retirement Law, providing for a guaranteed percentage of final compensation for each year of service as a Local Safety Member.
- C. ~~Agency may elect to pay the member-contributions of its employees who were or will be absent on military service. (Actuaries will determine only the approximate cost to Agency of paying the member-contributions with respect to its employees who have returned from military absence prior to January 1, 1950.)~~
- D. Agency may elect to increase the retirement allowances payable to retired persons by applying to such persons the provisions of its contract:
- (1) ~~As that contract existed on June 30, 1950, or~~
 - (2) As that contract would exist if amended as outlined under paragraph "A" above, or
 - (3) As that contract would exist if amended as outlined under paragraphs "A" and "B" above.

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COATES, HURFORTH & ENGLAND