

Ordinance Fact Sheet

TO: CITY COUNCIL

DATE: September 22, 2003

FROM: CITY ATTORNEY

SUBJECT: AMENDMENT TO THE CONTRACT BETWEEN THE CITY OF PASADENA AND THE BOARD OF ADMINISTRATION OF THE CALIFORNIA PUBLIC EMPLOYEES RETIREMENT SYSTEM.

TITLE OF PROPOSED ORDINANCE:

AN ORDINANCE OF THE CITY OF PASADENA AUTHORIZING AN AMENDMENT TO THE CONTRACT BETWEEN THE CITY OF PASADENA AND THE BOARD OF ADMINISTRATION OF THE CALIFORNIA PUBLIC EMPLOYEES' RETIREMENT SYSTEM.

PURPOSE OF ORDINANCE:

Pursuant to collective bargaining agreements adopted by the City of Pasadena and the Pasadena Fire Fighters Association (PFFA) and the Pasadena Firefighters Management Association, the City of Pasadena has agreed to provide an enhanced retirement benefit to the members of the PFFA and PFMA, by allowing unused accumulated sick leave to be converted to additional service credit at the time of retirement at the rate of .004 year of service credit for each day of unused sick leave. An amendment to the contract between the City Council of the City of Pasadena and the Board of Administration of the California Public Employees' Retirement System is attached to this ordinance fact sheet and marked Exhibit "A."

REASON WHY LEGISLATION IS NEEDED:

PERS requires that an amendment to the contract between the City and PERS be effectuated by ordinance not less than twenty (20) days following the adoption of a Resolution of Intent to amend the contract. The Resolution of Intent was adopted by City Council on February 24, 2003.

The amendment to the contract was effectuated by ordinance by City Council on March 10, 2003. However, PERS has required that this process be repeated, in order to adhere to its rule that at least twenty (20) days transpire following adoption of the Resolution of Intent.

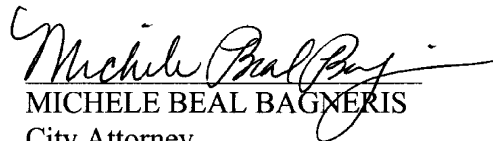
FISCAL IMPACT:

The PERS actuarial valuation conducted in November, 2002, reports an increase of 0.227% to the City's Total Employer Rate for Safety Employees. This will result in estimated additional annual costs of \$62,965. Sufficient funds are available in the Personnel Reserves, and additional appropriations are not necessary.

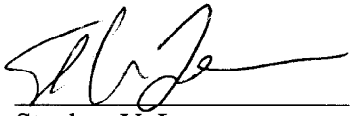
POLICY CHANGES:

No policy changes are required, in that this amendment implements a labor agreement approved by City Council for the PFMA in October, 2002 and the PFFA in February, 2003.

RESPECTFULLY SUBMITTED,



MICHELE BEAL BAGNERIS
City Attorney

Reviewed by:



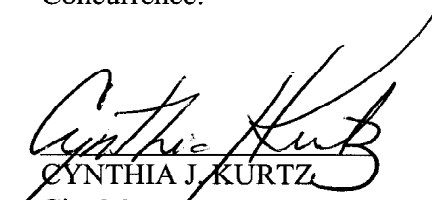
Stephen V. Lem
Human Resources Manager

Prepared by:



HUGH A. HALFORD
Assistant City Attorney

Concurrence:



CYNTHIA J. KURTZ
City Manager

Introduced by City Councilmember

ORDINANCE NO. _____

AN ORDINANCE OF THE CITY OF PASADENA AUTHORIZING AN
AMENDMENT TO THE CONTRACT BETWEEN THE CITY OF PASADENA AND
THE BOARD OF ADMINISTRATION OF THE CALIFORNIA PUBLIC
EMPLOYEES' RETIREMENT SYSTEM

The People of the City of Pasadena ordain as follows:

SECTION 1. This ordinance, due to its length and the corresponding costs of publication, will be published by title and summary as permitted by Section 508 of the Charter.

The approved summary of this ordinance reads as follows:

“SUMMARY

Pursuant to a collective bargaining agreement adopted by the City of Pasadena and the Pasadena Fire Fighters Association (PFFA) and the Pasadena Firefighters Management Association (PFMA), the City of Pasadena has agreed to provide an enhanced retirement benefit to the members of the PFFA and PFMA, by allowing unused accumulated sick leave to be converted to additional service credit at the time of retirement at the rate of .004 year of service credit for each day of unused sick leave. That an amendment to the contract between the City Council of the City of Pasadena and the Board of Administration of the California Public Employees' Retirement System is hereby authorized, a copy of said amendment to the contract is on file at the City Clerk's Office in the City of Pasadena.

Ordinance No. _____ shall take effect upon publication by title and summary.”

SECTION 2. That an amendment to the contract between the City Council of the City of Pasadena and the Board of Administration of the California Public Employees' Retirement System is hereby authorized, a copy of said amendment being attached hereto, marked Exhibit "A", and by such reference is made a part hereof as though set out in full.

SECTION 3. The City Manager of the City of Pasadena is hereby authorized, empowered and directed to execute said amendment for and on behalf of the City of Pasadena.

SECTION 4. The City Clerk shall certify the adoption of this ordinance and shall cause this ordinance to be published by title and summary.

SECTION 5. This ordinance shall take effect upon publication by title and summary.

Signed and approved this _____ day of _____, 2003.

Bill Bogaard
Mayor of the City of Pasadena

I HEREBY CERTIFY that the foregoing ordinance was adopted by the City Council of the City of Pasadena at its meeting held _____, 2003, by the following vote:

AYES:

NOES:

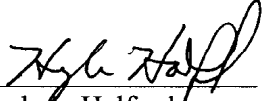
ABSENT:

ABSTAIN:

Published:

Jane L. Rodriguez, CMC
City Clerk

APPROVED AS TO FORM:



Hugh A. Halford
Assistant City Attorney



EXHIBIT "A"

California
Public Employees' Retirement System

AMENDMENT TO CONTRACT

Between the
Board of Administration
California Public Employees' Retirement System
and the
City Council
City of Pasadena

The Board of Administration, California Public Employees' Retirement System, hereinafter referred to as Board, and the governing body of the above public agency, hereinafter referred to as Public Agency, having entered into a contract effective July 1, 1945, and witnessed July 27, 1945, and as amended effective July 1, 1951, November 1, 1955, August 1, 1957, November 1, 1957, August 1, 1959, February 1, 1964, October 1, 1969, May 28, 1973, May 1, 1974, September 29, 1975, July 1, 1976, August 29, 1977, March 27, 1978, January 27, 1981, November 30, 1981, May 16, 1983, April 30, 1984, July 2, 1984, October 28, 1985, June 30, 1987, July 3, 1989, October 8, 1990, November 14, 1991, July 18, 1992, November 15, 1993, March 7, 1994, February 15, 1995, November 25, 1996, September 3, 1997, and December 4, 2000 which provides for participation of Public Agency in said System, Board and Public Agency hereby agree as follows:

- A. Paragraphs 1 through 15 are hereby stricken from said contract as executed effective December 4, 2000, and hereby replaced by the following paragraphs numbered 1 through 15 inclusive:
1. All words and terms used herein which are defined in the Public Employees' Retirement Law shall have the meaning as defined therein unless otherwise specifically provided. "Normal retirement age" shall mean age 55 for local miscellaneous members and age 50 for local safety members.

PLEASE DO NOT SIGN "EXHIBIT ONLY"

2. Public Agency shall participate in the Public Employees' Retirement System from and after July 1, 1945 making its employees as hereinafter provided, members of said System subject to all provisions of the Public Employees' Retirement Law except such as apply only on election of a contracting agency and are not provided for herein and to all amendments to said Law hereafter enacted except those, which by express provisions thereof, apply only on the election of a contracting agency. _____
 3. Employees of Public Agency in the following classes shall become members of said Retirement System except such in each such class as are excluded by law or this agreement:
 - a. Local Fire Fighters (herein referred to as local safety members);
 - b. Local Police Officers (herein referred to as local safety members);
 - c. Employees other than local safety members (herein referred to as local miscellaneous members).
 4. In addition to the classes of employees excluded from membership by said Retirement Law, the following classes of employees shall not become members of said Retirement System:
 - a. **ALL FIRE FIGHTERS AND POLICE OFFICERS EMPLOYED ON OR PRIOR TO AUGUST 29, 1977, WHO DID NOT WAIVE THEIR RIGHTS UNDER THE LOCAL SYSTEM;**
 - b. **THOSE INACTIVE FIRE FIGHTERS AND POLICE OFFICERS WHO WERE ELIGIBLE TO AND DID NOT WAIVE THEIR RIGHTS UNDER THE LOCAL SYSTEM ON NOVEMBER 30, 1981; AND**
 - c. **CITY SERVICE WORKERS HIRED ON OR AFTER JUNE 30, 1987.**
 5. Those safety members in the local retirement system on August 29, 1977 who did not waive their rights under said local system and, upon leaving employment with the City of Pasadena, left their contributions on deposit with said local system and are members of the Public Employees' Retirement System on November 30, 1981, were provided the right to execute and file a waiver on or before November 30, 1981.
 6. Assets heretofore accumulated with respect to members under the local retirement system who waived their rights under that system have been transferred to the Public Employees' Retirement System and applied against the liability for prior service incurred thereunder. That portion of assets so transferred which represent the accumulated contributions (plus interest thereof) required of the employees under said local system have been credited to the individual membership account of each such employee under the Public Employees' Retirement System.
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PLEASE DO NOT SIGN "EXHIBIT ONLY"

7. This contract shall be a continuation of the contract of the Pasadena Community Development Commission, hereinafter referred to as "Former Agency". The accumulated contributions, assets and liability for prior and current service under the Former Agency's contract shall be merged pursuant to Section 20508 of the Government Code. Such merger occurred January 11, 1982.
8. The percentage of final compensation to be provided for each year of credited prior and current service as a local miscellaneous member shall be determined in accordance with Section 21354 of said Retirement Law (2% at age 55 Full).
9. The percentage of final compensation to be provided for each year of credited prior and current service as a local safety member shall be determined in accordance with Section 21362 of said Retirement Law (2% at age 50 Full).
10. Public Agency elected and elects to be subject to the following optional provisions:
 - a. Section 21571 (Basic Level of 1959 Survivor Benefits) for local police members only.
 - b. Section 21222.1 (One-Time 5% Increase - 1970). Legislation repealed said Section effective January 1, 1980 for local miscellaneous members only.
 - c. Section 21222.2 (One-Time 5% Increase - 1971). Legislation repealed said Section effective January 1, 1980 for local miscellaneous members only.
 - d. Section 20042 (One-Year Final Compensation) for local safety members and for those local miscellaneous members entering membership prior to July 2, 1984.
 - e. Section 21024 (Military Service Credit as Public Service), Statutes of 1974 for those local miscellaneous members entering membership prior to July 2, 1984.
 - f. Sections 21624, 21626 and 21628 (Post-Retirement Survivor Allowance) for local safety members and for those local miscellaneous members entering membership prior to July 2, 1984.
 - g. Section 21024 (Military Service Credit as Public Service), Statutes of 1976 for those local police members entering membership prior to May 16, 1983, and for those local fire members entering membership prior to April 30, 1984.

CASE DO NOT SIGN "EXHIBIT ONLY"

- h. Section 20938 (Public Service Credit for Service Under Local Retirement System), Statutes of 1977 Legislation repealed said Section effective September 27, 1979.
 - i. Section 20903 (Two Years Additional Service Credit) for local miscellaneous members only.
 - j. Section 20475 (Different Level of Benefits). Section 20042 (One-Year Final Compensation), Sections 21624, 21626 and 21628 (Post-Retirement Survivor Allowance), and Section 21024 (Military Service Credit), Statutes of 1974, are not applicable to local miscellaneous members entering membership on or after July 2, 1984; Section 21024 (Military Service Credit), Statutes 1976, is not applicable to those local police members entering membership on or after May 16, 1983, and to those local fire members entering membership on or after April 30, 1984.
 - k. Section 20422 ("Local Safety Member" shall include employees designated as Emergency Medical Technician I, II, or Emergency Medical Technician - Paramedic as described in Government Code Section 20422).
 - l. Section 21573 (Third Level of 1959 Survivor Benefits) for local miscellaneous members and local fire members only.
 - m. Section 20965 (Credit for Unused Sick Leave) for local police members and local fire members only.
11. Public Agency, in accordance with Government Code Section 20790, ceased to be an "employer" for purposes of Section 20834 effective on September 29, 1975. Accumulated contributions of Public Agency shall be fixed and determined as provided in Government Code Section 20834, and accumulated contributions thereafter shall be held by the Board as provided in Government Code Section 20834.
12. ~~Public Agency shall contribute to said Retirement System the contributions determined by actuarial valuations of prior and future service liability with respect to local miscellaneous members and local safety members of said Retirement System.~~
13. Public Agency shall also contribute to said Retirement System as follows:
- a. Contributions required per covered member on account of the 1959 Survivor Benefits provided under Section 21573 of said Retirement Law. (Subject to annual change.) In addition, all assets and liabilities of Public Agency and its employees shall be pooled in a single account, based on term insurance rates, for survivors of all local miscellaneous members and local safety members.
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- b. A reasonable amount, as fixed by the Board, payable in one installment within 60 days of date of contract to cover the costs of administering said System as it affects the employees of Public Agency, not including the costs of special valuations or of the periodic investigation and valuations required by law.
 - c. A reasonable amount, as fixed by the Board, payable in one installment as the occasions arise, to cover the costs of special valuations on account of employees of Public Agency, and costs of the periodic investigation and valuations required by law.
14. Contributions required of Public Agency and its employees shall be subject to adjustment by Board on account of amendments to the Public Employees' Retirement Law, and on account of the experience under the Retirement System as determined by the periodic investigation and valuation required by said Retirement Law.
15. Contributions required of Public Agency and its employees shall be paid by Public Agency to the Retirement System within fifteen days after the end of the period to which said contributions refer or as may be prescribed by Board regulation. If more or less than the correct amount of contributions is paid for any period, proper adjustment shall be made in connection with subsequent remittances. Adjustments on account of errors in contributions required of any employee may be made by direct payments between the employee and the Board.

B. This amendment shall be effective on the _____ day of _____, _____.

BOARD OF ADMINISTRATION
PUBLIC EMPLOYEES' RETIREMENT SYSTEM

CITY COUNCIL
CITY OF PASADENA

BY _____
KENNETH W. MARZION, CHIEF
ACTUARIAL & EMPLOYER SERVICES DIVISION
PUBLIC EMPLOYEES' RETIREMENT SYSTEM

BY _____
PRESIDING OFFICER

Witness Date

Attest

Clerk

CALIFORNIA PUBLIC EMPLOYEES' RETIREMENT SYSTEM
Actuarial and Employer Services Division
Public Agency Contract Services
P.O. Box 942709
Sacramento, CA 94229-2709
(916) 326-3420

**CERTIFICATION OF COMPLIANCE WITH
GOVERNMENT CODE SECTION 7507**

I hereby certify that in accordance with Section 7507 of the Government Code
the future annual costs as determined by the System Actuary and/or the increase
in retirement benefit(s) have been made public at a public meeting of the

_____ of the
City Council
(governing body)

_____ of
City of Pasadena
(public agency)

on February 24, 2003 which is at least two weeks prior to the adoption of the
(date)

Resolution / Ordinance.

Clerk/Secretary

City Clerk
Title

Date _____

CALIFORNIA PUBLIC EMPLOYEES' RETIREMENT SYSTEM
Actuarial and Employer Services Division
Public Agency Contract Services
P.O. Box 942709
Sacramento, CA 94229-2709
(888) CalPERS (225-7377)

**CERTIFICATION
OF
FINAL ACTION OF GOVERNING BODY**

I hereby certify that the _____ of the
(governing body)

(public agency)

adopted on _____, _____, by an affirmative vote of a majority
(date)

of the members of said Governing Body, _____
(Ordinance or Resolution)

No. _____ approving the attached contractual agreement between the
Governing Body of said Agency and the Board of Administration of the California Public
Employees' Retirement System, a certified copy of said _____
(Ordinance or Resolution)

in the form furnished by said Board of Administration being attached hereto.

Clerk/Secretary

Title

Date _____

RESOLUTION NO. 8214

A RESOLUTION OF INTENTION

TO APPROVE AN AMENDMENT TO THE CONTRACT

BETWEEN THE

BOARD OF ADMINISTRATION
CALIFORNIA PUBLIC EMPLOYEES' RETIREMENT SYSTEM

AND THE

THE CITY COUNCIL OF THE CITY OF PASADENA

WHEREAS, the Public Employees' Retirement Law permits the participation of public agencies and their employees in the Public Employees' Retirement System by execution of a contract, and sets forth the procedure by which said public agencies may elect to subject themselves and their employees to amendments to said Law; and

WHEREAS, one of the steps in the procedures to amend this contract is the adoption by the City Council of a resolution giving notice of its intention to approve an amendment to said contract, which resolution shall contain a summary of the change proposed in said contract; and

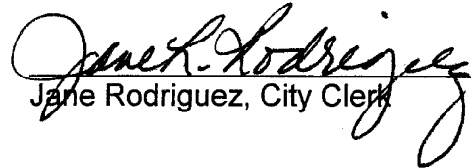
WHEREAS, the following is a statement of the proposed change:

"To provide Section 20965 (Credit for Unused Sick Leave) for local fire members only."

NOW, THEREFORE, BE IT RESOLVED that the City Council of the City of Pasadena does hereby give notice of intention to approve an amendment to the contract between said public agency and the Board of Administration of the Public Employees' Retirement System, a copy of said amendment being attached hereto, as an "Exhibit" and by this reference made a part hereof.

Adopted by the following vote at the meeting of the City Council on February 24, 2003:

AYES: Councilmembers Gordo, Haderlein, Madison, Streater,
Tyler, Vice Mayor Little, Mayor Bogaard
NOES: None
ABSTAIN: None
ABSENT: Councilmember Holden


Jane Rodriguez, City Clerk

Approved as to Form:


Hugh Halford, Assistant City Attorney

CALIFORNIA PUBLIC EMPLOYEES' RETIREMENT SYSTEM
Actuarial and Employer Services Division
Public Agency Contract Services
P.O. Box 942709
Sacramento, CA 94229-2709
(916) 326-3420

CERTIFICATION OF GOVERNING BODY'S ACTION

I hereby certify that the foregoing is a true and correct copy of a Resolution adopted by the

City Council of the
(governing body)

City of Pasadena
(public agency)

on February 24, 2003
(date)


Clerk/Secretary

City Clerk
Title