



Ordinance Fact Sheet

DATE: JUNE 5, 2006

TO: CITY COUNCIL

FROM: CITY ATTORNEY

SUBJECT: AN UNCODIFIED ORDINANCE OF THE CITY OF PASADENA AMENDING THE CONTRACT BETWEEN THE BOARD OF ADMINISTRATION OF THE CALIFORNIA PUBLIC EMPLOYEES' RETIREMENT SYSTEM AND THE CITY OF PASADENA TO PROVIDE RETIREMENT BENEFIT ENHANCEMENTS TO LOCAL MISCELLANEOUS EMPLOYEES

TITLE OF PROPOSED ORDINANCE

AN UNCODIFIED ORDINANCE OF THE CITY OF PASADENA AMENDING THE CONTRACT BETWEEN THE CITY OF PASADENA AND THE BOARD OF ADMINISTRATION OF THE CALIFORNIA PUBLIC EMPLOYEES RETIREMENT SYSTEM TO PROVIDE RETIREMENT BENEFIT ENHANCEMENTS TO LOCAL MISCELLANEOUS EMPLOYEES

PURPOSE OF ORDINANCE

The City of Pasadena and the Unions representing the miscellaneous, non-safety employees reached agreement to provide the following enhanced retirement benefits: Credit for Unused Sick Leave (Government Code Section 20965), Pre-Retirement Optional Settlement 2 Death Benefit (Code Section 21548), Fourth Level of 1959 Survivor Benefits (Code Section 21574), and Military Service Credit as Public Service (Code Section 21024).

In order to provide these benefits, the PERS contract must be amended by Ordinance, the second reading of which must occur no earlier than 20 days after the first reading. This Ordinance will be effective upon publication; the contract amendment to implement these benefits will be effective the beginning of the first pay period thereafter in July 2006, consistent with the agreement reached with the Unions.

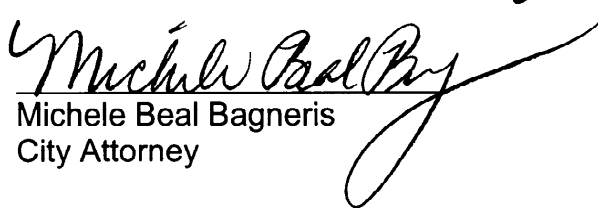
MEETING OF 06/05/2006

AGENDA ITEM NO. 4.A.1.

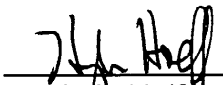
REASON WHY LEGISLATION IS NEEDED

The contract between the City of Pasadena and the Board of Administration of the California Public Employees' Retirement System was enacted by Ordinance and can only be amended by Ordinance.

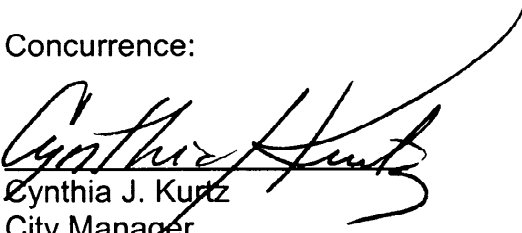
Respectfully submitted:


Michele Beal Bagneris
City Attorney

Prepared By:


Hugh A. Halford
Assistant City Attorney

Concurrence:


Cynthia J. Kurtz
City Manager

Introduced by Councilmember:

ORDINANCE NO:

AN UNCODIFIED ORDINANCE OF THE CITY COUNCIL OF THE CITY OF PASADENA AMENDING THE CONTRACT BETWEEN THE CITY OF PASADENA AND THE BOARD OF ADMINISTRATION OF THE CALIFORNIA PUBLIC EMPLOYEES RETIREMENT SYSTEM TO PROVIDE RETIREMENT BENEFIT ENHANCEMENTS TO LOCAL MISCELLANEOUS EMPLOYEES

The People of the City of Pasadena ordain as follows:

SECTION 1. That an amendment to the contract between the City of Pasadena and the Board of Administration of the California Public Employees Retirement System (CalPERS) is hereby authorized, implementing Credit for Unused Sick Leave (Government Code Section 20965), Pre-Retirement Optional Settlement 2 Death Benefit (Code Section 21548), Fourth Level of 1959 Survivor Benefits (Code Section 21574), and Military Service Credit as Public Service (Code Section 21024) for local miscellaneous members; a copy of said amendment being attached hereto, marked "Exhibit" and by such reference made a part hereof as though herein set out in full.

SECTION 2. The Mayor 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 3. The City Clerk shall certify the adoption of this Ordinance and shall cause this Ordinance to be published in full text, with the exception of the Exhibit, which shall be on file in the City of Pasadena City Clerk's Office.

SECTION 4. This Ordinance shall take effect upon publication.

Signed and approved this ___ day of _____, 2006.

Bill Bogaard, Mayor

I HEREBY CERTIFY that the foregoing Ordinance was adopted by the City

Council at its regular meeting held _____, 2006, by the following vote:

AYES:

NOES:

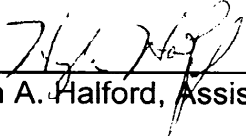
ABSTAIN:

ABSENT:

Published:

Jane Rodriguez, City Clerk

Approved as to Form:



Hugh A. Halford, Assistant City Attorney



EXHIBIT

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 December 4, 2000, November 3, 2003 , December 29, 2003 and June 28, 2004 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 June 28, 2004, 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 55 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 WAIVER THEIR RIGHTS UNDER THE LOCAL SYSTEM ON AUGUST 29, 1977 AND AS OF THE EFFECTIVE DATE OF THIS AMENDMENT OT CONTRACT;**
 - 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 on August 29, 1977, November 30, 1981 and June 28, 2004 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.

PLEASE DO NOT SIGN "EXHIBIT ONE"

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 21363.1 of said Retirement Law (3% at age 55 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. 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.
 - f. Section 21024 (Military Service Credit as Public Service) for those local police members entering membership prior to May 16, 1983; for those local fire members entering membership prior to April 30, 1984 and for all local miscellaneous members .
 - g. Section 20938 (Public Service Credit for Service Under Local Retirement System). Legislation repealed said Section effective September 27, 1979.

PLEASE DO NOT SIGN "EXHIBIT C"

- h. Section 20903 (Two Years Additional Service Credit) for local miscellaneous members only.
 - i. Section 20475 (Different Level of Benefits). Section 20042 (One-Year Final Compensation), Sections 21624, 21626 and 21628 (Post-Retirement Survivor Allowance), are not applicable to those 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.
 - j. 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).
 - k. Section 20965 (Credit for Unused Sick Leave).
 - l. Section 21548 (Pre-Retirement Optional Settlement 2 Death Benefit) for local fire members and local miscellaneous members only.
 - m. Section 21574 (Fourth Level of 1959 Survivor Benefits) for local fire members and local miscellaneous 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 21574 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 fire members and all local miscellaneous members.

- 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 _____
LORI MCGARTLAND, CHIEF
EMPLOYER SERVICES DIVISION
PUBLIC EMPLOYEES' RETIREMENT SYSTEM

BY _____
PRESIDING OFFICER

Witness Date

Attest:

Clerk