

ORDINANCE NO. 2015-14

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

WHEREAS, the Public Employees' Retirement Law ("PERL") permits the participation of public agencies and their employees in the Public Employees' Retirement System by the 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 governing body of the public agency 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, on November 10, 2015, the City Council adopted Resolution No. NS-29,017, declaring its intention to approve an amendment to its contract with the Public Employees' Retirement System (PERS) to provide service credit for unused sick leave upon retirement for Miscellaneous Employees and to introduce this ordinance to approve said contract amendment; and

WHEREAS, PERL requires a twenty (20) day period between the adoption of such a Resolution and final adoption of an ordinance authorizing such an amendment; and

NOW, THEREFORE, be it ordained by the City Council of the City of Santa Cruz as follows:

Section 1: That an amendment to the contract between the City of Santa Cruz and the Board of Administration, California Public Employees' Retirement System is hereby authorized, a copy of said amendment being attached hereto, marked Exhibit A, and by such reference made a part hereof as though herein set out in full.

Section 2: The City Manager of the City of Santa Cruz is hereby authorized, empowered, and directed to execute said amendment for and on behalf of said Agency.

Section 3: This Ordinance shall take effect and be enforced 30 days after the date of its final adoption.

ORDINANCE NO. 2015-14

PASSED FOR PUBLICATION this 10th day of November, 2015, by the following vote:

AYES: Councilmembers Chase, Terrazas, Comstock, Posner, Noroyan; Vice Mayor Mathews; Mayor Lane.

NOES: None.

ABSENT: None.

DISQUALIFIED: None.

APPROVED: ss/Don Lane, Mayor

ATTEST: ss/Bren Lehr, City Clerk Administrator

PASSED FOR FINAL ADOPTION this _____ day of _____, 2015, by the following vote:

AYES:

NOES:

ABSENT:

DISQUALIFIED:

APPROVED: _____
Mayor

ATTEST: _____
City Clerk Administrator

This is to certify that the above and foregoing document is the original of Ordinance No. 2015-14 and that it has been published or posted in accordance with the Charter of the City of Santa Cruz.

City Clerk Administrator



ORDINANCE NO. 2015-14
EXHIBIT A

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 Santa Cruz



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 September 1, 1948, and witnessed September 1, 1948, and as amended effective February 1, 1952, January 1, 1958, July 26, 1962, October 1, 1962, October 16, 1965, October 26, 1968, September 13, 1969, July 28, 1973, July 27, 1974, July 26, 1979, April 25, 1981, December 19, 1981, April 10, 1987, July 4, 1992, April 9, 1993, July 30, 1994, April 14, 1995, October 25, 1996, August 23, 1997, April 29, 2000, January 20, 2001, May 12, 2001, March 16, 2002, September 27, 2003, July 2, 2005, December 16, 2006, July 12, 2008, October 23, 2009, September 3, 2011 and May 12, 2012 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 May 12, 2012, and hereby replaced by the following paragraphs numbered 1 through 17 inclusive:

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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 classic local miscellaneous members entering membership in the miscellaneous classification on or prior to May 12, 2012, age 60 for classic local miscellaneous members entering membership for the first time in the miscellaneous classification after May 12, 2012, age 50 for classic local safety members entering membership in the safety classification on or prior to September 3, 2011, age 55 for classic local safety members entering membership for the first time in the safety classification after September 3, 2011 and age 57 for new local safety members.
2. Public Agency shall participate in the Public Employees' Retirement System from and after September 1, 1948 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. Public Agency agrees to indemnify, defend and hold harmless the California Public Employees' Retirement System (CalPERS) and its trustees, agents and employees, the CalPERS Board of Administration, and the California Public Employees' Retirement Fund from any claims, demands, actions, losses, liabilities, damages, judgments, expenses and costs, including but not limited to interest, penalties and attorney fees that may arise as a result of any of the following:
 - (a) Public Agency's election to provide retirement benefits, provisions or formulas under this Contract that are different than the retirement benefits, provisions or formulas provided under the Public Agency's prior non-CalPERS retirement program.
 - (b) Any dispute, disagreement, claim, or proceeding (including without limitation arbitration, administrative hearing, or litigation) between Public Agency and its employees (or their representatives) which relates to Public Agency's election to amend this Contract to provide retirement benefits, provisions or formulas that are different than such employees' existing retirement benefits, provisions or formulas.
 - (c) Public Agency's agreement with a third party other than CalPERS to provide retirement benefits, provisions, or formulas that are different than the retirement benefits, provisions or formulas provided under this Contract and provided for under the California Public Employees' Retirement Law.

4. 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).

5. 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 APPOINTIVE MEMBERS OF THE BOARDS AND COMMISSIONS; AND**

 - b. **PERSONS COMPENSATED ON AN HOURLY BASIS EMPLOYED JUNE 26, 1962 OR THEREAFTER AS COUNTY BRANCH LIBRARY AIDES, LIBRARY PAGES, SCHOOL CROSSING GUARDS OR RECREATION DEPARTMENT EMPLOYEES.**

6. The percentage of final compensation to be provided for each year of credited prior and current service as a classic local miscellaneous members entering membership in the miscellaneous classification on or prior to May 12, 2012 shall be determined in accordance with Section 21354 of said Retirement Law, subject to the reduction provided therein for service prior to June 30, 1974, termination of Social Security, for members whose service has been included in Federal Social Security (2% at age 55 Full and Modified).

7. The percentage of final compensation to be provided for each year of credited current service as a classic local miscellaneous member entering membership for the first time with this agency in the miscellaneous classification after May 12, 2012 shall be determined in accordance with Section 21353 of said Retirement Law (2% at age 60 Full formula).

8. The percentage of final compensation to be provided for each year of credited prior and current service as a new local miscellaneous member shall be determined in accordance with Section 7522.20 of said Retirement Law (2% at age 62 Full).

9. The percentage of final compensation to be provided for each year of credited prior and current service as a classic local safety member entering membership in the safety classification on or prior to September 3, 2011 shall be determined in accordance with Section 21362.2 of said Retirement Law (3% at age 50 Full).
10. The percentage of final compensation to be provided for each year of credited current service as a classic local safety member entering membership for the first time with this agency in the safety classification after September 3, 2011 shall be determined in accordance with Section 21363.1 of said Retirement Law (3% at age 55 Full).
11. The percentage of final compensation to be provided for each year of credited prior and current service as a new local safety member shall be determined in accordance with Section 7522.25(d) of said Retirement Law (2.7% at age 57 Full).
12. Public Agency elected and elects to be subject to the following optional provisions:
 - a. Section 21573 (Third Level of 1959 Survivor Benefits).
 - b. Sections 21624 and 21626 (Post-Retirement Survivor Allowance).
 - c. Section 21222.1 (One-Time 5% Increase - 1970). Legislation repealed said Section effective January 1, 1980.
 - d. Section 20042 (One-Year Final Compensation) for those classic local safety members entering membership on or prior to September 3, 2011 and those classic local miscellaneous members entering membership on or prior to May 12, 2012.
 - e. Section 20903 (Two Years Additional Service Credit) for local miscellaneous members only.
 - f. Section 20434 ("Local Fire Fighter" shall include any officer or employee of a fire department employed to perform firefighting, fire prevention, fire training, hazardous materials, emergency medical services, or fire or arson investigation services as described in Government Code Section 20434).
 - g. Section 21583 (Additional Opportunity to Elect 1959 Survivor Benefits).
 - h. Section 21024 (Military Service Credit as Public Service).
 - i. Section 20965 (Credit for Unused Sick Leave).

- j. Section 21023.5 (Public Service Credit for Peace Corps, AmeriCorps VISTA, or AmeriCorps Service).
 - k. Section 20516 (Employees Sharing Cost of Additional Benefits):

Section 21354 (2% @ 55 Full and Modified formula) for classic local miscellaneous members. From and after July 2, 2005 and until July 12, 2008 the miscellaneous employees of Public Agency shall be assessed an additional 4.163% of their compensation for a total contribution rate of 11.163% pursuant to Government Code Section 20516.
 - l. Section 21548 (Pre-Retirement Option 2W Death Benefit) for local miscellaneous members only.
 - m. Section 21118 (Partial Service Retirement).
 - n. Section 20475 (Different Level of Benefits): Section 21363.1 (3% @ 55 Full formula) and Section 20037 (Three-Year Final Compensation) are applicable to classic local safety members entering membership for the first time with this agency in the safety classification after September 3, 2011.

Section 21353 (2% @ 60 Full formula) and Section 20037 (Three-Year Final Compensation) are applicable to classic local miscellaneous members entering membership for the first time with this agency in the miscellaneous classification after May 12, 2012.
13. Public Agency, in accordance with Government Code Section 20790, ceased to be an "employer" for purposes of Section 20834 effective on July 27, 1974. 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.
14. 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.
15. 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.
16. 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.
17. 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 SANTA CRUZ

BY _____
RENEE OSTRANDER, CHIEF
EMPLOYER ACCOUNT MANAGEMENT DIVISION
PUBLIC EMPLOYEES' RETIREMENT SYSTEM

BY _____
PRESIDING OFFICER

Witness Date _____

Attest: _____

Clerk _____

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