



Agenda Item 8B

Approvals: _____

City Manager ES

Dept. Head _____

Attorney _____

Finance _____

AGENDA REPORT

SAN CLEMENTE CITY COUNCIL MEETING
Meeting Date: October 6, 2020

Department: Finance and Administrative Services
Prepared By: Heather Lowe, Human Resources Manager

Subject: *REPEAL ORDINANCE #1703 ADOPTED ON SEPTEMBER 1, 2020 AND REPLACE WITH A REFINED ORDINANCE REGARDING THE APPROVAL OF AN AMENDED CONTRACT WITH THE CALIFORNIA PUBLIC EMPLOYEES' RETIREMENT SYSTEM (CALPERS) (ORDINANCE REFINEMENT)*

Fiscal Impact: None at this time.

Summary: On August 18, 2020, the City Council adopted a Resolution of Intention and initiated the first reading of the Ordinance that approves an amendment to our current contract with CalPERS. This amendment would allow for the exemption of the Park Rangers and Lead Park Rangers, as well as update the job title of an existing exclusion to Water Safety Instructor. On September 1, 2020, the City Council adopted the Ordinance; however, CalPERS requires a period of 20 days after the Resolution of Intention to initiate the second reading of the Ordinance.

Due to the CalPERS requirements, staff is bringing back this Ordinance to ensure accuracy and compliance with CalPERS. Below is the updated schedule of actions required by CalPERS:

August 18, 2020	Adoption of the Resolution of Intention (DONE)
October 6, 2020	First Reading of Refined Ordinance
October 15, 2020	First newspaper publication
October 20, 2020	Second Reading & Adoption of Refined Ordinance (must be done 20 days AFTER the Adoption of the Resolution of Intention)
October 29, 2020	Second and final newspaper publication
November 20, 2020	Effective Date of Refined Ordinance
November 23, 2020	Effective Date of Contract Amendment

Recommended Action: STAFF RECOMMENDS THAT the City Council take action as follows:

1. Introduce Ordinance # AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF SAN CLEMENTE, CALIFORNIA, AUTHORIZING AN AMENDMENT TO THE CONTRACT BETWEEN THE CITY OF SAN CLEMENTE AND THE BOARD

OF ADMINISTRATION OF THE CALIFORNIA PUBLIC EMPLOYEES'
RETIREMENT SYSTEM AND REPEALING ORDINANCE #1703.

- Attachments:**
1. Proposed Ordinance
 2. Amendment to Contract "Exhibit"

ORDINANCE NO.

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF SAN CLEMENTE, CALIFORNIA, AUTHORIZING AN AMENDMENT TO THE CONTRACT BETWEEN THE CITY OF SAN CLEMENTE AND THE BOARD OF ADMINISTRATION OF THE CALIFORNIA PUBLIC EMPLOYEES' RETIREMENT SYSTEM AND REPEALING ORDINANCE #1703

THE CITY COUNCIL OF THE CITY OF SAN CLEMENTE, CALIFORNIA DOES ORDAIN AS FOLLOWS:

Section 1. That an amendment to the contract between the City Council of the City of San Clemente and the Board of Administration, California Public Employees' Retirement System is hereby authorized, 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 San Clemente is hereby authorized, empowered, and directed to execute said amendment for and on behalf of the City of San Clemente.

Section 3. Prior to the expiration of 5 days before the date of adoption of this Ordinance, a summary of this Ordinance shall be published in the San Clemente Times. In addition, prior to the expiration of 15 days after the date of adoption, a second summary of this Ordinance, including the votes taken thereon, shall be published in the San Clemente Times. This Ordinance shall take effect 30 days after the date of its adoption and thenceforth and thereafter the same shall be in full force and effect.

PASSED AND ADOPTED this ____ day of _____, _____.

ATTEST:

City Clerk of the City of San Clemente, California

Mayor Pro Tem of the City of San Clemente, California

STATE OF CALIFORNIA)
COUNTY OF ORANGE) ss.
CITY OF SAN CLEMENTE)

I, JOANNE BAADE, City Clerk of the City of San Clemente, California, hereby certify that Ordinance No. _____ having been regularly introduced at the meeting of _____, was again introduced, the reading in full thereof unanimously waived, and duly passed and adopted at a regular meeting of the City Council held on the ____ day of _____, _____, and said ordinance was adopted by the following vote:

AYES:

NOES:

ABSENT:

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the official seal of the City of San Clemente, California, this ____ day of _____, _____.

CITY CLERK of the City of
San Clemente, California

APPROVED AS TO FORM:

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 San Clemente**



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 March 13, 1972, and witnessed February 22, 1972, and as amended effective September 6, 1984, July 14, 1986, May 4, 1987, July 9, 1990, June 30, 1991, December 21, 1991, July 1, 1992, January 1, 1993, November 8, 2004 and June 9, 2014 which provides for participation of Public Agency in said System, Board and Public Agency hereby agree as follows:

- A. Paragraphs 1 through 16 are hereby stricken from said contract as executed effective June 9, 2014, and hereby replaced by the following paragraphs numbered 1 through 18 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 classic local miscellaneous members, age 62 for new local miscellaneous members, age 50 for classic local fire members and classic local police members, age 55 for classic ocean beach lifeguards and age 57 for new local safety members.

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2. Public Agency shall participate in the Public Employees' Retirement System from and after March 13, 1972 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. Ocean Beach Lifeguards (included as local safety members);
 - d. Employees other than local safety members (herein referred to as local miscellaneous members).

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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. **MEMBERS OF THE GOVERNING BODY;**
 - b. **OCEAN LIFEGUARDS, OCEAN LIFEGUARD SUPERVISORS, LIFEGUARD SUPERVISORS, POOL LIFEGUARDS AND POOL LIFEGUARD/INSTRUCTORS; AND**
 - c. **PARK RANGER, LEAD PARK RANGER AND WATER SAFETY INSTRUCTOR PROSPECTIVELY FROM THE EFFECTIVE DATE OF THIS AMENDMENT TO CONTRACT.**
6. Assets heretofore accumulated with respect to members in the local retirement system have been transferred to the Public Employees' Retirement System and applied against the liability for prior service incurred thereunder. That portion of the assets so transferred which represent the accumulated contributions (plus interest thereof) required of the employees under said local system has been credited to the individual membership account of each such employee under the Public Employees' Retirement System.
7. Benefits paid to pensioners and annuitants under the local system on March 13, 1972 were recalculated as of such date pursuant to Section 20520 of the Government Code to conform to the benefits applicable to persons retiring after March 13, 1972, however, no benefit which would have been payable under the continuation of the local system shall be reduced.
8. Section 21367.51 (Mandated \$500 Retired Death Benefit) shall also apply to persons retired under the City of San Clemente Pension Trust.
9. The percentage of final compensation to be provided for each year of credited prior and current service as a classic local miscellaneous member shall be determined in accordance with Section 21354 of said Retirement Law subject to the reduction provided therein for Federal Social Security (2% at age 55 Modified).
10. 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 Supplemental to Federal Social Security).
11. The percentage of final compensation to be provided for each year of credited prior and current service as a classic local police member and classic local fire member shall be determined in accordance with Section 21362 of said Retirement Law subject to the reduction provided therein for Federal Social Security (2% at age 50 Modified).

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12. The percentage of final compensation to be provided for each year of credited prior and current service as a classic ocean beach lifeguard shall be determined in accordance with Section 21363.1 of said Retirement Law subject to the reduction provided therein for Federal Social Security (3% at age 55 Modified).
13. 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 Supplemental to Federal Social Security).
14. Public Agency elected and elects to be subject to the following optional provisions:
 - a. Section 21536 (Local System Service Credit Included in Basic Death Benefit).
 - b. Sections 21624, 21626 and 21628 (Post-Retirement Survivor Allowance) for local safety members only.
 - c. Section 20042 (One-Year Final Compensation) for classic members only.
 - d. Section 21024 (Military Service Credit as Public Service) for local miscellaneous members only.
 - e. Section 20938 (Limit Prior Service to Members Employed on Contract Date) for local miscellaneous members.
 - f. Section 21622 (\$600 Retired Death Benefit) for local miscellaneous members only.
15. 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.
16. Public Agency shall also contribute to said Retirement System as follows:
 - a. 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.
 - b. 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.

17. 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.
18. 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 SAN CLEMENTE

BY _____
ARNITA PAIGE, CHIEF
PENSION CONTRACTS AND PREFUNDING
PROGRAMS DIVISION
PUBLIC EMPLOYEES' RETIREMENT SYSTEM

BY _____
PRESIDING OFFICER

Witness Date

Attest: _____

Clerk