

ORDINANCE NO. 1502

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

The City Council of the City of Arcata does ordain as follows:

Section 1: That an amendment to the contract between the City Council of the City of Arcata 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 Council of the City of Arcata is hereby authorized, empowered, and directed to execute said amendment for and on behalf of said Agency.

Section 3: This ordinance will take effect thirty (30) days after the date of its adoption.

DATED: May 2, 2018

ATTEST:

APPROVED:

/s/ Bridget Dory
City Clerk, City of Arcata

/s/ Sofia Pereira
Mayor, City of Arcata

CLERK'S CERTIFICATE

I hereby certify that the foregoing is a true and correct copy of Ordinance No.1502, passed and adopted at a regular meeting of the City Council of the City of Arcata, Humboldt County, California on the 2nd day of May, 2018, by the following vote:

AYES: PEREIRA, WATSON, ORNELAS, PITINO, WINKLER

NOES: NONE

ABSENT: NONE

ABSTENTIONS: NONE

/s/ Bridget Dory
City Clerk, City of Arcata



California
Public Employees' Retirement System

AMENDMENT TO CONTRACT

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

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 23, 1967, and witnessed June 21, 1967, and as amended effective June 1, 1973, September 23, 1973, August 24, 1975, December 10, 1978, August 14, 1983, August 20, 1989, July 17, 1993, November 7, 1999, August 18, 2000, November 18, 2000, November 25, 2001, April 20, 2002, October 19, 2002, September 21, 2008, June 27, 2010, June 24, 2012, January 17, 2016, June 19, 2016 and December 3, 2017 which provides for participation of Public Agency in said System, Board and Public Agency hereby agree as follows:

- A. Paragraphs 1 through 19 are hereby stricken from said contract as executed effective December 3, 2017, and hereby replaced by the following paragraphs numbered 1 through 19 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 safety members entering membership in the safety classification on or prior to June 24, 2012, age 55 for classic local safety members entering membership for the first time in the safety classification after June 24, 2012 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 July 23, 1967 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 Police Officers (herein referred to as local safety members);
 - b. 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. **FIREFIGHTERS; AND**
 - b. **PERSONS COMPENSATED ON AN HOURLY BASIS.**
6. The percentage of final compensation to be provided for each year of credited prior and current service for those classic local miscellaneous members in employment prior to November 25, 2001 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).
7. The percentage of final compensation to be provided for each year of credited prior and current service for those classic local miscellaneous members in employment on or after November 25, 2001 and not on or after September 21, 2008 shall be determined in accordance with Section 21354 of said Retirement Law (2% at age 55 Full), pursuant to Government Code Section 20515.
8. The percentage of final compensation to be provided for each year of credited prior and current service as a classic local miscellaneous member in employment on or after September 21, 2008 and not entering membership for the first time with this agency in the miscellaneous classification after June 24, 2012 shall be determined in accordance with Section 21354.5 of said Retirement Law (2.7% at age 55 Full) pursuant to Government Code Section 20515.
9. 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 June 24, 2012 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).

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11. 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 June 24, 2012 shall be determined in accordance with Section 21362.2 of said Retirement Law subject to the reduction provided therein for Federal Social Security (3% at age 50 Modified).
12. 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 June 24, 2012 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 20425 ("Local Police Officer" shall include employees of a police department who were employed to perform identification or communication duties on August 4, 1972 and who elected to be local safety members).
 - b. Section 21222.1 (One-Time 5% Increase - 1970). Legislation repealed said Section effective January 1, 1980.
 - c. Section 20903 (Two Years Additional Service Credit).
 - d. Section 21024 (Military Service Credit as Public Service).
 - e. Section 20965 (Credit for Unused Sick Leave).
 - f. Section 20042 (One-Year Final Compensation) for those classic local miscellaneous members and classic local safety members entering membership on or prior to June 24, 2012.
 - g. Section 20515 (Full Formula Plus Social Security) for past and future service for classic local miscellaneous members in employment on and after November 25, 2001 and on or prior to June 24, 2012. Legislation repealed said Section effective January 1, 2002.

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- h. Section 20503 (To Remove the Exclusion of Elected Officials, Prospectively from April 20, 2002).
- i. Section 21548 (Pre-Retirement Option 2W Death Benefit).
- j. Section 20475 (Different Level of Benefits): Section 21354 (2% @ 55 Modified formula) and Section 20037 (Three-Year Final Compensation) without Section 20515 (Full Formula Plus Social Security) are applicable to classic local miscellaneous members entering membership for the first time with this agency in the miscellaneous classification after June 24, 2012.

Section 21363.1 (3% @ 55 Modified 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 June 24, 2012.

- k. Section 20516 (Employees Sharing Additional Cost):

From and after January 17, 2016 and until June 19, 2016, .5% for local miscellaneous members in the Arcata Police Association and the Unrepresented Management, Mid-Management and Confidential group.

From and after January 17, 2016 and until June 19, 2016, .5% for local safety members in the Arcata Police Association and the Unrepresented Management, Mid-Management and Confidential group.

From and after June 19, 2016, 1.5% for new local safety members in in the Arcata Police Association and the Unrepresented Management, Mid-Management and Confidential group.

From and after June 19, 2016 and until December 3, 2017, 1.5% for local miscellaneous members in the Arcata Police Association and the Unrepresented Management, Mid-Management and Confidential group.

From and after June 19, 2016 and until December 3, 2017, 1.5% for classic local safety members in the Arcata Police Association and the Unrepresented Management, Mid-Management and Confidential group.

From and after December 3, 2017 and until the effective date of this amendment to contract, 2.5% for local miscellaneous members in the Arcata Police Association and the Unrepresented Management, Mid-Management and Confidential group.

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From and after December 3, 2017 and until the effective date of this amendment to contract, 2.5% for classic local safety members in the Arcata Police Association and the Unrepresented Management, Mid-Management and Confidential group.

From and after the effective date of this amendment to contract, 3% for local miscellaneous members in the Arcata Police Association and the Unrepresented Management, Mid-Management and Confidential group.

From and after the effective date of this amendment to contract, 3% for classic local safety members in the Arcata Police Association and the Unrepresented Management, Mid-Management and Confidential group.

From and after the effective date of this amendment to contract, 1% for classic local miscellaneous members in the International Union of Operating Engineers Local No. 3, AFL-CIO.

The portion of the employer's contribution that the member agrees to contribute from his or her compensation, over and above the member's normal contribution ("Cost Sharing Percentage"), shall not exceed the Employer Normal Cost Rate, as that rate is defined in the CalPERS Actuarial Valuation for the relevant fiscal year. If the Cost Sharing Percentage will exceed the relevant Employer Normal Cost Rate, the Cost Sharing Percentage shall automatically be reduced to an amount equal to, and not to exceed, the Employer Normal Cost Rate for the relevant fiscal year.

15. Public Agency, in accordance with Government Code Section 20790, ceased to be an "employer" for purposes of Section 20834 effective on December 10, 1978. 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.
16. 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.
17. 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.
18. 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.
19. 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 ARCATA

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

BY _____
PRESIDING OFFICER

Witness Date

Attest:

Clerk