



Agenda Item # _____

Staff Report

City of Manhattan Beach

TO: Honorable Mayor Ward and Members of the City Council

THROUGH: Geoff Dolan, City Manager

FROM: Marcie Scott, Human Resources Director
Danielle L. Higdon, Senior Human Resources Analyst

DATE: August 15, 2006

SUBJECT: Consideration of a Resolution and Introduction of an Ordinance Amending the Contract Between the City of Manhattan Beach and the Board of Administration of the California Public Employees' Retirement System (PERS) to Provide Section 20965 (Credit for Unused Sick Leave) for Local Miscellaneous Members as Authorized in the 2006 – 2011 MOU Between the City of Manhattan Beach and California Teamsters Local 911.

RECOMMENDATION:

Staff recommends that the City Council adopt Resolution No. 6056 and introduce Ordinance No. 2090 amending the contract between the City of Manhattan Beach and the Board of Administration of the California Public Employees' Retirement Systems (PERS).

FISCAL IMPLICATION:

Based on a cost analysis provided by PERS the employer rates will increase by 0.270% at a cost of approximately \$17,431 per year which may be absorbed in the current fiscal year's budget without further adjustment. Future costs based on the increase to the employer rate will be budgeted accordingly.

BACKGROUND:

As part of the 2006 employment contract negotiations between the City of Manhattan Beach and the Miscellaneous Group represented by California Teamsters Local 911, an agreement was made to provide Section 20965 (Credit for Unused Sick Leave) for local miscellaneous members. This employment contract, including this change to provide credit for unused sick leave, was approved by the City Council at its meeting on August 1, 2006.

DISCUSSION:

In order for the City of Manhattan Beach to comply with its obligations under the Memorandum of Understanding with the Miscellaneous Group and with PERS, we are submitting the required Resolution and Ordinance for approval in order to enact the agreed upon employee benefit.

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- Attachments:
- A. Resolution No. 6056
 - B. Ordinance No. 2090
 - C. Amendment to Contract

RESOLUTION NO. 6056

RESOLUTION OF INTENTION TO APPROVE AN AMENDMENT TO
CONTRACT BETWEEN THE BOARD OF ADMINISTRATION
CALIFORNIA PUBLIC EMPLOYEES' RETIREMENT SYSTEM AND THE
CITY COUNCIL CITY OF MANHATTAN BEACH

WHEREAS, the Public Employees' Retirement Law 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, the following is a statement of the proposed change:

To provide Section 20965 (Credit for Unused Sick Leave) for local miscellaneous members.

NOW, THEREFORE, BE IT RESOLVED that the governing body of the above agency 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.

PASSED, APPROVED and ADOPTED this 15th day of August, 2006.

Ayes:
Noes:
Absent:
Abstain:

Mayor, City of Manhattan Beach, California

ATTEST:

City Clerk

ORDINANCE NO. 2090

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF MANHATTAN BEACH, CALIFORNIA, AUTHORIZING AN AMENDMENT TO THE CONTRACT BETWEEN THE CITY COUNCIL OF THE CITY OF MANHATTAN BEACH AND THE BOARD OF ADMINISTRATION OF THE CALIFORNIA PUBLIC EMPLOYEES' RETIREMENT SYSTEM TO PROVIDE SECTION 20965, CREDIT FOR UNUSED SICK LEAVE FOR LOCAL MISCELLANEOUS MEMBERS

THE CITY COUNCIL OF THE CITY OF MANHATTAN BEACH, CALIFORNIA, DOES ORDAIN AS FOLLOWS:

SECTION 1. That an amendment to the contract between the City Council of the City of Manhattan Beach, California 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 City Council of the City of Manhattan Beach, California, hereby designates the City Manager as authorized, empowered and directed to execute said amendment for and on behalf of said Agency.

SECTION 3. This ordinance shall go into effect and be in full force and operation from and after thirty days after its final passage and adoption.

SECTION 4. The City Clerk shall certify to the adoption of this ordinance; shall cause the same to be entered in the book of original ordinances of said City; shall make a minute of the passage and adoption thereof in the records of the meeting at which the same is passed and adopted; and shall within fifteen (15) days after the passage and adoption thereof cause the same to be published by one insertion in *The Beach Reporter*, the official newspaper of the City and a weekly newspaper of general circulation, published and circulated within the City of Manhattan Beach hereby designated for that purpose.

PASSED, APPROVED AND ADOPTED this 5th day of September, 2006.

Ayes:
Noes:
Absent:
Abstain:

Mayor, City of Manhattan Beach, California

ATTEST:

City Clerk



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 Manhattan Beach

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, 1947, and witnessed July 1, 1947, and as amended effective January 1, 1952, November 1, 1955, July 1, 1959, January 1, 1974, June 1, 1974, June 22, 1974, July 1, 1978, March 6, 1982, January 1, 1983, March 25, 1989, April 21, 1990, May 21, 1993, November 18, 1994, March 2, 1996, September 17, 1999, April 19, 2001, June 30, 2001 and November 19, 2004 which provides for participation of Public Agency in said System, Board and Public Agency hereby agree as follows:

- A. Paragraphs 1 through 14 are hereby stricken from said contract as executed effective November 19, 2004, and hereby replaced by the following paragraphs numbered 1 through 14 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 local fire members; and age 50 for local police members.
 2. Public Agency shall participate in the Public Employees' Retirement System from and after July 1, 1947 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

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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. **CROSSING GUARDS, RECREATION AIDES AND INTERNS HIRED ON OR AFTER JUNE 1, 1974.**
5. Prior to January 1, 1975, those members who were hired by Public Agency on a temporary and/or seasonal basis not to exceed 6 months were excluded from PERS membership by contract. Government Code Section 20336 superseded this contract provision by providing that any such temporary and/or seasonal employees are excluded from PERS membership subsequent to January 1, 1975. Legislation repealed and replaced said Section with Government Code Section 20305 effective July 1, 1994.
6. 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).
7. The percentage of final compensation to be provided for each year of credited prior and current service as a local police member shall be determined in accordance with Section 21362.2 of said Retirement Law (3% at age 50 Full).
8. The percentage of final compensation to be provided for each year of credited prior and current service as a local fire member shall be determined in accordance with Section 21363.1 of said Retirement Law (3% at age 55 Full).
9. 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 20965 (Credit for Unused Sick Leave).
 - c. Section 21573 (Third Level of 1959 Survivor Benefits) for local

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- d. Section 20042 (One-Year Final Compensation).
 - e. Sections 21624, 21626 and 21628 (Post-Retirement Survivor Allowance) for local safety members only.
 - f. Section 21024 (Military Service Credit as Public Service).
 - g. Section 21574 (Fourth Level of 1959 Survivor Benefits) for local fire members only.
10. Public Agency, in accordance with Government Code Section 20790, ceased to be an "employer" for purposes of Section 20834 effective on March 6, 1982. 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.
11. 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.
12. 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.
 - b. 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.
 - c. 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.
 - d. 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.

- 13. 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.
- 14. 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 MANHATTAN BEACH

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

BY _____
PRESIDING OFFICER

Witness Date

Attest: _____

Clerk