

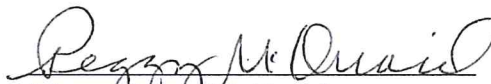
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**ORDINANCE NO. 2017-02**

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

**WHEREAS**, the Albany City Council of the City of Albany does ordain as follows:

1. An amendment to the contract between the Albany City Council of the City of Albany 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.
2. The Mayor of the Albany City Council is hereby authorized, empowered, and directed to execute said amendment for and on behalf of said Agency.
3. This ordinance shall be posted at three public places within the City of Albany and shall become effective thirty days after the date of its posting.

  
Mayor Peggy McQuaid



California  
Public Employees' Retirement System



## **AMENDMENT TO CONTRACT**

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



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 May 1, 1966, and witnessed April 4, 1966, and as amended effective December 15, 1969, July 1, 1971, July 1, 1973, October 1, 1974, December 1, 1977, July 1, 1981, December 28, 1987, June 3, 1988, May 1, 1989, September 5, 1991, May 8, 1992, March 25, 1996, May 1, 2000, December 25, 2000, July 4, 2001, July 7, 2003, January 19, 2004, March 27, 2006, December 4, 2006, July 11, 2011, November 28, 2011, May 14, 2012 and January 5, 2015, April 27, 2015 and November 23, 2015 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 November 23, 2015, 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 entering membership in the miscellaneous classification on or prior to November 28, 2011, age 60 for classic local miscellaneous members entering membership for the first time in the miscellaneous classification after November 28, 2011, age 62 for new local miscellaneous members, age 55 for classic local safety members and age 57 for new local safety members.



2. Public Agency shall participate in the Public Employees' Retirement System from and after May 1, 1966 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. **PERSONS COMPENSATED ON AN HOURLY BASIS.**

6. This contract shall be a continuation of the contract of the Albany Municipal Joint Powers Authority, 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 1, 2017.

- a. Service performed for the former agency prior to the effective date of the amendment to contract shall be subject to the terms and conditions of the former agency's contract as it was in effect at that time. Service performed on or after the effective date of the amendment to contract shall be subject to the terms and conditions of this contract.

7. 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 before and not on or after December 4, 2006 shall be determined in accordance with Section 21354 of said Retirement Law (2% at age 55 supplemental to Federal Social Security).

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 December 4, 2006 and not entering membership for the first time in the miscellaneous classification after November 28, 2011 shall be determined in accordance with Section 21354.4 of said Retirement Law (2.5% at age 55 supplemental to Federal Social Security).

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 in the miscellaneous classification after November 28, 2011 shall be determined in accordance with Section 21353 of said Retirement Law (2% at age 60 supplemental to Federal Social Security).



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 classic local safety members for each year of credited prior service is 0% and the percentage of final compensation to be provided for each year of credited current service is 100% and determined in accordance with Section 21363.1 of said Retirement Law (3% at age 55 Full).
12. The percentage of final compensation to be provided for new local safety members for each year of credited prior service is 0% and the percentage of final compensation to be provided for each year of credited current service is 100% and determined in accordance with Section 7522.25(d) of said Retirement Law (2.7% at age 57 Full).
13. Public Agency elected and elects to be subject to the following optional provisions:
  - a. Section 21222.1 (One-Time 5% Increase - 1970). Legislation repealed said Section effective January 1, 1980.
  - b. Section 21222.2 (One-Time 5% Increase - 1971). Legislation repealed said Section effective January 1, 1980.
  - c. Section 21319 (One-Time 15% Increase for Local Miscellaneous Members Who Retired or Died Prior to July 1, 1971). Legislation repealed said Section effective January 1, 2002.
  - d. Section 20903 (Two Years Additional Service Credit) for local miscellaneous members only.
  - e. Section 20965 (Credit for Unused Sick Leave) for local safety members only.
  - f. Section 20042 (One-Year Final Compensation) for classic local police members and for those classic local fire members entering membership on or prior to May 14, 2012.
  - g. Section 21574 (Fourth Level of 1959 Survivor Benefits) for local safety members only.

- h. Section 20516 (Employees Sharing Cost of Additional Benefits) from and after July 11, 2011 and until April 27, 2015 applicable to Section 20042 (One-Year Final Compensation) effective July 4, 2001, and Section 21363.1 (3% @ 55 Full formula) effective January 19, 2004 for local police members. The employee cost sharing contribution is not to exceed 13.489%. The maximum employee cost sharing contribution is the normal cost plus the increase in the accrued liability due to the benefit improvement amortized over 20 years. In no event shall the employee cost sharing contribution attributable to the unfunded liability remain in effect beyond June 30 preceding the 20th anniversary of the effective date of the additional benefits. Therefore, after June 30, 2021, in any given contribution year, the maximum employee cost sharing contribution cannot exceed 10.998%; and after June 30, 2023, in any given contribution year, the maximum employee cost sharing contribution cannot exceed 3.470%.

From and after May 14, 2012 and until January 5, 2015 Section 20516 (Employees Sharing Cost of Additional Benefits) applicable to Section 21363.1 (3% @ 55 Full formula) effective March 27, 2006 for local fire members. The employee cost sharing contributions are 7%. In no event shall the employee cost sharing contribution attributable to the unfunded liability remain in effect beyond March 27, 2026. Thereafter, in any given contribution year, the maximum employee cost sharing contribution cannot exceed 2.433% of payroll.

- i. Section 20475 (Different Level of Benefits): Section 21353 (2% 60 Supplemental formula) is applicable to classic local miscellaneous members entering membership for the first time with this agency in the miscellaneous classification after November 28, 2011.

Section 20037 (Three-Year Final Compensation) is applicable to classic local fire members entering membership for the first time with this agency in the fire classification after May 14, 2012.

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

From and after January 5, 2015, 10.5% for classic local fire members.

From and after April 27, 2015 and until November 23, 2015, 10% for classic local police members.



From and after April 27, 2015 and until November 23, 2015, 1% for classic local miscellaneous members in the Albany Peace Officers' Association.

From and after November 23, 2015, 11% for classic local police members.

From and after November 23, 2015, 2% for classic local miscellaneous members in the Albany Peace Officers' Association.

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.

14. Public Agency, in accordance with Government Code Section 20834, shall not be considered an "employer" for purposes of the Public Employees' Retirement Law. Contributions of the Public Agency shall be fixed and determined as provided in Government Code Section 20834, and such contributions hereafter made shall be held by the Board as provided in Government Code Section 20834.
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. 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 safety 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.

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 5<sup>th</sup> day of June, 2017.

BOARD OF ADMINISTRATION  
PUBLIC EMPLOYEES' RETIREMENT SYSTEM

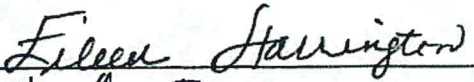
CITY COUNCIL  
CITY OF ALBANY

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

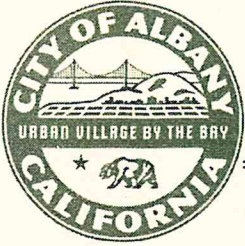
BY   
PRESIDING OFFICER

June 7, 2017  
Witness Date

Attest:

  
Clerk, Deputy





# City of Albany

1000 San Pablo Avenue • Albany, California 94706  
(510) 528-5710 • [www.albanyca.org](http://www.albanyca.org)

## **ORDINANCE NO. 2017-02**

PASSED AND APPROVED BY THE COUNCIL OF THE CITY OF ALBANY,

the 1st day of May, 2017 by the following votes:

AYES: Council Members Barnes, Maass, Nason, Pilch, Mayor McQuaid

NOES: none

ABSTAINED: none

ABSENT: none

WITNESS MY HAND AND THE SEAL OF THE CITY OF ALBANY, this

3rd Day May, 2017.

*Eileen Harrington*

Eileen Harrington  
DEPUTY CITY CLERK