Amendment to the City of Atascadero Contract with the California Public Employees' Retirement System (CalPERS)

(Request for authorization to amend the contract formula with CalPERS from 2% @ 55 to 2.5% @ 55 for non-safety members.)

RECOMMENDATION:

Council adopt on second reading, by title only, the Draft Ordinance of the City Council of the City of Atascadero authorizing an amendment to the contract between the City Council of the City of Atascadero and the Board of Administration of the California Public Employees’ Retirement System.

DISCUSSION:

On June 28, 2005 the City Council approved a new two year Memorandum of Understanding (MOU) with the Local 620 Service Employees International Union Atascadero Chapter (SEIU) and with the Mid-Managers and Professional Employees Association. The MOUs included provisions to amend the CalPERS contract from the current 2% @ 55 formula to the 2.5% @ 55 formula (Section 21354.4). At the March 27, 2007 meeting of the City Council, the Council voted unanimously to amend the City’s Agreement with CalPERS by adopting a Resolution of Intention and offering for first reading an ordinance required by CalPERS to amend the contract. This ordinance is attached (Attachment A) and is being considered for second reading. If adopted the ordinance will go into effect in 30 days. Benefits are expected to go into effect by July 1, 2007.

FISCAL IMPACT:

The amendment is anticipated to cost approximately $25,000 in 2007-08. This additional amount may increase or decrease annually depending on certain factors, especially the performance of the PERS investment portfolio. This cost will be included in the budget.

ATTACHMENTS: Attachment A: Draft Ordinance
DRAFT ORDINANCE


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

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

SECTION 3. 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. A summary of this Ordinance, approved by the City Attorney, together with the ayes and noes, shall be published twice: at least five days prior to its final passage in the Atascadero News, a newspaper published and circulated in the City of Atascadero, and; before the expiration of fifteen (15) days after its final passage, in the Atascadero News, a newspaper published and circulated in the City of Atascadero. A copy of the full text of this ordinance shall be on file in the City Clerk’s Office on and after the date following introduction and passage and shall be available to any interested member of the public.
INTRODUCED at a regular meeting of the City Council held on ____________, and PASSED, APPROVED and ADOPTED by the City Council of the City of Atascadero, State of California, on ____________, by the following roll call vote:

AYES:

NOES:

ABSTAIN:

ABSENT:

Dr. George Luna, Mayor

ATTEST:

Marcia McClure Torgerson, C.M.C.,
City Clerk

APPROVED AS TO FORM:

Patrick L. Enright, City Attorney