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426

CITY OF HAWAIIAN GARDENS

ORDINANCE NO. 426

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF HAWAIIAN GARDENS AUTHORIZING AN AMENDMENT TO THE CONTRACT BETWEEN THE CITY OF HAWAIIAN GARDENS AND THE BOARD OF ADMINISTRATION OF THE CALIFORNIA PUBLIC EMPLOYEES' RETIREMENT SYSTEM TO INCLUDE SAFETY MEMBERSHIP CATEGORY

The City Council of the City of Hawaiian Gardens does ordain as follows:

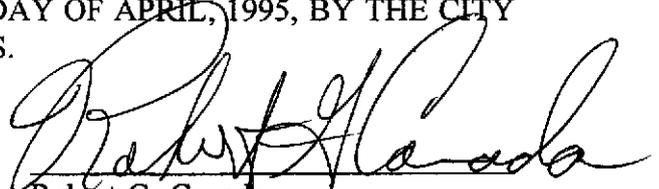
**Section 1:** That an amendment to the contract between the City Council of the City of Hawaiian Gardens and the Board of Administration, California Public Employees' Retirement System is hereby authorized, a copy of said amendment being attached hereto, marked EXHIBIT, and by such reference made a part hereof as though herein set out in full.

**Section 2:** The Ordinance is deemed to be an Urgency Ordinance requiring immediate adoption at the time of Second Reading due to the absence of retirement benefit coverage for the affected local safety members.

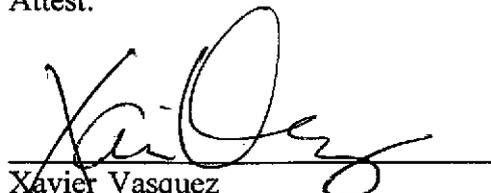
**Section 3:** The Mayor or presiding officer of the City Council is hereby authorized, empowered, and directed to execute said amendment for and on behalf of said Agency.

**Section 4:** This Ordinance shall take effect immediately upon adoption, pursuant to California Government Code Section 36937 (a), and the City Clerk, or his duly appointed Deputy, is directed to publish the Ordinance in a newspaper of general circulation immediately upon adoption, and is directed to attest thereto.

PASSED, APPROVED AND ADOPTED THIS 25TH DAY OF APRIL, 1995, BY THE CITY COUNCIL OF THE CITY OF HAWAIIAN GARDENS.

  
Robert G. Canada  
Mayor

Attest:

  
Xavier Vasquez  
City Clerk

Ordinance No. 426

Page Two

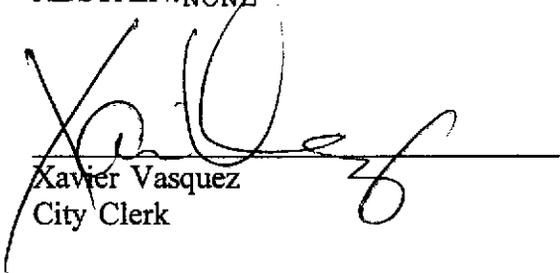
I, Xavier Vasquez, City Clerk of the City of Hawaiian Gardens, do certify that Ordinance No. 426 was duly and regularly passed and adopted by the City Council on the 25th day of April 1995 by the following roll call vote and same appears on file and of record in the office of the City Clerk.

AYES: CABRERA, FLORES, PRIDA, NAVEJAS, CANADA

NOES: NONE

ABSENT: NONE

ABSTAIN: NONE



Xavier Vasquez  
City Clerk



RECEIVED

JUN 12 1995

Actuarial Office  
P.O. Box 942709  
Sacramento, CA 94229-2709  
Telecommunications Device for the Deaf - (916) 326-3240  
(916) 326-3420 FAX - (916) 326-3005

June 7, 1995

Employer Code #0830

Mr. Walter McKinney  
Chief of Police  
City of Hawaiian Gardens  
21815 Pioneer Blvd.  
Hawaiian Gardens, CA 90716

Dear Mr. McKinney:

The contract amendment has been executed by CalPERS. The effective date of the contract amendment is April 30, 1995.

If you have any questions, please do not hesitate to contact **Cynthia L. Wiegman**, the **Retirement Specialist** who has been assisting your agency with its contract activity.

Sincerely,

Darlene Eredia  
Public Agency Contract Services

Enclosure

C0308 (Rev. 4/95)

**AMENDMENT TO CONTRACT  
BETWEEN THE  
BOARD OF ADMINISTRATION  
OF THE  
PUBLIC EMPLOYEES' RETIREMENT SYSTEM  
AND THE  
CITY COUNCIL  
OF THE  
CITY OF HAWAIIAN GARDENS**

The Board of Administration, Public Employees' Retirement System, hereinafter referred to as Board, and the governing body of above public agency, hereinafter referred to as Public Agency, having entered into a contract effective October 15, 1970, and witnessed September 17, 1970, and as amended effective August 25, 1980 and February 21, 1992, which provides for participation of Public Agency in said System, Board and Public Agency hereby agree as follows:

- A. Paragraphs 1 through 11 are hereby stricken from said contract as executed effective February 21, 1992, and hereby replaced by the following paragraphs numbered 1 through 12 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 60 for local miscellaneous members and age 50 for local safety members.
  2. Public Agency shall participate in the Public Employees' Retirement System from and after October 15, 1970 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. 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).
  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. **FIRE FIGHTERS.**

5. 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 21251.13 of said Retirement Law subject to the reduction provided therein for Federal Social Security (2% at age 60 Modified and Full).
6. The percentage of final compensation to be provided for each year of credited prior and current service as a local safety member shall be determined in accordance with Section 21252.01 of said Retirement Law subject to the reduction provided therein for Federal Social Security (2% at age 50 Modified).
7. Public Agency elected and elects to be subject to the following optional provisions:
  - a. Sections 21263 and 21263.1 (Post-Retirement Survivor Allowance).
  - b. Section 20930.3 (Military Service Credit as Public Service), Statutes of 1976.
8. Public Agency, in accordance with Government Code Section 20740, ceased to be an "employer" for purposes of Section 20759 effective on August 25, 1980. Accumulated contributions of Public Agency shall be fixed and determined as provided in Government Code Section 20759, and accumulated contributions thereafter shall be held by the Board as provided in Government Code Section 20759.
9. 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.
10. 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.
11. 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.

12. 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 30th <sup>(aje)</sup> day of April, 1995.

BOARD OF ADMINISTRATION  
PUBLIC EMPLOYEES' RETIREMENT SYSTEM

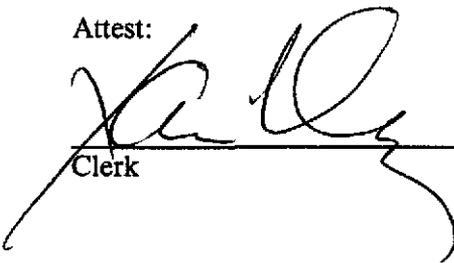
BY   
CHIEF ACTUARY  
ACTUARIAL OFFICE  
PUBLIC EMPLOYEES' RETIREMENT SYSTEM

CITY COUNCIL  
OF THE  
CITY OF HAWAIIAN GARDENS

BY   
Presiding Officer

4/25/95  
Witness Date

Attest:

  
Clerk

**TO:** Mayor and Council

**ATTENTION:** Nelson E. Oliva, City Administrator  
Maurice O'Shea, City Attorney  
Xavier Vasquez, City Clerk

**FROM:** Walter McKinney, Chief of Police  
Roger Chandler, Police Consultant

**SUBJECT:** **ORDINANCE NO. 426 (SECOND READING)  
AUTHORIZING AN AMENDMENT TO THE  
CONTRACT WITH THE PUBLIC EMPLOYEES'  
RETIREMENT SYSTEM (PERS) TO INCLUDE  
SAFETY MEMBERSHIP CATEGORY**

**DATE:** April 25, 1995

**OVERVIEW:**

At the Regular Meeting of March 28, 1995 the City Council introduced Ordinance No. 426 during its First Reading. The following is the staff report presented at that time.

The creation of a City Police Department required the recruitment of experienced professional police officers who have enjoyed retirement benefits by the Public Employees' Retirement System (PERS) under the local safety category 2% at 50 modified formula.

At the regular Meeting of December 13, 1994 the City Council adopted Resolution No. 123-94, a Resolution establishing a compensation plan for police department employees for the 1994-95 fiscal year setting forth among other circumstances benefits for sworn and non-sworn employees. Section 6 of said Agreement, entitled Retirement, reads as follows:

Sworn Peace Officer positions covered by this Resolution shall be members of the California Public Employees Retirement System (PERS) and shall be eligible for retirement benefits based upon the 2 percent at age 50 formula, using the average monthly salary earned during the highest 12 consecutive months of employment. The City shall pay the employee's share of the retirement premium up to 9 percent of covered salary.

The Public Safety Dispatcher members covered by this Resolution shall be members of the Public Employees Retirement System (PERS) and shall be eligible for retirement benefits based upon the 2 percent at age 60 miscellaneous formula. The City shall pay the employee's share of the retirement premium.

AGENDA ITEM NO. 2A  
April 25, 1995  
Page Two

The City of Hawaiian Gardens has an existing contract with the PERS Board --original effective date of October 15, 1970-- which provides for participation in the retirement system under the local miscellaneous age 60 formula.

Pursuant to subsequent revisions of said PERS Contract the City of Hawaiian Gardens specifically excluded "Local Police Officers" (herein referred to as local safety members) from the Contract.

As a result of the establishment of the City Police Department, staff have been in continuous communication with PERS staff regarding an actuarial analysis of existing sworn police officer personnel in preparation for inclusion in the proposed contract amendment.

The existing PERS amendment procedure (State Government Code) requires the following:

1. A Resolution of Intention to amend the City's contract with PERS.
2. A secret ballot election by the employees proposed to be included as safety members (20 employees) pursuant to Government Code Section 20457, where a majority of the affected members must vote to approve such amendment.
3. Adoption of an Ordinance, pursuant to Government Code Section 7507, authorizing an amendment to the contract with PERS to include safety membership category, which clearly specifies the cost implications of the proposed contract amendment to be made public at a public meeting at least two weeks prior to the adoption of the final Ordinance.

The actuarial valuation conducted by PERS for the twenty (20) active employees provided for a factor of 16.663% of annual payroll cost to calculate the Total Employer Contribution Rate. The Total Employee Contribution Rate is factored at 9% of annual payroll cost. Based on current payroll the estimated costs are as follows:

Total Employer Contribution	\$149,203.17
Total Employee Contribution	<u>\$ 80,587.44</u>
Total Annual Cost to City	\$229,790.61

All anticipated costs described above were included in the approved fiscal year 1994-95 operating budget.

AGENDA ITEM NO. 2A  
April 25, 1995  
Page Three

Finally, there must be a twenty (20) day period between the adoption of the Resolution of Intention and the final Ordinance, pursuant to Government Code Section 20460. The effective date of the final amendment is anticipated to occur on Sunday, April 30, 1995.

**RECOMMENDATION:**

Staff recommends approval of Ordinance No. 426.

**COUNCIL ACTION:**

Waive further reading and adopt Ordinance No. 426.

*File Behind the ordinance*

**PROOF OF PUBLICATION**  
(2015.5 C.C.P.)

This space is for the City Clerk's Filing Stamp

STATE OF CALIFORNIA,  
COUNTY OF LOS ANGELES,

I am a citizen of the United States States and a resident of the County aforesaid; I am over the age of eighteen years, and not a party to or interested in the above-entitled matter. I am the principal clerk of the printer of the Long Beach Press-Telegram, a newspaper of general circulation, printed and published 7 times each week in the City of Long Beach, County of Los Angeles, and which newspaper has been adjudged a legal newspaper of general circulation by the Superior Court of the County of Los Angeles, State of California, under the date of March 21, 1934.

Number 370512; that the notice, of which the annexed is a printed copy (set in type not smaller than nonpareil), has been published in each regular and entire issue of said newspaper and not in any supplement thereof on the following dates, to-wit:

May 8,  
all in the year 1995.

I certify (or declare) under penalty of perjury that the foregoing is true and correct.

Dated at Long Beach, California, this 8th day of May, 1995.

*Barbara Callison*  
Signature

Press-Telegram Legal  
Advertising Department

604 Pine Ave., Long Beach, Ca., 90844  
(310) 499-1236

**PROOF OF PUBLICATION OF**  
City of Hawaiian Gardens  
ORDINANCE NO. 426

**CITY OF HAWAIIAN GARDENS**  
**ORDINANCE NO. 426**  
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Robert G. Canada  
Mayor  
Attest:  
Xavier Vasquez  
City Clerk  
Pub. May 8, 1995 (1c)PT 27008-101206-Govt.