

ORDINANCE NO. 266

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

THE CITY COUNCIL OF THE CITY OF GRAND TERRACE DOES HEREBY ORDAIN AS FOLLOWS:

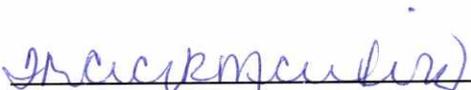
**Section 1.** That an amendment to the contract between the City Council of the City of Grand Terrace and the Board of Administration, California Public Employees' Retirement System is hereby authorized, a copy of said amendment being attached hereto, marked Exhibit A, and by such reference made a part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

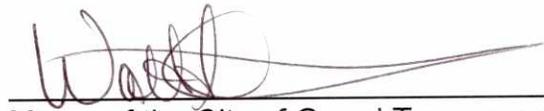
**Section 2.** The Mayor of the City Council is hereby authorized, empowered, and directed to execute said amendment for and on behalf of said Agency.

**Section 3.** This Ordinance shall take effect 30 days after the date of its adoption, and prior to the expiration of 10 days from the passage thereof shall be published at least once in the Grand Terrace City News, a newspaper of general circulation, published and circulated in Grand Terrace and thenceforth and thereafter the same shall be in full force and effect.

First introduced at a regular meeting of the City Council of said City held on the 23<sup>rd</sup> day of October, 2012, and finally adopted and ordered posted at a regular meeting of said City Council on the 13<sup>th</sup> day of November 2012.

ATTEST:

  
\_\_\_\_\_  
City Clerk of the City of Grand Terrace  
and of the City Council thereof.

  
\_\_\_\_\_  
Mayor of the City of Grand Terrace and  
of the City Council thereof.

**ORDINANCE NO. 266**  
**Page 2**

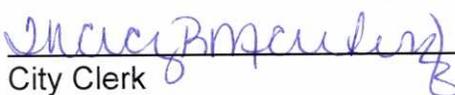
I, Tracey Martinez, City Clerk of the City of Grand Terrace, do hereby certify that the foregoing Ordinance was introduced and adopted at a regular meeting of the City Council of the City of Grand Terrace held on the 13<sup>th</sup> day of November, 2012, by the following vote:

AYES: Councilmembers Hays, McNaboe and Sandoval; Mayor Pro Tem Garcia and Mayor Stanckiewicz

NOES: None

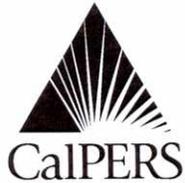
ABSENT: None

ABSTAIN: None

  
\_\_\_\_\_  
City Clerk

Approved as to form:

  
\_\_\_\_\_  
City Attorney



## 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 Grand Terrace

---



---

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 January 20, 1990, and witnessed December 14, 1989, and as amended effective October 23, 1995, May 26, 2000, August 28, 2004 and September 23, 2006 which provides for participation of Public Agency in said System, Board and Public Agency hereby agree as follows:

- A. Paragraphs 1 through 12 are hereby stricken from said contract as executed effective September 23, 2006, 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 entering membership in the miscellaneous classification on or prior to the effective date of this amendment to contract and age 60 for local miscellaneous members entering membership for the first time in the miscellaneous classification after the effective date of this amendment to contract.

2. Public Agency shall participate in the Public Employees' Retirement System from and after January 20, 1990 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 attorneys 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) Public Agency's election to amend this Contract to provide retirement benefits, provisions or formulas that are different than 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.
  - (d) Public Agency's election to file for bankruptcy under Chapter 9 (commencing with section 901) of Title 11 of the United States Bankruptcy Code and/or Public Agency's election to reject this Contract with the CalPERS Board of Administration pursuant to section 365, of Title 11, of the United States Bankruptcy Code or any similar provision of law.
  - (e) Public Agency's election to assign this Contract without the prior written consent of the CalPERS' Board of Administration.
  - (f) The termination of this Contract either voluntarily by request of Public Agency or involuntarily pursuant to the Public Employees' Retirement Law.

- (g) Changes sponsored by Public Agency in existing retirement benefits, provisions or formulas made as a result of amendments, additions or deletions to California statute or to the California Constitution.
- 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. 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. **SAFETY EMPLOYEES; AND**
  - b. **ELECTED OFFICIALS.**
- 6. Assets heretofore accumulated with respect to members in the local retirement system have been transferred to the Public Employees' Retirement System and applied against the liability for prior service incurred thereunder. That portion of the assets so transferred which represent the accumulated contributions (plus interest thereof) required of the employees under said local system has been credited to the individual membership account of each such employee under the Public Employees' Retirement System.
- 7. The percentage of final compensation to be provided for each year of credited prior and current service as a local miscellaneous member in employment before and not on or after September 23, 2006 shall be determined in accordance with Section 21354 of said Retirement Law (2% at age 55 Full).
- 8. The percentage of final compensation to be provided for each year of credited prior and current service as a local miscellaneous member in employment on or after September 23, 2006 and not entering membership for the first time in the miscellaneous classification after the effective date of this amendment to contract shall be determined in accordance with Section 21354.5 of said Retirement Law (2.7% at age 55 Full).
- 9. The percentage of final compensation to be provided for each year of credited current service as a local miscellaneous member entering membership for the first time in the miscellaneous classification after the effective date of this amendment to contract shall be determined in accordance with Section 21353 of said Retirement Law (2% at age 60 Full).

10. Public Agency elected and elects to be subject to the following optional provisions:
  - a. Section 20938 (Limit Prior Service to Members Employed on Contract Date).
  - b. Section 21536 (Local System Service Credit Included in Basic Death Benefit).
  - c. Section 20042 (One-Year Final Compensation) for local miscellaneous members entering membership on or prior to the effective date of this amendment to contract.
  - d. Section 21024 (Military Service Credit as Public Service).
  - e. Section 21574 (Fourth Level of 1959 Survivor Benefits).
  - f. Section 20475 (Different Level of Benefits). Section 21353 (2% @ 60 Full formula) and Section 20037 (Three-Year Final Compensation) are applicable to local miscellaneous members entering membership for the first time in the miscellaneous classification after the effective date of this amendment to contract.
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 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 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 miscellaneous 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.

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 14th day of December, 2012.

BOARD OF ADMINISTRATION  
PUBLIC EMPLOYEES' RETIREMENT SYSTEM

CITY COUNCIL  
CITY OF GRAND TERRACE

BY \_\_\_\_\_  
KAREN DE FRANK, CHIEF  
CUSTOMER ACCOUNT SERVICES DIVISION  
PUBLIC EMPLOYEES' RETIREMENT SYSTEM

BY   
PRESIDING OFFICER

November 14, 2012  
Witness Date

Attest:

  
Clerk

On November 13, 2012 the following Ordinance was adopted:

Ordinance 266

An Ordinance of the City Council of the City of Grand Terrace authorizing an amendment to the contract between the City Council of the City of Grand Terrace and the Board of Administration of the California Public Employees' Retirement System.

This Ordinance was duly introduced for first reading at the City Council meeting of October 23, 2012 and will be presented for a second reading at the meeting of November 13, 2012.

This ordinance authorizes a different level of benefits for employees hired after the effective date of the ordinance. These changes are being made pursuant to California Retirement Law as follows:

Adopting Section 20475 – Different Level of Benefits  
Adopting Section 21353 - 2% @ 60 Full Formula  
Adopting Section 20037 - Three-Year Final Compensation

This Ordinance shall go into full force and effect at 12:01 a.m. on the thirty-first (31<sup>st</sup>) day after its passage.

Copies of this Ordinance are available through the City Clerk's office for examination and purchase by the general public.

The above referenced ordinance was adopted by the following vote:

AYES: Councilmembers McNaboe, Sandoval and Hays; Mayor Pro Tem Garcia and Mayor Stanckiewicz  
NOES: None  
ABSENT: None  
ABSTAIN: None