

APPROVED
BY THE CITY COUNCIL

NOV 18 1997

OFFICE OF THE
CITY CLERK



1.5

DEPARTMENT OF
ADMINISTRATIVE SERVICES
PERSONNEL SERVICES DIVISION

CITY OF SACRAMENTO
CALIFORNIA

921 TENTH STREET
ROOM 101
SACRAMENTO, CA
95814-2711

November 3, 1997

916-264-5665
916-264-7326 FAX

City Council
Sacramento, California

Honorable Members in Session:

**SUBJECT: AMENDMENT TO CONTRACT #89-110 WITH PUBLIC EMPLOYEES'
RETIREMENT SYSTEM (PERS)**

LOCATION/COUNCIL DISTRICT:

City.

RECOMMENDATION:

It is recommended that the City Council take final action to amend the PERS contract by enacting the attached ordinance (Attachment 1) to approve an amendment to the current PERS contract to provide Section 20475 (Different Level of Benefits) which permits the City to reduce the level of PERS disability benefits for prospective miscellaneous hires by terminating the provision of Section 21151 (Industrial Disability Retirement for Local Miscellaneous Members).

CONTACT PERSON:

Dee Contreras, Director of Labor Relations, 264-5424

FOR COUNCIL MEETING OF:

November 18, 1997 (afternoon)

SUMMARY AND BACKGROUND:

During the 1994/96 labor negotiations with the miscellaneous labor organizations, the City agreed to amend the PERS contract to provide reduced disability benefits for prospective miscellaneous hires.

At the October 28, 1997 City Council meeting, Council adopted a Resolution of Intention #97-599 to amend the PERS contract to provide Section 20475 (Different Level of Benefits) for prospective miscellaneous hires by terminating the provision of Section 21151 (Industrial Disability Retirement for Local Miscellaneous Members)

in accordance with the negotiated labor agreements and passed for publication the attached ordinance.

FINANCIAL CONSIDERATIONS:

In accordance with Sacramento City Charter Section 373, Towers Perrin, actuarial firm, stated that with the reduction of the disability benefit for prospective miscellaneous hires there will be a nominal savings rather than a cost to the City (Attachment 2).

ENVIRONMENTAL CONSIDERATIONS:

This action is not considered a project for purposes of CEQA, inasmuch as it is a financial mechanism having no conceivable adverse effect upon the environment.

POLICY CONSIDERATIONS:

The enactment of the ordinance will be in compliance with the current Labor Agreements representing local miscellaneous employees.

MBE/WBE:

No goods or services are involved in this action.

Respectfully submitted,



Dee Contreras
Director of Labor Relations

RECOMMENDATION APPROVED:



WILLIAM H. EDGAR
City Manager

Attachments

APPROVED
BY THE CITY COUNCIL

NOV 18 1997

OFFICE OF THE
CITY CLERK

ORDINANCE NO. 97-066

ADOPTED BY THE SACRAMENTO CITY COUNCIL

ON DATE OF _____

**AN ORDINANCE AUTHORIZING AN AMENDMENT TO
CONTRACT NO. 89110 BETWEEN THE CITY COUNCIL
OF THE CITY OF SACRAMENTO AND THE BOARD OF
ADMINISTRATION OF THE CALIFORNIA PUBLIC
EMPLOYEES' RETIREMENT SYSTEM**

BE IT ENACTED BY THE COUNCIL OF THE CITY OF SACRAMENTO:

SECTION 1.

That an amendment to the Contract between the City Council of the City of Sacramento and the Board of Administration, California Public Employees' Retirement System (PERS) 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 of Sacramento is hereby authorized, empowered, and directed to execute said amendment for and on behalf of City of Sacramento.

SECTION 3.

THIS ORDINANCE SHALL TAKE EFFECT THIRTY (30) DAYS AFTER THE DATE OF ITS ADOPTION.

DATE PASSED FOR PUBLICATION:

DATE ENACTED:

DATE EFFECTIVE:

MAYOR

ATTEST:

CITY CLERK

FOR CITY CLERK USE ONLY

ORDINANCE NO.: _____

DATE ADOPTED: _____

EXHIBIT

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

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 January 29, 1977, and witnessed January 25, 1977, and as amended effective June 1, 1978, March 17, 1988, December 30, 1989, June 26, 1991, February 21, 1992, May 29, 1996 and November 20, 1996, which provides for participation of Public Agency in said System, Board and Public Agency hereby agree as follows:

- A. Paragraphs 1 through 16 are hereby stricken from said contract as executed effective November 20, 1996, and hereby replaced by the following paragraphs numbered 1 through 16 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, age 50 for those local safety members entering membership in this System on or prior to December 30, 1989 and age 55 for those local safety members entering membership in this System after December 30, 1989.
 2. Public Agency shall participate in the Public Employees' Retirement System from and after January 29, 1977 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 Fire Fighters (herein referred to as local safety members);
 - b. Local Police Officers (herein referred to as local safety members);

PLEASE DO NOT SIGN "EXHIBIT ONLY"

- 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. **ALL MISCELLANEOUS EMPLOYEES WHO WERE IN EMPLOYMENT PRIOR TO JANUARY 29, 1977; AND**
 - b. **ALL PERSONS WHO ARE PARTICIPANTS (AS THAT TERM IS DEFINED IN THE ACT HEREINAFTER REFERRED TO AND ANY REGULATIONS PROMULGATED THEREUNDER) UNDER THE COMPREHENSIVE EMPLOYMENT AND TRAINING ACT OF 1973, AS AMENDED.**
5. Assets heretofore accumulated with respect to members in the local retirement system who entered membership in this System on December 30, 1989 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 thereupon) 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.
6. This contract shall be a continuation of the fire function of the Pacific Fire Protection District, hereinafter referred to as "Former Agency". The accumulated contributions, assets and liability for prior and current service under the Former Agency's contract with respect to the fire function shall be merged pursuant to Section 20508 of the Government Code. Such merger occurred December 28, 1991.
 - a. All benefits provided under this contract shall apply to all past service for former local safety employees of the Pacific Fire Protection District.
7. The percentage of final compensation to be provided for local miscellaneous members for each year of credited prior service is zero and the percentage of final compensation to be provided for each year of credited current service is 100, and determined in accordance with Section 21251.13, subject to the reduction provided therein for service on or after January 29, 1977, for members whose service has been included in Federal Social Security (2% at age 60 Full and Modified).

PLEASE DO NOT SIGN "EXHIBIT ONLY"

8. The percentage of final compensation to be provided for each year of credited prior service is zero and the percentage to be provided for each year of credited current service is 100, and determined in accordance with Section 21362 of said Retirement Law (2% at age 50 Full) for local safety members entering membership in this System on or after January 29, 1977 and prior to December 30, 1989.
9. The percentage of final compensation to be provided for each year of credited prior and current service shall be determined in accordance with Section 21362 of said Retirement Law (2% at age 50 Full) for local safety members who transferred from the local system and entered membership in this System on December 30, 1989.
10. The percentage of final compensation to be provided for each year of credited prior and current service shall be determined in accordance with Section 21363 of said Retirement Law (2.5% at age 55), for local safety members entering membership in this System after December 30, 1989.
11. Public Agency elected and elects to be subject to the following optional provisions:
 - a. Sections 21624 and 21626 (Post-Retirement Survivor Allowance).
 - b. Section 21151 (Industrial Disability Retirement For Local Miscellaneous Members) for local miscellaneous members entering membership on or prior to the effective date of this amendment to contract.
 - c. Section 21022 (Public Service Credit for Periods of Lay-Off) for local fire members only.
 - d. Section 21335 (3% Cost-of-Living Allowance) limited pursuant to Section 21252.023(a) for local safety members who transferred from the local system, entered membership in this System on December 30, 1989 and retired after that date.
 - e. Section 21037 (Cancellation of Payment for Optional Service Credit Upon Retirement for Industrial Disability) limited pursuant to Section 21038 for local safety members who transferred from the local system and entered membership in this System on December 30, 1989.
 - f. Section 20687(b) (Member Contribution Rate of 9% of Compensation) for local safety members entering membership in this System after December 30, 1989.

PLEASE DO NOT SIGN "EXHIBIT ONLY"

- g. Section 21536 (Local System Service Credit Included in Basic Death Benefit) for local safety members who transferred from the local system and entered membership in this System on December 30, 1989.
 - h. Section 20042 (One-Year Final Compensation) for local safety members only.
 - i. Section 21024 (Military Service Credit as Public Service), Statutes of 1976.
 - j. Section 20475 (Different Level of Benefits). Section 21151 (Industrial Disability Retirement For Local Miscellaneous Members) is not applicable to local miscellaneous members entering membership after the effective date of this amendment to contract.
12. 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.
13. 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.
14. 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.
15. 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.

16. 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 _____, 19____.

BOARD OF ADMINISTRATION
PUBLIC EMPLOYEES' RETIREMENT SYSTEM

CITY COUNCIL
OF THE
CITY OF SACRAMENTO

BY _____
KENNETH W. MARZION, CHIEF
ACTUARIAL & EMPLOYER SERVICES DIVISION
PUBLIC EMPLOYEES' RETIREMENT SYSTEM

BY _____
PRESIDING OFFICER

Witness Date

Attest:

Clerk

PLEASE DO NOT SIGN "EXHIBIT ONLY"

PLEASE DO NOT SIGN "EXHIBIT ONLY"

David C. LeSueur, FSA
Principal

One Tabor Center
1200 Seventeenth Street, Suite 1200
Denver, CO 80202-5812
303 628-4000
Fax: 303 628-4090

Towers Perrin

RECEIVED

JAN 27 1997

EMPLOYEE SERVICES

January 23, 1997

Ms. Yvonne E. Berdan
Retirement Officer
City of Sacramento
921 Tenth Street, Room 101
Sacramento, California 95814-2711

Actuarial Impact of Modifications to PERS Contract

Dear Yvonne:

As requested, we reviewed the proposed military service credit and Tier II changes to the City of Sacramento's contract with PERS. The impact of both of these changes is expected to be minimal, as discussed more fully below.

Military Service Credit

Based on the information you provided, the military service credit option would allow members to purchase up to four years of credit for prior military service. The member would pay both the employee and employer cost associated with the service, defined as follows. The employee cost would be the number of years being purchased times the employee's pay rate times the employee's contribution rate, where the pay and contribution rates are determined at the time the member entered the system. The employer cost is the number of years being purchased times the employee's pay rate (at entry) times the employer's contribution rate at the time of the employee's election to purchase credit for prior military service. Interest is also charged on both the employee and employer cost from the time the member entered the system until the time the election is made.

Given that the affected members pay for both the employee and employer cost, this provision is expected neither to be heavily utilized nor to cost the City a material amount. It should be noted, however, that the amount charged the member is not the true actuarial cost, but rather a reasonable proxy. Whether there is a true net cost to the system is dependent on the specifics of each individual's situation. In particular, the actual cost will depend heavily on the City's contribution rate at the time of each individual's election. In the worst case, if the City has sufficient favorable experience such that the employer contribution rate is zero at the time of the member's election, the member will in effect only have to contribute the employee's cost. In aggregate, however, the impact to the system should be nominal.

Ms. Yvonne E. Berdan
January 23, 1997
Page 2.

Towers Perrin

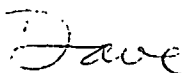
Tier 2 PERS Miscellaneous Benefit

The other proposed change is to adopt the Tier 2 Miscellaneous Benefit Plan for miscellaneous PERS members. You indicated that the only difference between the Tier 1 and Tier 2 plans is in the disability benefit. The Tier 1 plan has an industrial disability benefit which pays a service-related amount up to 50% of the member's pay at the time of disability. The Tier 2 benefit has only the regular disability benefit, which has a limit of 33.3%. Given that the benefit is being reduced, it is clear this change will result in a savings rather than a cost for the City. While we do not have sufficient information to quantify the impact fully, the savings should be nominal given that only benefits payable upon job-related disability are affected, and the benefit is being reduced, not eliminated.

* * *

Hopefully, this provides the information you requested. If you have any questions, or if you would like further clarification, please give me a call.

Sincerely



David C. LeSueur, FSA

DCL/kls

Direct Dial: 310-628-4036

S:\05185\97RET\LESUEUR\YB0123.LTR

APPROVED
BY THE CITY COUNCIL

OCT 28 1997

OFFICE OF THE
CITY CLERK

PASSED FOR
PUBLICATION
& CONTINUED
TO 11-18-97



1.4
1.5

DEPARTMENT OF
ADMINISTRATIVE SERVICES
PERSONNEL SERVICES DIVISION

CITY OF SACRAMENTO
CALIFORNIA

921 TENTH STREET
ROOM 101
SACRAMENTO, CA
95814-2711

October 13, 1997

916-264-5665
916-264-7326 FAX

City Council
Sacramento, California

Honorable Members in Session:

**SUBJECT: AMENDMENT TO CONTRACT #89-110 WITH PUBLIC EMPLOYEES'
RETIREMENT SYSTEM (PERS): RESOLUTION OF INTENTION
TO AMEND AND ORDINANCE TO IMPLEMENT AMENDMENT**

LOCATION/COUNCIL DISTRICT:

City.

RECOMMENDATION:

It is recommended that the City Council (1) adopt a Resolution of Intention to approve an amendment to the current PERS contract to provide Section 20475 (Different Level of Benefits) which permits the City to reduce the level of PERS disability benefits for prospective miscellaneous hires by terminating the provision of Section 21151 (Industrial Disability Retirement for Local Miscellaneous Members) (2) pass for publication an ordinance amending the current PERS contract and (3) and continue the matter to the November 18, 1997 meeting for Council to take final action by enacting the ordinance.

CONTACT PERSON:

Dee Contreras, Director of Labor Relations, 264-5424

FOR COUNCIL MEETING OF:

October 28, 1997 (afternoon)

SUMMARY AND BACKGROUND:

During the 1994/96 labor negotiations with the miscellaneous labor organizations, the City agreed to amend the PERS contract to provide reduced disability benefits for prospective miscellaneous hires.

This report describes the actions required by the City Council to

PASSED FOR
PUBLICATION
& CONTINUED
TO 11.18.97

ORDINANCE NO.

ADOPTED BY THE SACRAMENTO CITY COUNCIL

ON DATE OF _____

AN ORDINANCE AUTHORIZING AN AMENDMENT TO CONTRACT NO. 89110 BETWEEN THE CITY COUNCIL OF THE CITY OF SACRAMENTO AND THE BOARD OF ADMINISTRATION OF THE CALIFORNIA PUBLIC EMPLOYEES' RETIREMENT SYSTEM

BE IT ENACTED BY THE COUNCIL OF THE CITY OF SACRAMENTO:

SECTION 1.

That an amendment to the Contract between the City Council of the City of Sacramento and the Board of Administration, California Public Employees' Retirement System (PERS) 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 of Sacramento is hereby authorized, empowered, and directed to execute said amendment for and on behalf of City of Sacramento.

SECTION 3.

THIS ORDINANCE SHALL TAKE EFFECT THIRTY (30) DAYS AFTER THE DATE OF ITS ADOPTION.

DATE PASSED FOR PUBLICATION:

DATE ENACTED:

DATE EFFECTIVE:

MAYOR

ATTEST:

CITY CLERK

FOR CITY CLERK USE ONLY

ORDINANCE NO.: _____

DATE ADOPTED: _____

ORDINANCE NO.

ADOPTED BY THE SACRAMENTO CITY COUNCIL

ON DATE OF _____

**AN ORDINANCE AUTHORIZING AN AMENDMENT TO
CONTRACT NO. 89110 BETWEEN THE CITY COUNCIL
OF THE CITY OF SACRAMENTO AND THE BOARD OF
ADMINISTRATION OF THE CALIFORNIA PUBLIC
EMPLOYEES' RETIREMENT SYSTEM**

BE IT ENACTED BY THE COUNCIL OF THE CITY OF SACRAMENTO:

SECTION 1.

That an amendment to the Contract between the City Council of the City of Sacramento and the Board of Administration, California Public Employees' Retirement System (PERS) 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 of Sacramento is hereby authorized, empowered, and directed to execute said amendment for and on behalf of City of Sacramento.

SECTION 3.

THIS ORDINANCE SHALL TAKE EFFECT THIRTY (30) DAYS AFTER THE DATE OF ITS ADOPTION.

DATE PASSED FOR PUBLICATION:

DATE ENACTED:

DATE EFFECTIVE:

MAYOR

ATTEST:

CITY CLERK

FOR CITY CLERK USE ONLY

ORDINANCE NO.: _____

DATE ADOPTED: _____

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

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 20475 (Different Level of Benefits).
Section 21151 (Industrial Disability Retirement for Local
Miscellaneous Members) is not applicable to local
miscellaneous members entering membership after the
effective date of this amendment to contract.

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.

By _____
Presiding Officer

Title

Date adopted and approved

EXHIBIT

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

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 January 29, 1977, and witnessed January 25, 1977, and as amended effective June 1, 1978, March 17, 1988, December 30, 1989, June 26, 1991, February 21, 1992, May 29, 1996 and November 20, 1996, which provides for participation of Public Agency in said System, Board and Public Agency hereby agree as follows:

- A. Paragraphs 1 through 16 are hereby stricken from said contract as executed effective November 20, 1996, and hereby replaced by the following paragraphs numbered 1 through 16 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, age 50 for those local safety members entering membership in this System on or prior to December 30, 1989 and age 55 for those local safety members entering membership in this System after December 30, 1989.
 2. Public Agency shall participate in the Public Employees' Retirement System from and after January 29, 1977 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 Fire Fighters (herein referred to as local safety members);
 - b. Local Police Officers (herein referred to as local safety members);

PLEASE DO NOT SIGN "EXHIBIT ONLY"

- 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. **ALL MISCELLANEOUS EMPLOYEES WHO WERE IN EMPLOYMENT PRIOR TO JANUARY 29, 1977; AND**
 - b. **ALL PERSONS WHO ARE PARTICIPANTS (AS THAT TERM IS DEFINED IN THE ACT HEREINAFTER REFERRED TO AND ANY REGULATIONS PROMULGATED THEREUNDER) UNDER THE COMPREHENSIVE EMPLOYMENT AND TRAINING ACT OF 1973, AS AMENDED.**
5. Assets heretofore accumulated with respect to members in the local retirement system who entered membership in this System on December 30, 1989 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 thereupon) 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.
6. This contract shall be a continuation of the fire function of the Pacific Fire Protection District, hereinafter referred to as "Former Agency". The accumulated contributions, assets and liability for prior and current service under the Former Agency's contract with respect to the fire function shall be merged pursuant to Section 20508 of the Government Code. Such merger occurred December 28, 1991.
 - a. All benefits provided under this contract shall apply to all past service for former local safety employees of the Pacific Fire Protection District.
7. The percentage of final compensation to be provided for local miscellaneous members for each year of credited prior service is zero and the percentage of final compensation to be provided for each year of credited current service is 100, and determined in accordance with Section 21251.13, subject to the reduction provided therein for service on or after January 29, 1977, for members whose service has been included in Federal Social Security (2% at age 60 Full and Modified).

PLEASE DO NOT SIGN "EXHIBIT ONLY"

8. The percentage of final compensation to be provided for each year of credited prior service is zero and the percentage to be provided for each year of credited current service is 100, and determined in accordance with Section 21362 of said Retirement Law (2% at age 50 Full) for local safety members entering membership in this System on or after January 29, 1977 and prior to December 30, 1989.
9. The percentage of final compensation to be provided for each year of credited prior and current service shall be determined in accordance with Section 21362 of said Retirement Law (2% at age 50 Full) for local safety members who transferred from the local system and entered membership in this System on December 30, 1989.
10. The percentage of final compensation to be provided for each year of credited prior and current service shall be determined in accordance with Section 21363 of said Retirement Law (2.5% at age 55), for local safety members entering membership in this System after December 30, 1989.
11. Public Agency elected and elects to be subject to the following optional provisions:
 - a. Sections 21624 and 21626 (Post-Retirement Survivor Allowance).
 - b. Section 21151 (Industrial Disability Retirement For Local Miscellaneous Members) for local miscellaneous members entering membership on or prior to the effective date of this amendment to contract.
 - c. Section 21022 (Public Service Credit for Periods of Lay-Off) for local fire members only.
 - d. Section 21335 (3% Cost-of-Living Allowance) limited pursuant to Section 21252.023(a) for local safety members who transferred from the local system, entered membership in this System on December 30, 1989 and retired after that date.
 - e. Section 21037 (Cancellation of Payment for Optional Service Credit Upon Retirement for Industrial Disability) limited pursuant to Section 21038 for local safety members who transferred from the local system and entered membership in this System on December 30, 1989.
 - f. Section 20687(b) (Member Contribution Rate of 9% of Compensation) for local safety members entering membership in this System after December 30, 1989.

PLEASE DO NOT SIGN "EXHIBIT ONLY"

- g. Section 21536 (Local System Service Credit Included in Basic Death Benefit) for local safety members who transferred from the local system and entered membership in this System on December 30, 1989.
 - h. Section 20042 (One-Year Final Compensation) for local safety members only.
 - i. Section 21024 (Military Service Credit as Public Service), Statutes of 1976.
 - j. Section 20475 (Different Level of Benefits). Section 21151 (Industrial Disability Retirement For Local Miscellaneous Members) is not applicable to local miscellaneous members entering membership after the effective date of this amendment to contract.
12. 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.
13. 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.
14. 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.
15. 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.

16. 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 _____, 19____.

BOARD OF ADMINISTRATION
PUBLIC EMPLOYEES' RETIREMENT SYSTEM

CITY COUNCIL
OF THE
CITY OF SACRAMENTO

BY _____
KENNETH W. MARZION, CHIEF
ACTUARIAL & EMPLOYER SERVICES DIVISION
PUBLIC EMPLOYEES' RETIREMENT SYSTEM

BY _____
PRESIDING OFFICER

Witness Date

Attest:

Clerk

1.6

From: Carolyn Hoover
To: Valerie Burrowes
Subject: fwd: PERS amendment

====NOTE=====11/12/97=10:33am=
I'm sure you probably saw the note from Yvonne Berdan concerning the original PERS contract, re: Item 1.6 of 11/18 agenda. All we have are Exhibits, nothing with original signatures; the note says they will be available by 11/21, but this is an agenda item for 11/18. Is it OK for us to proceed without the signed contract? (Please bear with me.... I'm still learning). Thanks!

Fwd=by:=Valerie=Burro=11/09/97=10:40am=
Fwd to: Carolyn Hoover
.....
We need the signature of our attorney - do we have the contract?

Fwd=by:=Carolyn=Hoove=11/12/97=10:45am=
Fwd to: Valerie Burrowes
.....
All we have is a copy of the unsigned contract - marked "Exhibit: Do not sign". I just called Yvonne and asked when we would have the signed contract and she said she hoped it would be sometime this week. To date, we have no original signatures on anything.

Fwd=by:=Valerie=Burro=11/09/97=10:50am=
Fwd to: Carolyn Hoover
.....
It doesn't go unless I have an attorney signature on it (our attorney "Approved As to Form")

#0