

ORDINANCE O2024-12

ORDINANCE OF THE CITY COUNCIL OF THE CITY OF MANTECA, STATE OF CALIFORNIA, ADDING CHAPTER 2.48.045 TO THE MANTECA MUNICIPAL CODE TO AMEND THE CONTRACT BETWEEN THE CALIFORNIA PUBLIC EMPLOYEE RETIREMENT SYSTEM AND THE CITY OF MANTECA PER GOVERNMENT CODE SECTION 20516

WHEREAS, per Government Code Section 20516, the City of Manteca shall bring forward an Ordinance authorizing an amendment to the contract between the City Council of the City of Manteca, and the Board of Administration of the California Public Employees' Retirement System; and

WHEREAS, the City Council has considered all information related to this matter, as presented at the public meeting of the City Council identified herein, including any supporting reports by City Staff, and any information provided during public meetings.

THE CITY COUNCIL OF THE CITY OF MANTECA DOES ORDAIN AS FOLLOWS:

SECTION 1: Chapter 2.48.045, is hereby added to the Manteca Municipal Code to read as follows:

Chapter 2.48.045

- A. That an amendment to the contract between the City Council of the City of Manteca 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.
- B. The Mayor of the City of Manteca is hereby authorized, empowered, and directed to execute said amendment for and on behalf of said Agency.

SECTION 2: Severability. If any section, sub-section, subdivision, paragraph, clause or phrase in this Ordinance, or any part thereof, is for any reason held to be invalid or unconstitutional, such decision shall not affect the validity of the remaining sections or portions of this Ordinance or any part thereof. The City Council hereby declares that it would have passed each section, sub- section, subdivision, paragraph, sentence, clause or phrase of this Ordinance, irrespective of the fact that any one or more sections, sub-

sections, subdivisions, paragraphs, sentences, clauses or phrases may be declared invalid or unconstitutional.

SECTION 3: Effective Date. This Ordinance shall become effective thirty (30) days following adoption, and prior to the expiration of seven (7) days from the passage thereof shall be published in the Manteca Bulletin, a newspaper of general circulation.

City of Manteca, a municipal corporation

MAYOR: 
GARY SINGH

ATTEST: 
CASSANDRA CANDINI-TILTON
CITY CLERK

STATE OF CALIFORNIA }
COUNTY OF SAN JOAQUIN } SS:
CITY OF MANTECA }

I, Cassandra Candini-Tilton, City Clerk of the City of Manteca, do hereby certify that the foregoing Ordinance had its first reading and was introduced during the public meeting of the City Council on the 2nd day of April, 2024, and had its second reading and was adopted and passed during the public meeting of the City Council on the 18th day of June, 2024, by the following vote:

AYES: Breitenbucher, Halford, Morowit, Nuño, Singh

NOES: None

ABSENT: None

ABSTAIN: None

ATTEST: 
CASSANDRA CANDINI-TILTON
City Clerk



California
Public Employees' Retirement System

AMENDMENT TO CONTRACT

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

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 February 1, 1973, and witnessed January 24, 1973, and as amended effective January 16, 1974, April 1, 1978, March 10, 1983, July 1, 1984, July 1, 1985, June 1, 1987, October 7, 1994, September 5, 1996, March 6, 1997, July 1, 1999, January 1, 2004, June 1, 2012, and August 1, 2014, which provides for participation of Public Agency in said System, Board and Public Agency hereby agree as follows:

- A. Paragraphs 1 through 18 are hereby stricken from said contract as executed effective August 1, 2014, and hereby replaced by the following paragraphs numbered 1 through 20 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 June 1, 2012, age 60 for classic local miscellaneous members entering membership for the first time in the miscellaneous classification after June 1, 2012, age 62 for new local miscellaneous members, age 50 for classic local police members entering membership in the police classification on or prior to June 1, 2012, age 55 for classic local fire members and for those classic local police members entering membership for the first time in the police classification after June 1, 2012, and age 57 for new safety members.

2. Public Agency shall participate in the Public Employees' Retirement System from and after February 1, 1973, 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:

NO ADDITIONAL EXCLUSIONS

6. Prior to January 1, 1975, those members who were hired by Public Agency on a temporary and/or seasonal basis not to exceed 6 months were excluded from PERS membership by contract. Government Code Section 20336 superseded this contract provision by providing that any such temporary and/or seasonal employees are excluded from PERS membership subsequent to January 1, 1975. Legislation repealed and replaced said Section with Government Code Section 20305 effective July 1, 1994.
7. The percentage of final compensation to be provided for each year of credited prior and current service for classic local miscellaneous members in employment before and not on or after January 1, 2004, shall be determined in accordance with Section 21354 of said Retirement Law, subject to the reduction provided therein for service prior to March 31, 1978, ~~termination of Social Security, for members whose service has been~~ included in Federal Social Security (2% at age 55 Full and Modified).
8. The percentage of final compensation to be provided for each year of credited prior and current service for classic local miscellaneous members in employment on or after January 1, 2004, and not entering membership for the first time in the miscellaneous classification after June 1, 2012, shall be determined in accordance with Section 21354.5 of said Retirement Law, subject to the reduction provided therein for service prior to March 31, 1978, termination of Social Security, for members whose service has been included in Federal Social Security (2.7% at age 55 Full and Modified).
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 June 1, 2012, shall be determined in accordance with Section 21353 of said Retirement Law (2% at age 60 Full).
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 Full).
11. The percentage of final compensation to be provided for each year of credited prior and current service as a classic local police member entering membership in the police classification on or prior to June 1, 2012, shall be determined in accordance with Section 21362.2 of said Retirement Law (3% at age 50 Full).

12. The percentage of final compensation to be provided for each year of credited current service as a classic local police member entering membership for the first time in the police classification after June 1, 2012, shall be determined in accordance with Section 21363.1 of said Retirement Law (3% at age 55 Full).
13. The percentage of final compensation to be provided for each year of credited prior and current service as a classic local fire member shall be determined in accordance with Section 21363.1 of said Retirement Law (3% at age 55 Full).
14. The percentage of final compensation to be provided for each year of credited prior and current service as a new local safety member shall be determined in accordance with Section 7522.25(d) of said Retirement Law (2.7% at age 57 Full).
15. Public Agency elected and elects to be subject to the following optional provisions:
 - a. Sections 21624 and 21626 (Post-Retirement Survivor Allowance).
 - b. Section 20903 (Two Years Additional Service Credit).
 - c. Section 20965 (Credit for Unused Sick Leave).
 - d. Section 21574 (Fourth Level of 1959 Survivor Benefits).
 - e. Section 20042 (One-Year Final Compensation) for classic local fire members and for those classic local miscellaneous members and those classic local police members entering membership on or prior to June 1, 2012.
 - f. Section 20475 (Different Level of Benefits): Section 21353 (2% @ 60 Full formula) and Section 20037 (Three-Year Final Compensation) are applicable to classic local miscellaneous members entering membership for the first time with this agency in the miscellaneous classification after June 1, 2012.
 - g. Section 20516 (Employees Sharing Cost of Additional Benefits):

From and after June 1, 2012, and until the effective date of this amendment to contract, Section 21362.2 (3% @ 50 Full formula) effective January 1, 2004, and Section 21363.1 (3% @ 55 Full formula) for local police members.

The employee cost sharing contributions are not to exceed 5.174%. 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 January 1, 2024. Thereafter, in any given contribution year, the maximum employee cost sharing contribution cannot exceed 1.830% of payroll.

- h. Section 21548 (Pre-Retirement Option 2W Death Benefit) for service credit accumulated on and after August 1, 2014, for local miscellaneous members.

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

From and after the effective date of this amendment to contract, 9% for classic local police members in the Manteca Police Officers Association.

From and after the effective date of this amendment to contract, 5.75% for classic local miscellaneous members in the Manteca Public Safety Managers Association.

From and after the effective date of this amendment to contract, 5.75% for classic local safety members in the Manteca Public Safety Managers 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.

- 16. Public Agency, in accordance with Government Code Section 20790, ceased to be an "employer" for purposes of Section 20834 effective on April 1, 1978. Accumulated contributions of Public Agency shall be fixed and determined as provided in Government Code Section 20834, and accumulated contributions thereafter shall be held by the Board as provided in Government Code Section 20834.
- 17. 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.

- 18. 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.

- 19. 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.

- 20. 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 _____, _____.

BOARD OF ADMINISTRATION
PUBLIC EMPLOYEES' RETIREMENT SYSTEM

CITY COUNCIL
CITY OF MANTECA

BY _____
MELODY BENAVIDES, CHIEF
PENSION CONTRACTS AND PREFUNDING
PROGRAMS DIVISION
PUBLIC EMPLOYEES' RETIREMENT SYSTEM

BY _____
PRESIDING OFFICER

Witness Date: _____

Attest: _____

Clerk

AMENDMENT CslPERS ID #7604628108
PERS-CON-702A