



COUNTY OF HUMBOLDT

AGENDA ITEM NO. **I-1**

For the meeting of: October 4, 2016

Date: September 19, 2016
To: Board of Supervisors
From: Daniel Fulks, Human Resources Director *DF*
Subject: ADOPTION OF ORDINANCE FOR PUBLIC EMPLOYEES' RETIREMENT SYSTEM CONTRACT AMENDMENT

RECOMMENDATIONS:

That the Board of Supervisors:

1. Adopts Ordinance No. 2561, amending the Public Employees' Retirement System ("PERS") retirement contract, as an Ordinance pursuant to Government Code sections 25123(e) and (f); and
2. Directs the Clerk of the Board of Supervisors to sign the "CERTIFICATION OF EMPLOYEE ELECTION" form; and
3. Directs the Clerk of the Board of Supervisors to sign the "CERTIFICATION OF FINAL ACTION OF GOVERNING BODY" form; and
4. Authorizes the Chair of the Board of Supervisors to sign two original sets of the Amendment to Contract.

SOURCE OF FUNDING: N/A

Prepared by Daniel Fulks

CAO Approval *Cheryl Dillingham*

REVIEW: Auditor *MSM* County Counsel *aw* Personnel *DF* Risk Manager _____ Other _____

TYPE OF ITEM:
 Consent
 Departmental
 Public Hearing
 Other _____

PREVIOUS ACTION/REFERRAL:
Board Order No. H-1 I-1
Meeting of: 9/6/2016 9/20/2016

BOARD OF SUPERVISORS, COUNTY OF HUMBOLDT
Upon motion of Supervisor *Fennell* Seconded by Supervisor *Bass*
Ayes *Sundberg, Fennell, Lovelace, Bohn, Bass*
Nays _____
Abstain _____
Absent _____

and carried by those members present, the Board hereby approves the recommended action contained in this Board report.

Dated: Oct. 4, 2016
By: *Kathy Hayes*
Kathy Hayes, Clerk of the Board

DISCUSSION:

On September 20, 2016, your Board introduced the above-referenced ordinance to amend the PERS contract, directed the Clerk of the Board to publish the required pre-adoption summary of the ordinance, and set the ordinance for adoption on October 4, 2016. This recommended action completes the adoption of the ordinance and will result in the publication of a post-adoption summary. If approved, the ordinance will take effect immediately upon adoption, in accordance with Government Code sections 25123(e) and (f). The final PERS contract amendment will become operationally effective October 23, 2016.

As previously reported to your Board on September 6 and September 20, 2016, the proposed change to the PERS contract provides Section 20516 (Employees Sharing Additional Cost) of 3% for miscellaneous and safety members in Humboldt Deputy Sheriffs' Organization, American Federation of State, County & Municipal Employees, County Attorneys' Association, Law Enforcement Management and Unrepresented Management and Confidential, Department Heads and Board of Supervisors. Additionally, the proposed change also provides for Section 20516 (Employees Sharing Additional Cost) of 3% for local safety members and .25% for new local safety members in Humboldt Deputy Sheriffs' Organization. In order to complete the process of the PERS contract amendment, the County must follow certain specific procedures required by PERS, which included your Board's adoption of Resolution No. 16-103 on September 6, 2016 stating the County's intent to amend the PERS contract. These final procedures include (1) the final adoption of the ordinance; (2) the Clerk of the Board to sign the "Certification of Governing Board; and (3) the Chair of the Board to sign two original sets of the Amendment to Contract.

FINANCIAL IMPACT:

There is no financial impact due to this contract amendment. Revenue savings to the County will be realized because employees are participating in the cost of the employer contribution of the PERS retirement contract.

OTHER AGENCY INVOLVEMENT: None

ALTERNATIVES TO STAFF RECOMMENDATIONS:

Your Board could choose to not adopt the ordinance and not sign the Certification of Employee Election, Certification of Final Action of Governing Body and the Amendment to Contract. By doing so, however, the County will not realize future retirement plan cost reductions and the County will not be in compliance with current memoranda of understanding with our recognized employee organizations.

ATTACHMENTS:

- Attachment 1 - Ordinance Authorizing Amendment to Contract
- Attachment 2 - Summary for Publication after Adoption of the Ordinance
- Attachment 3 - Certification of Final Action of Governing Body
- Attachment 4 - Certification of Employee Election
- Attachment 5 - Amendment to Contract, two original sets

BOARD OF SUPERVISORS, COUNTY OF HUMBOLDT, STATE OF CALIFORNIA

Certified copy of portion of proceedings, Meeting of October 4, 2016

**ORDINANCE OF THE BOARD OF SUPERVISORS OF THE COUNTY OF HUMBOLDT
AUTHORIZING AN AMENDMENT TO THE CONTRACT BETWEEN THE BOARD OF
SUPERVISORS OF THE COUNTY OF HUMBOLDT AND THE BOARD OF
ADMINISTRATION OF THE CALIFORNIA PUBLIC EMPLOYEES' RETIREMENT
SYSTEM**

ORDINANCE NO. 2561

The Board of Supervisors of the County of Humboldt ordains as follows:

SECTION 1. That an amendment to the Contract between the Board of Supervisors of the County of Humboldt 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 Chairman of the Board of Supervisors of the County of Humboldt is hereby authorized, empowered, and directed to execute said amendment for and on behalf of said Agency.

SECTION 3. This ordinance shall take effect immediately upon its adoption in accordance with the provisions of Sections 25123(e) and (f) of the Government Code of the State of California. A summary shall be published at least five (5) days before the date set for adoption and again fifteen (15) days after passage of this ordinance. It shall be published once with the names of the Board of Supervisors voting for and against the ordinance in a newspaper of general circulation published in the County of Humboldt/State of California.

PASSED, APPROVED AND ADOPTED this 4th day of October, 2016 on the following vote, to wit:

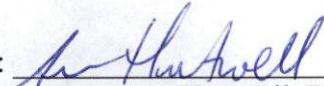
AYES: Supervisors Sundberg, Fennell, Lovelace, Bohn, Bass
NOES: Supervisors --
ABSENT: Supervisors --



MARK LOVELACE, Chair
Board of Supervisors of the County of Humboldt,
State of California

(SEAL)

ATTEST:
Kathy Hayes, Clerk of the Board of Supervisors
of the County of Humboldt, State of California

By: 
Ana Hartwell, Deputy

SUMMARY FOR PUBLICATION AFTER ADOPTION OF ORDINANCE

(The summary shall be published within fifteen (15) days after the adoption of the ordinance.)

SUMMARY

On _____, 2016, the Humboldt County Board of Supervisors adopted Ordinance No. _____, authorizing an amendment to the contract between the Board of Supervisors of the County of Humboldt and the Board of Administration of the California Public Employees' Retirement System (CalPERS), to modify the employees sharing additional cost of 3%.

A copy of the ordinance is posted in the office of the Clerk of the Board of Supervisors.

The votes were:

AYES:

NOES:

ABSENT:

CALIFORNIA PUBLIC EMPLOYEES' RETIREMENT SYSTEM

Employer Account Management Division
Retirement Social Security Contracts Unit
P.O. Box 942709
Sacramento, CA 94229-2709
(888) CalPERS (225-7377)

CERTIFICATION OF EMPLOYEE ELECTION

I hereby certify that the following employees of the County of Humboldt have expressed their approval or disapproval of said agency's intention to amend its contract to provide Section 20516 (Employees Sharing Additional Cost) of 3% for local miscellaneous members in Humboldt Deputy Sheriffs Organization, American Federation of State, County & Municipal Employees, County Attorneys Association, Law Enforcement Management and Unrepresented Management and Confidential, Department Head and Board of Supervisors; Section 20516 (Employees Sharing Additional Cost) of 3% for local safety members in American Federation of State, County & Municipal Employees, County Attorneys Association, Law Enforcement Management and Unrepresented Management and Confidential Unit, Department Head and Board of Supervisors; and Section 20516 (Employees Sharing Additional Cost) 3% for classic local safety members and .25% for new local safety members in Humboldt Deputy Sheriffs Organization on the basis described in the Resolution of Intention adopted by said agency's governing body on September 16, 2016, in such manner as to permit each employee to separately and secretly express his choice and that the outcome of such election was as follows:

	Number of employees eligible to vote	Number of votes approving said participation	Number of votes disapproving said participation
County Peace Officers as defined in Govt. Code Section 20436	<u>278</u>	<u>43</u>	<u>3</u>
Local Miscellaneous Members as defined in Govt. Code Section 20383	<u>11617</u>	<u>416</u>	<u>29</u>

[Signature]
Clerk or Secretary

10/4/2016
Date

CALIFORNIA PUBLIC EMPLOYEES' RETIREMENT SYSTEM

Actuarial and Employer Services Branch

Public Agency Contract Services

P.O. Box 942709

Sacramento, CA 94229-2709

(888) CalPERS (225-7377)

**CERTIFICATION
OF
FINAL ACTION OF GOVERNING BODY**


I hereby certify that the _____ Board of Supervisors _____ of the
(governing body)

_____ County of Humboldt _____
(public agency)

considered and adopted on _____ October 4, 2016 _____, _____, by an affirmative
(date)

vote of a majority of the members of said Governing Body, **Ordinance / Resolution** No.
_____ approving the attached contractual agreement between the Governing
Body of said Agency and the Board of Administration of the California Public
Employees' Retirement System, a certified copy of said **Ordinance / Resolution** in the
form furnished by said Board of Administration being attached hereto.

Adoption of the retirement benefit increase/change was not placed on the consent
calendar.



Clerk/Secretary

Deputy Clerk of the Board
Title _____
of Supervisors

Date 10/4/2016



EXHIBIT

California
Public Employees' Retirement System



AMENDMENT TO CONTRACT

Between the
Board of Administration
California Public Employees' Retirement System
and the
Board of Supervisors
County of Humboldt



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 1, 1946, and witnessed November 13, 1945, and as amended effective October 1, 1951, July 1, 1952, October 1, 1959, January 1, 1963, January 31, 1971, July 2, 1971, November 21, 1971, March 1, 1974, November 17, 1974, October 19, 1975, October 29, 1976, February 9, 1978, March 30, 1980, June 22, 1980, August 30, 1985, July 8, 1990, June 1, 1997, October 12, 2000, January 5, 2001, June 4, 2006, October 22, 2006, September 7, 2008 and July 6, 2012 which provides for participation of Public Agency in said System, Board and Public Agency hereby agree as follows:

Pursuant to Government Code Sections 20460.1, 20469.1, subdivision (b), and 71624, this contract is hereby amended to add the Trial Court of Humboldt County, hereinafter referred to as Trial Court, as a contracting party. Trial Court shall participate in the Public Employees' Retirement System from and after the implementation date of the Trial Court Employment Protection and Governance Act pursuant to the terms and conditions of this contract, making its employees 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 in this contract 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."

A. Paragraphs 1 through 15 are hereby stricken from said contract as executed effective July 6, 2012, and hereby replaced by the following paragraphs numbered 1 through 17 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, age 62 for new local miscellaneous members, age 50 for classic local safety members and age 57 for new local safety members.
2. Public Agency shall participate in the Public Employees' Retirement System from and after January 1, 1946 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. County Peace Officers (included 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. 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 June 4, 2006 shall be determined in accordance with Section 21354 of said Retirement Law, subject to the reduction provided therein for service on and after January 1, 1957, the effective date of Social Security coverage, for members whose service has been included in Federal Social Security (2% at age 55 Full and Modified).
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 on or after June 4, 2006 and not entering membership for the first time with this agency in the miscellaneous classification after July 6, 2012 shall be determined in accordance with Section 21354.5 of said Retirement Law, subject to the reduction provided therein for service on and after January 1, 1957, the effective date of Social Security coverage, for members whose service has been included in Federal Social Security (2.7% at age 55 Full and Modified).
8. 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 with this agency in the miscellaneous classification after July 6, 2012 shall be determined in accordance with Section 21354 of said Retirement Law subject to the reduction provided therein for Federal Social Security (2% at age 55 Modified).

9. 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 Supplemental to Federal Social Security).
10. The percentage of final compensation to be provided for each year of credited prior and current service as a classic local safety member shall be determined in accordance with Section 21362.2 of said Retirement Law (3% at age 50 Full).
11. 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).
12. Public Agency elected and elects to be subject to the following optional provisions:
 - a. Section 20437 ("County Peace Officer" shall include constables, deputy constables, marshals and deputy marshals as described in Government Code Section 20437).
 - b. Sections 21624, 21626 and 21628 (Post-Retirement Survivor Allowance) for county peace officers only.
 - c. Section 21222.1 (One-Time 5% Increase - 1970). Legislation repealed said Section effective January 1, 1980.
 - d. Section 21574 (Fourth Level of 1959 Survivor Benefits) for local safety members only.
 - e. Section 21222.2 (One-Time 5% Increase - 1971). Legislation repealed said Section effective January 1, 1980.
 - f. Section 20818 (Two-Years Additional Service Credit), Statutes of 1976. Legislation repealed said Section effective January 1, 1979.
 - g. Section 21024 (Military Service Credit as Public Service) for local miscellaneous members and county peace officers only.
 - h. Section 20903 (Two Years Additional Service Credit).
 - i. Section 20438 ("County Peace Officer" shall include probation officers, deputy and assistant probation officers, juvenile hall employees, and persons employed as peace officers pursuant to Section 830.5 of the Penal Code as described in Government Code Section 20438).

- j. Section 20439 ("County Peace Officer" shall include county jail, detention or correctional facility employees as described in Government Code Section 20439).
- k. Section 20965 (Credit for Unused Sick Leave) for local miscellaneous members and county peace officers only.
- l. Section 20042 (One-Year Final Compensation) for classic local fire members and for those classic local miscellaneous members entering membership on or prior July 6, 2012.
- m. Section 20938 (Limit Prior Service to Members Employed on Contract Date) for local fire members only.
- n. Section 21548 (Pre-Retirement Option 2W Death Benefit) for local miscellaneous members only.
- o. Section 20475 (Different Level of Benefits): Section 21354 (2% at age 55 modified) and Section 20037 (Three-Year Final Compensation) are applicable to local miscellaneous members entering membership for the first time with this agency in the miscellaneous classification after July 6, 2012.
- p. Section 20516 (Employees Sharing Additional Cost):

From and after the effective date of this amendment to contract, 3% for local miscellaneous members in Humboldt Deputy Sheriffs Organization, American Federation of State, County & Municipal Employees, County Attorneys Association, Law Enforcement Management and Unrepresented Management and Confidential, Department Head and Board of Supervisors.

From and after the effective date of this amendment to contract, 3% for local safety members in American Federation of State, County & Municipal Employees, County Attorneys Association, Law Enforcement Management and Unrepresented Management and Confidential Unit, Department Head and Board of Supervisors.

From and after the effective date of this amendment to contract, 3% for classic local safety members in Humboldt Deputy Sheriffs Organization.

From and after the effective date of this amendment to contract, .25% for new local safety members.

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.

13. Public Agency, in accordance with Government Code Section 20790, ceased to be an "employer" for purposes of Section 20834 effective on October 29, 1976. 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.
14. 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.
15. 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 safety 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.

16. 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.
17. 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

BOARD OF SUPERVISORS
COUNTY OF HUMBOLDT

BY _____
RENEE OSTRANDER, CHIEF
EMPLOYER ACCOUNT MANAGEMENT DIVISION
PUBLIC EMPLOYEES' RETIREMENT SYSTEM

BY 
PRESIDING OFFICER

Witness Date

Attest:

Clerk