

**TOWN OF FAIRFAX
STAFF REPORT**

To: Mayor, Members of the Town Council

From: Michael Rock, Town Manager 
Judy Anderson, Town Clerk

Date: February 3, 2010

Subject: Adoption of a Resolution of Intention to Approve an Amendment to the Contract between the Board of Administration of the California Public Employees' Retirement System and the Town Council of the Town of Fairfax to reflect the change to 2% at 55 retirement for Newly Hired Miscellaneous Members

RECOMMENDATION

Staff recommends that the Town Council adopt the Resolution as part of the process necessary to amend the contract for Miscellaneous Employees.

DISCUSSION

As you can see from the attached "Schedule of Agency Actions," the adoption of the Resolution of Intention is part of the process to amend the contract. The contract amendment is a result of labor negotiations with the Miscellaneous employees to achieve a reduction in retirement costs for the Town going forward.

FISCAL IMPACT

There will be savings to the Town in future pension costs as new miscellaneous employees are hired at a lower retirement contribution rate.

ATTACHMENT

1. Schedule of Agency Actions
2. Resolution of Intention to Approve an Amendment to the Contract between the Board of Administration of the California Public Employees' Retirement System and the Town Council of the Town of Fairfax to reflect the change to 2% at 55 retirement for Newly Hired Miscellaneous Members

CALIFORNIA PUBLIC EMPLOYEES' RETIREMENT SYSTEM

Actuarial and Employer Services Branch
Contract Maintenance Unit
P.O. Box 942709
Sacramento, CA 94229-2709
(888) CalPERS (225-7377) FAX (916) 795-3005

RECEIVED

DEC 14 2009

TOM...

**SCHEDULE OF AGENCY ACTIONS
FOR PLANNING YOUR AMENDMENT TO CONTRACT**

CalPERS will prepare the documents necessary to amend your contract and provide them to you within 30 days of receipt of the Contract Amendment Request in our office. The contracting agency must have a current Amendment Cost Analysis before proceeding with an amendment to the contract.

1. 1-28-10 ENTER A DATE THAT IS 30 DAYS FROM THE DATE YOU EXPECT CalPERS TO RECEIVE THE CONTRACT AMENDMENT REQUEST FORM YOU SUBMITTED OR WILL BE SUBMITTING. This is the date you may expect to receive the documents from CalPERS that you will need to amend the Contract.
2. NA THE DATE AN ACTUARY WILL BE PRESENT TO PROVIDE INFORMATION REGARDING THE ACTUARIAL IMPACT UPON FUTURE ANNUAL COSTS. (The presence of an actuary is required if future costs of the benefit changes exceed ½ of 1% of the future annual costs of the existing benefits.)
3. 2-3-10 ENTER THE DATE THE GOVERNING BODY WILL ADOPT THE RESOLUTION OF INTENTION DOCUMENT. Allow the necessary time after the date you expect to receive the needed documents from CalPERS (#1 above) to include adoption of the Resolution of Intention on the Governing Body's meeting agenda. The first reading of the Ordinance may be held on the same day the Resolution of Intention is adopted.
4. NA ENTER THE DATE THE EMPLOYEE ELECTION WILL BE HELD. An employee election is required only if the employee contribution rate will change. If required, this election must follow the Governing Body's adoption of the Resolution of Intention (#3 above) and must be prior to the Adoption of the Ordinance (#5 below).
5. 3-3-10 ENTER THE DATE THE GOVERNING BODY WILL ADOPT THE ORDINANCE. This date must be at least 20 days after the date the Governing Body adopts the Resolution of Intention (#3 above).
6. 4-2-10 ENTER THE EFFECTIVE DATE OF THE ORDINANCE. This date is usually 30 days after the date the Governing Body adopts the final ordinance (#5 above) unless an Urgency Ordinance is adopted which establishes an earlier Ordinance effective date.
7. 7-1-10 ENTER THE EFFECTIVE DATE OF THE AMENDMENT TO CONTRACT. If there is no change in the employee or the employer contribution rates this date may be as early as the day after the effective date of the Ordinance (#5 above). If there is a change in the employee and/or the employer contribution rates, this date must be the first day of a payroll period and may not be earlier than the day after the effective date of the Ordinance (date #6).

THIS FORM IS USED FOR PROPERLY PLANNING AND SCHEDULING THE AGENCY ACTIONS TO AMEND THE CONTRACT WITH CalPERS. CAREFULLY FOLLOWING THE GUIDELINES IN THIS FORM CAN PREVENT THE NEED TO RESCIND ACTIONS TAKEN BY YOUR GOVERNING BODY AND REPEATING THE PROCESS AS WELL AS AVOIDING UNNECESSARY DELAYS IN THE AMENDMENT EFFECTIVE DATE. THIS FORM SHOULD BE COMPLETED AND A COPY RETURNED TO THIS OFFICE WITH THE CONTRACT AMENDMENT REQUEST. PLEASE CALL YOUR CONTRACT ANALYST AT (888) 225-7377 IF YOU HAVE QUESTIONS.

RESOLUTION NO. 10-

A RESOLUTION OF INTENTION TO APPROVE AN AMENDMENT TO CONTRACT BETWEEN THE BOARD OF ADMINISTRATION CALIFORNIA PUBLIC EMPLOYEES' RETIREMENT SYSTEM AND THE TOWN COUNCIL OF THE TOWN OF FAIRFAX

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 21354.4 (2.5% @ 55 Full and Modified formula) is applicable to only those local miscellaneous members entering membership in the miscellaneous classification on or prior to the effective date of this amendment to contract. Section 21354 (2% @ 55 Full and Modified formula) is applicable to local miscellaneous members entering membership for the first time in the miscellaneous classification after the effective date of this amendment to contract.

NOW, THEREFORE, BE IT RESOLVED that the Town Council of the Town of Fairfax does hereby give notice of intention to approve an amendment to the contract between the Town of Fairfax and the Board of Administration of the Public Employees' Retirement System, a copy of said amendment being attached hereto, as "Exhibit" and by this reference made a part hereof.

The foregoing Resolution was duly passed and adopted at a Regular Meeting of the Town Council of the Town of Fairfax held in said Town on the 3rd day of February, 2010 by the following vote, to wit:

AYES:
NOES:
ABSENT:

LEW TREMAINE, MAYOR

Attest:

Town Clerk