



REPORT TO MAYOR AND CITY COUNCIL

AGENDA ITEM

TO: THE HONORABLE MAYOR
AND CITY COUNCIL

DATE: June 15, 2010

SUBJECT: Pre-Retirement Option 2W Death Benefit

Report in Brief

The Memorandums of Understanding (MOUs) with the police units approved last year all included a commitment to implement the Public Employee Retirement System (PERS) Pre-Retirement Option 2W Death Benefit. To meet this contractual obligation, the City Council must approve a resolution authorizing PERS to amend the City's contract prior to adoption of the final ordinance.

Staff recommends that the City Council approve Resolution Number ____, a Resolution of Intention to change the existing Public Employees Retirement System (PERS) contract for safety police members to include the PERS Pre-Retirement Option 2W Death Benefit; authorize the City Clerk to sign Certification of Compliance with Government Code Section 7507 and Certification of Governing Body's action; and introduce an ordinance to amend the PERS contract.

Background

At the September 1, 2009 City Council meeting, the City Council approved Memorandum of Understandings (MOUs) for the Police Officers Association, Woodland Police Supervisors Association, and Police Mid-Management Association. These MOU's included a provision for the City to request that CalPERS prepare an actuarial estimate for the Pre-Retirement Option 2W Death Benefit. The MOUs also require the City and Associations to meet and confer on the results of the actuarial estimate.

Discussion

PERS prepared an actuarial estimate to add the Pre-Retirement Option 2W Death Benefit for police safety employees. This benefit provides a monthly allowance to an eligible spouse of a deceased employee equal to the amount the employee would have received if they had retired on the date of their death. This benefit was added for fire safety employees in 2006.

To amend the PERS contract, PERS requires that the proposed benefits contract amendment be made public at a public meeting at least twenty (20) days prior to the adoption of the final ordinance. Therefore, the final ordinance to approve this change will be scheduled for adoption at the July 20, 2010 City Council meeting.

Fiscal Impact

PERS calculates that the additional cost of this pre-retirement option would change the total employer rate for safety employees by 0.067%. Therefore, the cost to the City's General Fund to provide this benefit to all of the City's sworn officers is approximately \$7,000 annually. This amount has been included in the proposed FY 2011 budget.

Public Contact

Posting of the City Council agenda.

Recommendation for Action

Staff recommends that the City Council approve Resolution No. ____, a Resolution of Intention to change the existing Public Employees Retirement System (PERS) contract for safety police members to include the PERS Pre-Retirement Option 2W Death Benefit; authorize the City Clerk to sign Certification of Compliance with Government Code Section 7507 and Certification of Governing Body's action; and introduce an ordinance to amend the PERS contract.

Prepared by: Amy Buck
HR Manager

Mark G. Deven
City Manager

Attachments: Resolution of Intention
Ordinance to Amend PERS Contract
Amendment to Contract
Certification of Compliance with Government Code Section 7507
Certification of Governing Body's Action

ORDINANCE _____

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

The City Council of the City of Woodland does ordain as follows:

Section 1.

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

Section 2.

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

Section 3.

This ordinance shall take effect thirty (30) days after the date of its adoption, and prior to the expiration of thirty (30) days from the passage thereof, shall be published at least once in the Daily Democrat, a newspaper of general circulation, published and circulated in the City of Woodland, County of Yolo, and thenceforth and thereafter the same shall be in full force and effect.

This ordinance adopted and approved this ____ day of _____, 2010 by the following roll call vote:

AYES: Council Members
NOES: Council Members
ABSENT:
ABSTAIN:

Marlin H. Davies, Mayor

ATTEST:

APPROVED AS TO FORM:

Susan L. Vannucci, Director
Of Administrative Services/
City Clerk

Andrew J. Morris, City Attorney