

OAKLAND CITY COUNCIL

RESOLUTION No. 78004 C. M. S.

INTRODUCED BY COUNCILMEMBER
8/11/11 - 7 PM 1:58



RESOLUTION AUTHORIZING THE CITY MANAGER ON BEHALF OF THE CITY OF OAKLAND TO NEGOTIATE AND EXECUTE AN AGREEMENT WITH THE PORT OF OAKLAND RESOLVING THE CASE OF CITY OF OAKLAND V. CALIFORNIA PUBLIC EMPLOYEES' RETIREMENT SYSTEM ("PERS"), WHICH UPHELD PERS' DECISION THAT PORT OF OAKLAND "AIRPORT SERVICEMEN" AND "AIRPORT OPERATIONS SUPERVISORS", CLASSIFIED AS "MISCELLANEOUS" LOCAL GOVERNMENT EMPLOYEES FOR RETIREMENT PURPOSES, WERE ENTITLED TO BE RECLASSIFIED AS "SAFETY" EMPLOYEES, RETROACTIVE TO JULY 1, 1976 AND REQUIRING THAT THE PORT OF OAKLAND PAY PERS THE PRESENT VALUE OF THE ESTIMATED NET RECLASSIFICATION COST WHICH THE PORT'S ACTUARY DETERMINED TO BE \$5,915,256 AS OF JUNE 30, 2002

WHEREAS, the Port of Oakland is a department of the City of Oakland, but pursuant to the City Charter is governed by the Port Board of Commissioners; and

WHEREAS, the Port operates the Oakland International Airport and historically operated a unit of employees classified as "Airport Servicemen" and "Airport Operations Supervisors"; and

WHEREAS, the "Airport Servicemen" and "Airport Operations Supervisors" classifications were classified as "miscellaneous" PERS members for retirement purposes; and

WHEREAS, PERS "safety" members' retirement benefits are more costly than benefits for "miscellaneous" members; and

WHEREAS, in 1976 the City of Oakland expanded its PERS membership to include "local safety" members; and

WHEREAS, in 1995 the "Airport Servicemen" sought reclassification as "safety" members on the basis that they were "local firefighters"; and

WHEREAS, after hearings before an administrative law judge PERS adopted the Administrative Law Judge's decision that "Airport Servicemen" are entitled to PERS "local firefighter" safety status retroactive to July 1, 1976; and

WHEREAS, the classification of "Airport Servicemen" was abolished and the incumbents either transferred into the Oakland fire Department or into classification; and

WHEREAS, the Port of Oakland retained legal counsel and filed a petition for writ of mandamus on behalf of the City of Oakland asking the court to overturn PERS decision; and

WHEREAS, the California Court of Appeal held that the "Airport Servicemen" and "Airport Operations Supervisors" were entitled to reclassification as "safety" members retroactive to 1976; and

WHEREAS, to resolve this matter and implement PERS' decision, the Port of Oakland must pay PERS a sum equal to the present value of the estimated net cost of the reclassification and PERS' actuarial evaluation determined that the reclassification cost was \$5,915,256 as of June 30, 2002; now therefore, be it

RESOLVED: that the City Manager, on behalf of the City, is authorized to negotiate and execute an agreement with the Port of Oakland under which the Port, on behalf of the City of Oakland will pay PERS the cost of reclassifying the "Airport Servicemen" and "Airport Operations Supervisors" as "safety" PERS members retroactive to 1976, the present value of which reclassification cost has been estimated by PERS' actuary to be \$5,915,256 as of June 30, 2002; and be it

FURTHER RESOLVED: that the agreement will require that the City waive and release the Port from any claims related to the reclassification cost, except that the Port will pay any additional costs resulting from PERS' recalculation of the reclassification costs, and the City will credit the Port the amount of any Port overpayment resulting from any such recalculation; and be it

FURTHER RESOLVED: That the Office of City Attorney shall approve the agreement as to form and legality and a copy of this resolution shall be on file in the Office of the City Clerk.

IN COUNCIL, OAKLAND, CALIFORNIA, **JUL 29 2003** , 2003


PASSED BY THE FOLLOWING VOTE:

AYES- BROOKS, BRUNNER, CHANG, NADEL, QUAN, REID, WAN AND
PRESIDENT DE LA FUENTE, - 8

NOES- 0

ABSENT- 0

ABSTENTION- 0

ATTEST: 
CEDA FLOYD
City Clerk and Clerk of the Council
of the City of Oakland, California