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CITY OF OAKLAND



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December 6, 2011

Honorable City Council
Oakland, California

Re: AN ORDINANCE REPEALING ORDINANCE NO. 13904 C.M.S. WHICH AUTHORIZED AN AMENDMENT TO THE CONTRACT BETWEEN THE CITY OF OAKLAND AND THE BOARD OF ADMINISTRATION OF THE CALIFORNIA PUBLIC EMPLOYEES' RETIREMENT SYSTEM ("PERS") THAT AMONG OTHER THINGS, WOULD ESTABLISH A DIFFERENT LEVEL OF RETIREMENT BENEFITS AND CHANGE THE DEFINITION OF "FINAL COMPENSATION" FOR CITY EMPLOYEES THE CITY HIRES FOR THE FIRST TIME AFTER THE EFFECTIVE DATE OF THE CONTRACT

Dear President Raid and Members of the Council:

At the November 1, 2011 City Council meeting, the Council adopted the above-referenced Ordinance No. 13904. The proposed ordinance would rescind Ordinance No. 13904. This Office recommends that the City Council adopt the proposed ordinance rescinding Ordinance No. 13904. The proposed ordinance requires two readings.

Very truly yours,

A handwritten signature in cursive script that reads "Barbara J. Parker".

City Attorney

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PASSED & EFFECTIVE
APPROVED AS TO FORM

2011 NOV 22 PM 5:09
INTRODUCED BY COUNCIL MEMBER _____

CITY ATTORNEY

ORDINANCE NO. _____ C.M.S.

AN ORDINANCE REPEALING ORDINANCE NO. 13904 C.M.S. WHICH AUTHORIZED AN AMENDMENT TO THE CONTRACT BETWEEN THE CITY OF OAKLAND AND THE BOARD OF ADMINISTRATION OF THE CALIFORNIA PUBLIC EMPLOYEES' RETIREMENT SYSTEM ("PERS") THAT AMONG OTHER THINGS, WOULD ESTABLISH A DIFFERENT LEVEL OF RETIREMENT BENEFITS AND CHANGE THE DEFINITION OF "FINAL COMPENSATION" FOR CITY EMPLOYEES THE CITY HIRES FOR THE FIRST TIME AFTER THE EFFECTIVE DATE OF THE CONTRACT

WHEREAS, on July 26, 2011, the City Council approved Memoranda of Understanding between the City of Oakland and the labor organizations representing safety employees, International Association of Firefighters, Local 55 and Oakland Police Officers Association, OPOA, and all of the Miscellaneous Employee labor organizations, Service Employees International Union, Local 1021; International Federation of Professional and Technical Employees, Local 21; Deputy City Attorney I-IV Unit International Federation of Professional and Technical Employees; Deputy City Attorney V and Special Counsel; Confidential Management Employees Association, CMEA; and International Brotherhood of Electrical Workers, Local 1245 to implement changes to the retirement plans; and

WHEREAS, current City of Oakland safety employees receive a retirement benefit of 3.0% at age 50 and final compensation is based on the highest annual salary during one year of employment and

WHEREAS, the July 2011 Memorandum of Understanding between the City of Oakland and the Oakland Police Officers' Association (OPOA) provides that the City shall amend its contract with CalPERS to provide Different Level of Benefits (California Government Code Section 20475), 3% at 55 full formula (California Government Code Section 21363.1), for each bargaining unit member effective July 1, 2011, and the calculation of pension benefits based on three consecutive years immediately preceding the effective date of retirement (California Government Code Section 20037); and

WHEREAS, Memorandum of Understanding between the City of Oakland and Local 55 provides that the City shall amend its contract with CalPERS to provide Different Level of Benefits (California Government Code Section 20475), 3% at 55 full

formula (California Government Code Section 21363.1), for each bargaining unit member effective July 1 2011~ and the calculation of pension benefits based on three consecutive years immediately preceding the effective date of retirement (California Government Code Section 20037); and

WHEREAS, in accordance with the July 2011 OPOA and Local 55 MOU's, the City of Oakland desires to create a new retirement tier for newly hired safety employees in which they will receive a retirement benefit of 3.0% at age 55 and final compensation based on the highest 3-year salary during employment; and

WHEREAS, current City of Oakland miscellaneous employees receive a retirement benefit of 2.7% at age 55 and final compensation based on the highest annual salary during one year of employment; and

WHEREAS, Memoranda of Understanding between the City of Oakland and the labor organizations representing all the miscellaneous employees, Service Employees International Union, Local 1021; International Federation of Professional and Technical Employees, Local 21; Deputy City Attorney I-IV Unit; International Federation of Professional and Technical Employees; Deputy City Attorney V and Special Counsel; Confidential Management Employees Association, CMEA; and International Brotherhood of Electrical Workers, Local 1245 provide that the City shall amend its contract with CalPERS to provide Different Level of Benefits (California Government Code Section 20475), 2.5% at 55 full formula (California Government Code Section 21354.4), for each bargaining unit member hired ninety (90) days after the adoption of the MOUs and unit members shall be subject to final compensation based on Government Code Section 20037, three consecutive years immediately preceding the effective date of retirement; and

WHEREAS, pursuant to the Miscellaneous Employee MOU's, the City of Oakland desires to create a new retirement tier for newly hired miscellaneous employees in which they will receive a retirement benefit of 2.5% at age 55 and final compensation based on the highest 3-year salary during employment; and

WHEREAS, current Fire Members are subject to a 4% Employee Cost Sharing; and

WHEREAS, in accordance with the Local 55 MOU, the City of Oakland desires to subject new second Tier Local 55 members to a 4% Employee Cost Sharing of Additional Benefits (California Government Code Section 20516); and

