

FILED  
OFFICE OF THE CITY CLERK  
OAKLAND

**CITY OF OAKLAND**  
**AGENDA REPORT**

**TO:** Office of the City Administrator  
**ATTN:** Dan Lindheim  
**FROM:** Port of Oakland  
**DATE:** October 20, 2009

**RE: Resolution to Grant Another Designated Period for Two Years Additional Service Credit for Specific Local Miscellaneous Port of Oakland Employee Classifications Under California Government Code Section 20903**

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### SUMMARY

California Government Code Section 20903 allows contracted agencies to provide two additional years of service credit to members who retire during a designated window period because of impending mandatory transfers, layoffs or demotions. On May 5, 2009, Council approved a prescribed Resolution of Intention and companion Ordinance authorizing the City to amend its contract with the California Public Employees' Retirement System (CalPERS), thereby creating the opportunity for the City to provide the optional benefit of two years additional service credit (the "Retirement Incentive Program") for local miscellaneous members and local safety members. The amendment to the contract became effective June 3, 2009, after the second reading of the Ordinance.

On June 30, 2009, Council adopted a resolution to offer this Retirement Incentive Program to employees in specified local miscellaneous City of Oakland employee classifications during the period from July 1, 2009 through September 30, 2009. On October 6, 2009, Council noticed intent and adopted a resolution authorizing the offering of this Retirement Incentive Program to certain local miscellaneous Port of Oakland employment classifications.

Prior to opening any retirement window period under the Retirement Incentive Program, Government Code Sections 7507 and 20903 require that the Council (1) make public, at a public meeting at least two weeks prior to the adoption of the final resolution authorizing the window period, the future costs of changes in retirement benefits, as determined by an actuary, (2) execute the Certification of Compliance with Government Code Section 20903 in the form attached hereto as *Attachment A*, (3) the adopt a final City Council resolution designating the job classifications eligible for the benefit and the window period substantially in the form attached, and (4) notify CalPERS of its compliance with California Government Code Sections 20903(i) and 7507 by executing and the certification forms attached hereto as *Attachments C and D* and submitting such forms, together with the certification in clause (2) above to CalPERS.

### FISCAL IMPACT

As required by Government Code Section 7507, the estimated costs and savings were disclosed at the October 6, 2009 Council meeting.

Item: \_\_\_\_\_  
City Council  
October 20, 2009

The maximum cost to extend the benefit to ninety-six (96) eligible employees in specific miscellaneous Port of Oakland positions \$7,394,400, amortized over 20 years. The associated annual salary and benefit savings is \$16,287,900. The estimated costs and savings based on employees likely to participate (estimated at twenty percent of the eligible population) are \$1,478,900, amortized over 20 years, and annual salary and benefit savings of \$3,257,600. The actual costs and savings of offering the Retirement Incentive Program can only be calculated accurately after the close of the window period during which the benefit is offered. **Attachment B** provides a detailed cost analysis. The Port's additional retirement costs will be segregated from the City's costs.

## **BACKGROUND**

The Board of Administration, California Public Employees' Retirement System (CalPERS) and the City of Oakland entered into a contract effective September 1, 1970 making its employees members of CalPERS for retirement benefits and services. Employees of the Port of Oakland are members of CalPERS under the contract between the City and CalPERS.

Certain optional benefits may be added to the City's contract with CalPERS by amendment to the contract. California Government Code Section 20903, Two Years Additional Service Credit, is an optional benefit an agency may provide through a contract amendment. This benefit allows members to retire during a designated window period because of impending mandatory transfer, layoff, or demotions and receive two additional years of service credit at no cost to the member and if certain conditions are met.

This report presents the Resolution required by CalPERS to grant a designated period for two years additional service credit to be offered.

## **KEY ISSUES AND IMPACTS**

As indicated in the Summary above, prior to opening any retirement window period under the Retirement Incentive Plan, Government Code Sections 7507 and 20903 require several actions be taken. The actions to be taken at the October 20, 2009 meeting include the adoption of Certification of Compliance with Government Code Section 20903 (**Attachment A**) along with the Resolution to Grant Another Designated Period for Two Years Additional Service Credit. Also attached are the following:

- (1) Certification of Governing Body's Action (**Attachment C**), and
- (2) Certification of Compliance With Government Code Section 7507 (**Attachment D**)

On October 6, 2009, City Council approved a Notice of Intent and Resolution Authorizing Two Years of Additional Service Credit to Specific Local Miscellaneous Port of Oakland Employee Classifications Under California Government Code Section 20903; and Public Notice of Costs Associated with the Program as Proposed.

The recommended designated application is October 21, 2009 through January 22, 2010.

**Implementation Timeline**

The remaining steps in the timeline to implement the Retirement Incentive Program are follows:

- October 20      Adopt CalPERS Resolution of Intention to open window period
- October 21      Open window for no less than 90 days and no more than 180 days

**SUSTAINABLE OPPORTUNITIES**

There are no direct economic, environmental, or social equity opportunities resulting from this action.

**DISABILITY AND SENIOR CITIZEN ACCESS**

The proposed action does not impact disability and senior citizen access.

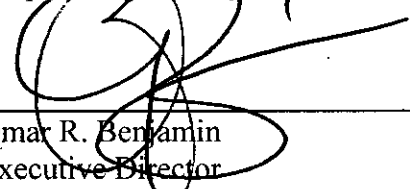
**RECOMMENDATION(S) AND RATIONALE**

Staff recommends that the Council adopt the Resolution to grant a designated period for two years additional service credit for specific local miscellaneous Port of Oakland employee classifications.

**ACTION REQUESTED OF THE CITY COUNCIL**

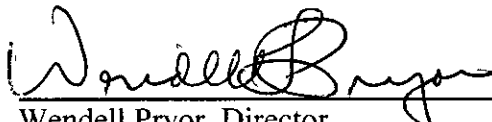
Adopt a Resolution to Grant Another Designated Period for Two Years Additional Service Credit for Specific Local Miscellaneous Port of Oakland Employee Classifications Under California Government Code Section 20903 from October 21, 2009 through January 22, 2010.

Respectfully submitted,




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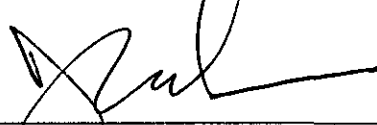
Omar R. Benjamin  
Executive Director  
Port of Oakland




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Wendell Pryor, Director  
Department of Human Resources  
Management

APPROVED AND FORWARDED  
TO THE CITY COUNCIL:




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Office of the City Administrator

**Attachment A**

**CALIFORNIA PUBLIC EMPLOYEES' RETIREMENT SYSTEM**

Employer Services Division  
Contract Maintenance Unit  
P.O. Box 942709  
Sacramento, CA 94229-2709

**CERTIFICATION OF COMPLIANCE WITH  
GOVERNMENT CODE SECTION 20903**

In accordance with Government Code Section 20903 and the contract between the Public Employees' Retirement System, the City Council of the City of Oakland hereby certifies that:

1. Because of an impending curtailment of, or change in the manner of performing service, the best interests of the agency will be served by granting such additional service credit.
2. The added cost to the retirement fund for all eligible employees who retire during the designated window period will be included in the contracting agency's employer contribution rate for the fiscal year that begins two years after the end of the designated period.
3. It has elected to become subject to Section 20903 because of impending mandatory transfers, demotions, and layoffs that constitute at least 1 percent of the job classification, department or organizational unit, as designated by the governing body, resulting from the curtailment of, or change in the manner of performing, its services.
4. Its intention at the time Section 20903 becomes operative is to keep all vacancies created by retirements under this section or at least one vacancy in any position in any department or other organizational unit permanently unfilled thereby resulting in an overall reduction in the work force of such department or organizational unit.

THEREFORE, the City Council of the City of Oakland hereby elects to provide the benefits of Government Code Section 20903 to all eligible members who retire within the designated period, \_\_\_\_\_ through \_\_\_\_\_.

CITY COUNCIL  
OF THE  
CITY OF OAKLAND

BY \_\_\_\_\_  
Presiding Officer

Attest:

\_\_\_\_\_  
Clerk/Secretary

\_\_\_\_\_  
Date

Zyr certification-PA (Rev. 4/04)

**Attachment B**

Savings and Cost Summary

The table below summarizes the savings and costs of the optional benefit if all eligible employees elect the optional benefit, and if the estimated twenty percent (20%) of eligible employees elect the optional benefit.

	All Eligible Employees	20% of Eligible Employees
Number of Employees	96	20
Annual Salary and Benefit Savings	\$16,287,900	\$3,257,600
FY 2010 Salary and Benefit Savings (1/2 Annual Savings)	\$8,143,950	\$1,628,800
Additional Employer Contribution (Paid over 20 years)	\$7,394,400	\$1,478,900
Increase in Annual Employer Contribution Rate	.0126	.0025

*Attachment C*

**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 GOVERNING BODY'S ACTION**

I hereby certify that the foregoing is a true and correct copy of a Resolution adopted by the

\_\_\_\_\_ of the  
(governing body)

\_\_\_\_\_ (public agency)

on \_\_\_\_\_  
(date)

\_\_\_\_\_  
Clerk/Secretary

\_\_\_\_\_  
Title

**Attachment D**

**CALIFORNIA PUBLIC EMPLOYEES' RETIREMENT SYSTEM**  
Employer Services Division  
Contract Maintenance Unit  
P.O. Box 942709  
Sacramento, CA 94229-2709

**CERTIFICATION OF COMPLIANCE WITH  
GOVERNMENT CODE SECTION 20903**

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3. It has elected to become subject to Section 20903 because of impending mandatory transfers, demotions, and layoffs that constitute at least 1 percent of the job classification, department or organizational unit, as designated by the governing body, resulting from the curtailment of, or change in the manner of performing, its services.
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CITY COUNCIL  
OF THE  
CITY OF OAKLAND

BY \_\_\_\_\_  
Presiding Officer

Attest:

\_\_\_\_\_  
Clerk/Secretary

\_\_\_\_\_  
Date

FILED  
OFFICE OF THE CITY CLERK  
OAKLAND

# OAKLAND CITY COUNCIL

  
City Attorney

2009 OCT -8 PM 3:58 **RESOLUTION No.** \_\_\_\_\_ **C.M.S.**  
Introduced by Councilmember \_\_\_\_\_

## **RESOLUTION TO GRANT ANOTHER DESIGNATED PERIOD FOR TWO YEARS ADDITIONAL SERVICE CREDIT**

**WHEREAS**, the City Council of the City of Oakland is a contracting Public Agency of the Public Employees' Retirement System; and

**WHEREAS**, said Public Agency desires to provide another designated period for Two Years Additional Service Credit, Section 20903, based on the contract amendment included in said contract which provided for Section 20903, Two Years Additional Service Credit, for eligible members;

**RESOLVED:** That said City Council does seek to add another designated period, and does hereby authorize this Resolution, indicating a desire to add a designated period from \_\_\_\_\_ through \_\_\_\_\_ for all Port of Oakland Miscellaneous members in classifications designated in Exhibit 1 attached.

IN COUNCIL, OAKLAND, CALIFORNIA, \_\_\_\_\_, 20\_\_\_\_\_

**PASSED BY THE FOLLOWING VOTE:**

AYES - BROOKS, DE LA FUENTE, KAPLAN, KERNIGHAN, NADEL, QUAN, REID, and PRESIDENT BRUNNER

NOES -

ABSENT -

ABSTENTION -

ATTEST: \_\_\_\_\_  
LaTonda Simmons  
City Clerk and Clerk of the Council  
of the City of Oakland, California



*Exhibit 1*  
*Port of Oakland Job Classifications Only*

Administrative Analyst II  
Airport Business Manager  
Airport Security/ID Supervisor  
AP Grnd Trans & Pkg Ops Coord  
AP Noise Abate/Envir Aff Supv  
AP Noise Abatement Tech  
AP Operations Mgr, Airside  
AP Operations Mgr, Landside  
AP Ops Supt, Airside  
AP Ops Supt, Landside  
AP Parking Operations Supt  
AP Tech Commun Supervisor  
Art Director  
Assist Port Attorney  
Assist Port Construction Admin  
Assistant Comm Real Estate Rep  
Assistant Director of Aviation  
Assistant Secretary of the Board  
Assoc AP Noise Abatemnt Spec  
Assoc Aviation Project Manager  
Aviation Assist Mkt & Comm Rep  
Aviation Assoc Mkt & Comm Rep  
Aviation Assoc Prop Rep  
Aviation Facilities Maint Mgr  
Aviation Marketing Manager  
Aviation Planning & Dev Mgr  
Aviation Security Manager  
Aviation Security Supt  
Aviation Senior Prop Rep  
Aviation Sr Super Prop Rep  
Aviation Super Mkt & Comm Rep  
Aviation Super Prop Rep

Building Services Manager  
Chief Audit Officer  
Chief Engineer  
Chief Financial Officer  
Chief Wharfinger  
Commercial Real Estate Mgr  
Commercial Rep V  
Contract Compliance Officer  
Contract Compliance Supervisor  
Deputy Executive Director  
Deputy Port Attorney III  
Deputy Port Attorney IV  
Deputy Port Attorney V  
Dir of Administration  
Dir of Commercial Real Estate  
Dir of Environ Prog & Planning  
Dir of Maritime  
Director of Finance/Controller  
Director, Social Responsibility  
Engineering Project Manager  
Executive Assistant  
Executive Assistant (CAS Div)  
Executive Assistant II  
Executive Director  
Executive Legal Secretary I  
Executive Legal Secretary II  
Facilities Support Supervisor  
Government Affairs Specialist  
Harbor Facilities Maint Mgr  
Human Resource Sup (Labor Rel)  
Human Resource Supervisor  
Legal Assistant III

*Exhibit 1*  
*Port of Oakland Job Classifications Only*

Legal Secretary II  
 Maint Mgt Systems Coordinator  
 Management Assistant  
 Manager, Debt Compliance  
 Maritime Develop and Bus Rep  
 Maritime Mktg and Commod Rep  
 Maritime Services Coordinator  
 Media/Public Relations Manager  
 Media/Public Relations Speclst  
 Mgr of A/P Properties  
 Mgr, Admin/Finance Services  
 Mgr, Bus Devel and Intl Mrktng  
 Mgr, Financial Planning  
 Mgr, Governmental Affairs  
 Mgr, Port Purchasing  
 Organizational Effectvness Mgr  
 Port Accounting Supervisor  
 Port Assist Engineer(E&M Work)  
 Port Assist Envir Scientist  
 Port Assist Environ Planner  
 Port Assist Human Res Analyst  
 Port Assist Management Analyst  
 Port Assoc Envir Planner  
 Port Assoc Envir Scientist  
 Port Associate Auditor  
 Port Associate Eng (E&M Work)  
 Port Associate Engineer (CW)  
 Port Attorney  
 Port Audit Manager  
 Port Budget Coordinator  
 Port Contract Compliance Mgr  
 Port Env Health & Safety Spec

Port Envir Assessment Supv  
 Port Envir Compliance Supv  
 Port Equal Opportunity Officer  
 Port ERDP Program Supervisor  
 Port Facilities Security Off  
 Port Field Representative I  
 Port Finance Capital Prog Coor  
 Port Financial Analyst  
 Port Grants Coordinator  
 Port HR Operations Technician  
 Port Human Resource Technician  
 Port Human Resources Assistant  
 Port Insurance Analyst  
 Port Job Researcher  
 Port Land Surveyor  
 Port Permit Coord  
 Port Principal Eng Technician  
 Port Principal Engineer  
 Port Principal Prog/Analyst  
 Port Programmer/Analyst  
 Port Risk Manager  
 Port Senior Accountant  
 Port Senior Auditor  
 Port Senior Programmer/Analyst  
 Port Senior Risk Mgmt Anl  
 Port Staff Accountant I  
 Port Staff Accountant II  
 Port Supervising Engineer (CW)  
 Port Supervisng Eng (E&M Work)  
 Port Sys Planning Analyst  
 Port Tech Support Analyst II  
 Port Tech Support Analyst IV

*Exhibit 1*  
*Port of Oakland Job Classifications Only*

Port Tech Support Special III  
Principal Elect/Mech Tech  
Procurement Analyst  
Properties Assistant  
Secretary of the Board  
Secretary to the Exec Director  
Senior Aviation Proj Mgr  
Senior Procurement Analyst  
Sr AP Noise Abatement Spec  
Sr Commercial Real Estate Rep  
Sr Maritime Accounts/Budg Anl  
Sr Maritime Projects Admin  
Sr Pricing & Contracts Analyst  
Training/Developmnt Specialist  
Utility Business Administrator  
Water Systems Engineer  
Workers' Comp Claims Tech  
Workers' Compensation Analyst