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OFFICE OF THE CITY CLERK
CITY OF OAKLAND
2004 APR 23 PM 12:02

CITY OF OAKLAND

AGENDA REPORT

To: Office of the City Manager
Attn: Deborah Edgerly
From: Retirement Systems
Date: April 20, 2004

Re: RESOLUTION OF INTENTION AND ORDINANCE OF THE COUNCIL OF THE CITY OF OAKLAND AUTHORIZING AN AMENDMENT TO THE CONTRACT BETWEEN THE CITY OF OAKLAND AND THE BOARD OF ADMINISTRATION OF THE CALIFORNIA PUBLIC EMPLOYEES' RETIREMENT SYSTEM (PERS) THAT AUTHORIZES: (1) 2.7% AT AGE 55 RETIREMENT BENEFITS FOR ALL CITY OFFICERS AND CIVILIAN (NON-SWORN) EMPLOYEES WHO ARE MEMBERS OF PERS; and (2) 3.0% AT AGE 50 RETIREMENT BENEFITS FOR EMPLOYEES WHO ARE MEMBERS OF THE INTERNATIONAL ASSOCIATION OF FIREFIGHTERS, LOCAL 55

SUMMARY

A resolution of intention and ordinance have been prepared to allow for the amendment of the contract between the City of Oakland and the California Public Employees' Retirement System (CalPERS). This amendment will provide miscellaneous (civilian) employees retirement benefits for under the 2.7% @ 55 formula and sworn fire personnel with retirement benefits under the 3.0% @ 50 formula.

The 2.7% @ 55 retirement formula (civilian) was negotiated with SEIU Local 790, the IFPTE Local 21, and IBEW Local 1245 employees. When the 2.7% @ 55 retirement formula becomes effective, unrepresented and management employees, supervising attorneys, Council members and other elected officials will also be eligible for retirement benefits under the same plan. The 2.7% @ 55 retirement benefit formula provides members, who achieve age 55, retirement benefits calculated at the rate of 2.7% for each year of service. Approximately 111 public agencies have adopted the 2.7% @ 55 miscellaneous retirement benefit formula, since it was approved by CalPERS January 1, 2002.

The 3.0% @ 50 retirement formula (fire sworn) was negotiated with the International Association of Firefighters, Local 55. The 3.0% @ 50 retirement formula for sworn police members and park rangers became effective in July of 2003. The 3.0% @ 50 retirement benefit formula provides members who achieve age 50 retirement benefits calculated at the rate of 3.0% for each year of service. Approximately 2,611 public agencies have adopted the 3.0% @ 50 safety retirement benefit formula, since it became available in January 1, 2000. The initial reading of the ordinance will take place on April 20, 2004, with the second reading scheduled for May 18, 2004. PERS requires a minimum of 20

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days from the initial reading to the second reading of the ordinance. The contract amendment will take effect June 19, 2004, which coincides with the beginning of a new payroll cycle that includes July 1, the first day of the new fiscal year.

FISCAL IMPACT

The proposed retirement contract amendments will allow for the implementation of the 2.7% @ 55 retirement formula for all permanent full-time and permanent part-time miscellaneous (civilian) employees, including the Port of Oakland employees, and extend the 3.0% @ 50 retirement formula to all International Association of Firefighters (Local 55) members. The City Council authorized additional funding for these improvements upon ratification of the respective labor contracts. Costs have been included in the FY 2004-05 Adopted Budget along with adjustments for additional employee contributions made by management, unrepresented, SEIU Local 790, the IFPTE Local 21, and IBEW Local 1245 employees.

The Port of Oakland makes its own retirement contributions toward CalPERS, and its participation in the 2.7% @ 55 formula has no fiscal impact on the City's finances.

KEY ISSUES AND IMPACTS

Employee Rate Change and Elections

The decision to provide 2.7% @ 55 miscellaneous (civilian) and 3.0% @ 50 sworn fire retirement benefits were previously negotiated and approved by City Council as detailed below:

Section 6.1.1 of the Memorandum of Understanding between the City of Oakland and SEIU Local 790 specifies the following:

- Effective July 1, 2004 the City's contract with PERS shall be amended to provide 2.7% @ 55 for all represented employees except Correction Officers.

Section 7.1.2 of the Agreement between the City of Oakland and IFPTE Local 21 specifies the following:

- Effective July 1, 2004 the City's contract with PERS shall be amended to provide 2.7% @ 55 for all represented employees except Correction Supervisors.

Section 6.1.6 of the Agreement between the City of Oakland and IBEW Local 1245 members specifies the following:

- Effective July 1, 2004 the City's contract with PERS shall be amended to provide 2.7% @ 55 plan for all unit members.

City of Oakland miscellaneous (civilian) employees are currently receiving retirement benefits under the 2.0% @ 55 formula. The adoption of the resolution of intention and ordinance will provide improved retirement benefits under the 2.7% @ 55 formula as mandated in the previously negotiated MOUs.

The employee contribution rate for miscellaneous employees will increase from seven percent to eight percent under the 2.7% @ 55 retirement formula. However, this change will not increase the 3.0% retirement contribution negotiated with the IFPTE Local 21, SEIU Local 790, management and IBEW Local 1245 employee unions beginning FY 2002-03/2003-04, through the end of the contract term. The additional 3.0% retirement contribution negotiated with the above unions in lieu of the business shutdown will not be impacted. CalPERS requires that when the employee contribution rate is increased, an election must be held for the impacted membership. All permanent full-time and permanent part-time civilian employees employed by the City and Port, who are members of CalPERS, are eligible to participate in the election to approve the increase in their contribution rate. There are approximately 3,400 civilian employees at the City and Port who are entitled to vote in the election. The voting will take place from April 21, 2004 to May 5, 2004. The results of the election must be certified by the City Clerk's office and forwarded to CalPERS.

Section 9.7 of the Memorandum of Understanding between the City of Oakland and the International Association of Firefighters, Local 55, states the following:

- Effective July 1, 2004 the City agrees to amend its contract with the Public Employees' Retirement System (PERS) to provide the 3% @ 50 retirement plan for each active bargaining unit member.

The adoption of this resolution and ordinance will additionally provide for the following:

- The transfer of the one remaining active member of the Oakland Municipal Employees' Retirement System (OMERS). The member has requested to transfer to CalPERS and the OMERS board has affirmed the request. A transfer of employee and employer contributions will be made from OMERS to CalPERS. This action is cost neutral to the City.
- Miscellaneous and Sworn Members can purchase up to three years of service credit associated with their time spent in VISTA or the Peace Corps. The employee is responsible for the payment of the employee and employer share. PERS determines the actuarial cost of the present value of the benefit based on the amount of time purchased, current salary, and age demographics. This action is cost neutral to the City.

Employer Rate Increases

Both of the above retirement formula enhancements will result in increases to the employer's (i.e., City's) rate paid to CalPERS for the Miscellaneous (i.e., civilian) and Public Safety (i.e., sworn, including Police and Fire) plans. CalPERS requires that the following information be disclosed with regard to these plan amendments:

2.7% @ 55 Miscellaneous Employees (City and Port):

1. Change in the present value of benefits	\$156,101,833
2. Change in the accrued liability	\$110,579,396
3. Increase in the total employer rate	7.667%

3.0% @ 50 (Fire) Safety Plan:

1. Change in the present value of benefits	\$ 12,440,441
2. Change in the accrued liability	\$ 10,465,957
3. Increase in the total employer rate	1.065%

The above disclosure presents a change in actuarial assumptions relating to the liabilities and incremental changes in the City's contributions from the previous FY 2004-05 employer rates released by CalPERS. The incremental difference in employer contributions is 7.667% for civilian and 1.065% for the safety plan. These incremental changes represent, in essence, the cost of the above plan improvement. These changes will result in additional City costs; however, these cost increases have already been included in the FY 2004-05 Adopted Budget.

SUSTAINABLE OPPORTUNITIES

There are no sustainable opportunities or impacts associated with the approval of this resolution and ordinance.

DISABILITY AND SENIOR CITIZEN ACCESS

There is no impact on residents with disabilities and/or senior citizens relative to accessibility.


RECOMMENDATION AND RATIONALE

The City of Oakland has negotiated the change of benefits for local miscellaneous members and sworn safety members. The approval of the resolution of intention and ordinance will allow for the timely contract amendment of the 2.7% @ 55 miscellaneous employees (civilian) and 3.0% @ 50 fire sworn retirement benefits by June 19, 2004. Staff recommends that Council approve June 19, 2004 as the effective date of the contract amendments and approve the resolution of intention and ordinance.

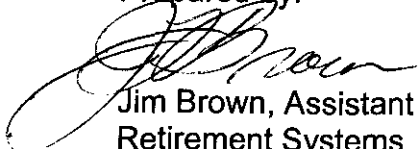
ACTION REQUESTED OF COUNCIL

Staff recommends that the City Council approve this resolution and ordinance.


Respectfully submitted,


Walter L. Johnson, Sr., Director
Retirement Systems

Prepared by:


Jim Brown, Assistant Director
Retirement Systems

APPROVED FOR FORWARDING
TO THE CITY COUNCIL



Office of the City Manager

B. Parker

**RESOLUTION OF INTENTION
TO APPROVE AN AMENDMENT TO CONTRACT
BETWEEN THE
BOARD OF ADMINISTRATION
CALIFORNIA PUBLIC EMPLOYEES' RETIREMENT SYSTEM
AND THE
CITY COUNCIL
CITY OF OAKLAND**

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 21354.5 (2.7% @ 55 Full formula) for local miscellaneous members and to provide a subsequent waiver period for those local miscellaneous members of the Oakland Municipal Employees Retirement System; Section 21362.2 (3% @ 50 Full formula) for local fire members; and Section 21023.5 (Public Service Credit for Peace Corps or AmeriCorps: VISTA Service) for local miscellaneous members and local safety members.

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

By: _____
Presiding Officer

Title

Date adopted and approved

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CITY COUNCIL

APR 20 2004



EXHIBIT

California
Public Employees' Retirement System

AMENDMENT TO CONTRACT

Between the
Board of Administration
California Public Employees' Retirement System
and the
City Council
City of Oakland

The Board of Administration, California Public Employees' Retirement System, hereinafter referred to as Board, and the governing body of the above public agency, hereinafter referred to as Public Agency, having entered into a contract effective September 1, 1970, and witnessed June 5, 1972, and as amended effective April 9, 1973, October 4, 1975, January 10, 1976, July 1, 1976, July 4, 1981, July 30, 1983, December 6, 1985, January 1, 1988, June 30, 1992, September 25, 1993, July 1, 1996, June 14, 2000, July 7, 2001, October 13, 2001 and June 21, 2003 which provides for participation of Public Agency in said System, Board and Public Agency hereby agree as follows:

- A. Paragraphs 1 through 18 are hereby stricken from said contract as executed effective June 21, 2003, and hereby replaced by the following paragraphs numbered 1 through 18 inclusive:
1. All words and terms used herein which are defined in the Public Employees' Retirement Law shall have the meaning as defined therein unless otherwise specifically provided. "Normal retirement age" shall mean age 55 for local miscellaneous members and age 50 for local safety members.

PLEASE DO NOT SIGN "EXHIBIT ONLY"

2. Public Agency shall participate in the Public Employees' Retirement System from and after September 1, 1970 making its employees as hereinafter provided, members of said System subject to all provisions of the Public Employees' Retirement Law except such as apply only on election of a contracting agency and are not provided for herein and to all amendments to said Law hereafter enacted except those, which by express provisions thereof, apply only on the election of a contracting agency.
3. Employees of Public Agency in the following classes shall become members of said Retirement System except such in each such class as are excluded by law or this agreement:
 - a. Local Fire Fighters (herein referred to as local safety members);
 - b. Local Police Officers (herein referred to as local safety members);
 - c. Employees other than local safety members (herein referred to as local miscellaneous members).
4. In addition to the classes of employees excluded from membership by said Retirement Law, the following classes of employees shall not become members of said Retirement System:
 - a. **EMPLOYEES, OTHER THAN ELECTIVE OFFICERS WHO ENTERED PUBLIC AGENCY SERVICE PRIOR TO SEPTEMBER 1, 1970 AND WHO HAVE NOT EXECUTED AND FILED, IN ACCORDANCE WITH RESOLUTIONS OF THE CITY COUNCIL A WAIVER OF RIGHTS UNDER THE OAKLAND MUNICIPAL EMPLOYEES' RETIREMENT SYSTEM PRIOR TO SEPTEMBER 1, 1970, OR IN THE PERIODS FEBRUARY 15, 1973 THROUGH MARCH 15, 1973, INCLUSIVE, OR NOVEMBER 24, 1975 THROUGH DECEMBER 19, 1975, INCLUSIVE, OR MAY 15, 1981 THROUGH JUNE 15, 1981, INCLUSIVE. THE EXCLUSION OF A MEMBER EXECUTING AND FILING SUCH WAIVER IN THE PERIOD MAY 15, 1981, THROUGH JUNE 15, 1981, INCLUSIVE, SHALL CEASE AND HIS MEMBERSHIP SHALL BE EFFECTIVE ON JULY 4, 1981;**

PLEASE DO NOT SIGN "EXHIBIT ONE"

- b. THE PROVISION OF PARAGRAPH 4.a. SHALL ALSO APPLY TO INDIVIDUALS HIRED PRIOR TO SEPTEMBER 1, 1970 WHO TERMINATED EMPLOYMENT WITH THE PUBLIC AGENCY, LEFT CONTRIBUTIONS ON DEPOSIT WITH OAKLAND MUNICIPAL EMPLOYEES' RETIREMENT SYSTEM, AND ARE MEMBERS OF THE PUBLIC EMPLOYEES' RETIREMENT SYSTEM;
- c. THE PROVISION OF PARAGRAPH 4.a. SHALL NOT APPLY TO EMPLOYEES OF PUBLIC AGENCY HIRED AFTER JULY 4, 1981, AS TO FUTURE SERVICE. SUCH EMPLOYEES MAY EXECUTE A WAIVER OF RIGHTS UNDER THE OAKLAND MUNICIPAL EMPLOYEES' RETIREMENT SYSTEM WITHIN 30 DAYS OF NOTICE BY LOCAL AGENCY OF RIGHT TO EXECUTE A WAIVER AND WILL RECEIVE SERVICE CREDIT IN THE PUBLIC EMPLOYEES' RETIREMENT SYSTEM FOR LOCAL SYSTEM SERVICE UPON PAYMENT OF CONTRIBUTIONS WITHDRAWN FROM THE LOCAL SYSTEM UNDER THE PROVISIONS OF GOVERNMENT CODE SECTION 20523 OR UPON TRANSFER OF MEMBER CONTRIBUTIONS FROM THE LOCAL SYSTEM UNDER THE PROVISIONS OF GOVERNMENT CODE SECTION 20530;
- d. MEMBERS OF BOARDS AND COMMISSIONS APPOINTED BY THE MAYOR OR THE CITY COUNCIL;
- e. EMPLOYEES AND MEMBERS OF THE BOARD OF EDUCATION;
- f. PERSONS EMPLOYED ON PROVISIONAL APPOINTMENTS, PURSUANT TO CITY OF OAKLAND CHARTER SECTION 803, OTHER THAN CITY OF OAKLAND EMPLOYEES WHO ARE MEMBERS OF PERS AND ACCEPT SUCH APPOINTMENT AFTER SEPTEMBER 1, 1970, AND PERSONS EMPLOYED FOR SEASONAL EMPLOYMENT PURSUANT TO SECTION 802(d) OF THE CHARTER;
- g. FIRE EMPLOYEES HIRED PRIOR TO JULY 1, 1976 WHO WILL REMAIN MEMBERS OF THE CITY OF OAKLAND FIRE AND POLICE RETIREMENT SYSTEM AND WHO DID NOT WAIVE THEIR RIGHTS UNDER THAT PLAN AS OF OCTOBER 31, 2001.

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- h. POLICE EMPLOYEES HIRED PRIOR TO JULY 1, 1976 WHO WILL REMAIN MEMBERS OF THE CITY OF OAKLAND FIRE AND POLICE RETIREMENT SYSTEM AND WHO DID NOT WAIVE THEIR RIGHTS UNDER THAT PLAN AS OF THE EFFECTIVE DATE OF THIS AMENDMENT TO CONTRACT.**
5. Permanent part-time employees hired prior to September 1, 1970 were excluded from membership in the Public Employees' Retirement System prior to July 4, 1981 because they were not eligible for membership in the Oakland Municipal Employees' Retirement System and could not execute a waiver of rights pursuant to paragraph 4.a. of this contract. This exclusion shall not apply to those employees in employment of public agency on or after July 4, 1981.
 6. Assets heretofore accumulated with respect to miscellaneous members under the local retirement system who waived their rights under that system on April 9, 1973, January 10, 1976 and July 4, 1981, have been transferred to the Public Employees' Retirement System and applied against the liability for prior service incurred thereunder. That portion of assets so transferred which represent the accumulated contributions (plus interest thereof) required of the employees under said local system have been credited to the individual membership account of each such employee under the Public Employees' Retirement System.
 7. Assets heretofore accumulated with respect to fire members under the local retirement system who waived their rights under that system on October 13, 2001, have been transferred to the Public Employees' Retirement System and applied against the liability for prior service incurred thereunder. That portion of assets so transferred which represent the accumulated contributions (plus interest thereof) required of the employees under said local system have been credited to the individual membership account of each such employee under the Public Employees' Retirement System.
 8. Assets heretofore accumulated with respect to police members under the local retirement system who waived their rights under that system on the effective date of this amendment to contract, have been transferred to the Public Employees' Retirement System and applied against the liability for prior service incurred thereunder. That portion of assets so transferred which represent the accumulated contributions (plus interest thereof) required of the employees under said local system have been credited to the individual membership account of each such employee under the Public Employees' Retirement System.

PLEASE DO NOT SIGN "EXHIBIT"

9. Public Agency and the Redevelopment Agency of the City of Oakland have agreed to a merger of their contracts, and this contract shall be a continuation of the benefits of the contract of the Redevelopment Agency of the City of Oakland, pursuant to Section 20567.6 of the Government Code. Such merger is effective as of December 28, 1975. Public Agency, by this contract, assumes the assets and liabilities accumulated under the former contract of the Redevelopment Agency of the City of Oakland. Legislation repealed said Section effective January 1, 1988.
 - a. The optional provisions of Section 21354 shall apply to all past service for former employees of the Redevelopment Agency of the City of Oakland.
10. The percentage of final compensation to be provided for each year of credited prior and current service as a local miscellaneous member in employment before and not on or after the effective date of this amendment to contract shall be determined in accordance with Section 21354 of said Retirement Law (2% at age 55 Full).
11. The percentage of final compensation to be provided for each year of credited prior and current service as a local miscellaneous member in employment on or after the effective date of this amendment to contract shall be determined in accordance with Section 21354.5 of said Retirement Law (2.7% at age 55 Full).
12. The percentage of final compensation to be provided for each year of credited prior and current service as a local safety member shall be determined in accordance with Section 21362.2 of said Retirement Law (3% at age 50 Full).
13. Public Agency elected and elects to be subject to the following optional provisions:
 - a. Sections 21624, 21626 and 21628 (Post-Retirement Survivor Allowance).
 - b. Section 21536 (Local System Service Credit Included in Basic Death Benefit) for local miscellaneous members only.
 - c. Section 20042 (One-Year Final Compensation).
 - d. Section 21024 (Military Service Credit as Public Service), Statutes of 1974 for local miscellaneous members only.

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- e. Section 21573 (Third Level of 1959 Survivor Benefits) for local fire members only.
 - f. Section 21024 (Military Service Credit as Public Service), Statutes of 1976 for local safety members only.
 - g. Section 20431 ("Local Police Officer" shall include city jail, detention or correctional facility employees as described in Government Code Section 20431).
 - h. Section 20434 ("Local Fire Fighter" shall include any officer or employee of a fire department employed to perform firefighting, fire prevention, fire training, hazardous materials, emergency medical services, or fire or arson investigation services as described in Government Code Section 20434).
 - i. Section 21023.5 (Public Service Credit for Peace Corps, AmeriCorps VISTA, or AmeriCorps Service).
14. Public Agency, in accordance with Government Code Section 20790, ceased to be an "employer" for purposes of Section 20834 effective on October 4, 1975. Accumulated contributions of Public Agency shall be fixed and determined as provided in Government Code Section 20834, and accumulated contributions thereafter shall be held by the Board as provided in Government Code Section 20834.
15. Public Agency shall contribute to said Retirement System the contributions determined by actuarial valuations of prior and future service liability with respect to local miscellaneous members and local safety members of said Retirement System.
16. Public Agency shall also contribute to said Retirement System as follows:
- a. Contributions required per covered member on account of the 1959 Survivor Benefits provided under Section 21573 of said Retirement Law. (Subject to annual change.) In addition, all assets and liabilities of Public Agency and its employees shall be pooled in a single account, based on term insurance rates, for survivors of all local fire members.
 - b. A reasonable amount, as fixed by the Board, payable in one installment within 60 days of date of contract to cover the costs of administering said System as it affects the employees of Public Agency, not including the costs of special valuations or of the periodic investigation and valuations required by law.

- c. A reasonable amount, as fixed by the Board, payable in one installment as the occasions arise, to cover the costs of special valuations on account of employees of Public Agency, and costs of the periodic investigation and valuations required by law.
17. Contributions required of Public Agency and its employees shall be subject to adjustment by Board on account of amendments to the Public Employees' Retirement Law, and on account of the experience under the Retirement System as determined by the periodic investigation and valuation required by said Retirement Law.
 18. Contributions required of Public Agency and its employees shall be paid by Public Agency to the Retirement System within fifteen days after the end of the period to which said contributions refer or as may be prescribed by Board regulation. If more or less than the correct amount of contributions is paid for any period, proper adjustment shall be made in connection with subsequent remittances. Adjustments on account of errors in contributions required of any employee may be made by direct payments between the employee and the Board.

B. This amendment shall be effective on the _____ day of _____, _____.

BOARD OF ADMINISTRATION
PUBLIC EMPLOYEES' RETIREMENT SYSTEM

CITY COUNCIL
CITY OF OAKLAND

BY _____
KENNETH W. MARZION, CHIEF
ACTUARIAL & EMPLOYER SERVICES DIVISION
PUBLIC EMPLOYEES' RETIREMENT SYSTEM

BY _____
PRESIDING OFFICER

Witness Date _____

Attest:

Clerk

INTRODUCED BY COUNCILMEMBER _____

2003 APR 9 7 12:03

City Attorney

ORDINANCE No. _____ C.M.S.

AN ORDINANCE OF THE COUNCIL OF THE CITY OF OAKLAND AUTHORIZING AN AMENDMENT TO THE CONTRACT BETWEEN THE CITY OF OAKLAND AND THE BOARD OF ADMINISTRATION OF THE CALIFORNIA PUBLIC EMPLOYEES' RETIREMENT SYSTEM (PERS") THAT AUTHORIZES (1) 2.7% AT AGE 55 RETIREMENT BENEFITS FOR ALL CITY OFFICERS AND CIVILIAN (NON-SWORN) EMPLOYEES WHO ARE MEMBERS OF PERS; and (2) 3.0% AT AGE 50 RETIREMENT BENEFITS FOR EMPLOYEES WHO ARE MEMBERS OF THE INTERNATIONAL ASSOCIATION OF FIREFIGHTERS, LOCAL 55

WHEREAS, on January 28, 2003, the City Council passed Resolution No. 77626 C.M.S., which approved a Memorandum of Understanding ("MOU") between the City and Service Employees International Union, Local 790, and Article 6.1.2. of the MOU provides 2.7% @ 55 retirement benefits for Local 790's members; and

WHEREAS, on January 28, 2003, the City Council passed Resolution No. 77626 C.M.S., which approved a Memorandum of Understanding ("MOU") between the City and Professional and Technical Engineers, Local 21 and Article 7.1.2 of the MOU provides 2.7% @ 55 retirement benefits for Local 21's members; and

WHEREAS, on January 28, 2003, the City Council passed Resolution No. 77627 C.M.S., which approved a Memorandum of Understanding ("MOU") between the City and International Brotherhood of Electrical Workers Local 1245 and Article 6.16 provides 2.7% @ 55 retirement benefits for Local 1245's members; and

WHEREAS, all other permanent full-time and permanent part-time employees and officers also will be provided 2.7% @ 55 retirement benefits; and

WHEREAS, on June 26, 2001, the City Council passed Resolution No. 76546 C.M.S. which approved a Memorandum of Understanding ("MOU") between the City and the International Association of Firefighter, Local 55 and Article 9.7 of the MOU provides 3.0% @ 50 retirement benefits for Local 55's members; and

WHEREAS, in order to implement 2.7% @ 55 and 3.0% @ 50 retirement benefits for the bargaining units described above, the City must amend its contract with the Board of Administration of the California Public Employees' Retirement System; now, therefore

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

SECTION 1. That an amendment to the contract between the City of Oakland and the Board of Administration, California Public Employees' Retirement System ("PERS") hereby is authorized, with an effective date of June 19, 2004, that will provide 2.7% @ 55 retirement benefits for all permanent full-time and permanent part-time miscellaneous (i.e., civilian, non-sworn) City officers and employees who are members of PERS and 3.0% @ 50 retirement benefits for Local 55's members who are members of PERS. A copy of said amendment is attached hereto as Exhibit 1. Exhibit 1 hereby is incorporated in this agreement as if set forth in full herein.

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**CITY COUNCIL
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SECTION 2. The President of the Council hereby is authorized, empowered, and directed to execute said amendment for and on behalf of said Agency.

SECTION 3. This Ordinance shall take effect immediately if at least six Council Members vote in favor of this ordinance; otherwise this ordinance it will take effect on the seventh day after final adoption.

IN COUNCIL, OAKLAND, CALIFORNIA, _____, 20____

PASSED BY THE FOLLOWING VOTE:

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

NOES-

ABSENT-

ABSTENTION-

ATTEST: _____

CEDA FLOYD

City Clerk and Clerk of the Council
of the City of Oakland, California

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CITY COUNCIL

APR 20 2004