

GARDEN GROVE CITY COUNCIL

RESOLUTION NO. 9159-12

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF GARDEN GROVE, CALIFORNIA, SETTING FORTH TERMS AND CONDITIONS OF CALIFORNIA PUBLIC EMPLOYEES' RETIREMENT SYSTEM (PERS) BENEFITS IN COMPLIANCE WITH REQUIREMENTS OF THE PUBLIC EMPLOYEES' PENSION REFORM ACT (PEPRA) FOR NEW EMPLOYEES REPRESENTED BY THE ORANGE COUNTY EMPLOYEES' ASSOCIATION (OCEA), GARDEN GROVE CHAPTER; OCEA EMPLOYEES' LEAGUE; AND UNREPRESENTED EMPLOYEES

WHEREAS, the State Legislature passed and the Governor of California signed Assembly Bill 340, the Public Employees' Pension Reform Act of 2013 (PEPRA), which makes a number of changes to the Public Employees' Retirement Law;

WHEREAS, PEPRA requires a public retirement system to modify its retirement plan to comply with PEPRA;

WHEREAS, the California Public Employees Retirement System (PERS) is a public retirement system subject to PEPRA's provisions;

WHEREAS, the City has contracted with PERS to provide retirement benefits for its employees;

WHEREAS, PEPRA mandates that with respect to new members, as defined, who are hired on or after January 1, 2013, that PERS establish new retirement formulas and a single methodology for determining the amount of a new member's retirement for its contracting agencies (PEPRA Mandates);

WHEREAS, the retirement formulas and methodology for calculating retirement compensation that is set forth in City Resolutions and Memoranda of Understandings (MOUs) setting forth the terms and conditions of employment for City employees are different than the PEPRA Mandates;

WHEREAS, PEPRA provides that the PEPRA Mandates supersede the City Resolutions and MOUs with respect to new members and thus, the City has no discretion as to whether to implement the PEPRA Mandates for new members hired on or after January 1, 2013; and

WHEREAS, pursuant to State law, the City Council establishes the compensation, including retirement benefits, for its employees by Ordinance or Resolution.

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF GARDEN GROVE, CALIFORNIA, DOES RESOLVE:

Section 1. Pursuant to the Public Employees' Pension Reform Act of 2013 (PEPRA) and notwithstanding any provision of any other City Council Resolution or Memorandum of Understanding (MOU) between the City and Orange County Employees' Association (OCEA) Garden Grove Chapter, OCEA Employees' League, and unrepresented employees, any new member employee, as defined by PEPRA, who is hired on or after January 1, 2013, shall be subject to the following retirement benefits:

For Non-Safety Employees

Government Code Section 7522.20 (2% @ 62 retirement formula).

Government Code Section 7522.32 (final compensation rate used to calculate pension benefit is average of member's highest annual pensionable compensation over a consecutive 36 month period).

For Safety Employees

Government Code Section 7522.25 (2% @ 50 retirement formula, maximum benefit of 2.7% @ 57).

Government Code Section 7522.32 (final compensation rate used to calculate pension benefit is average of member's highest annual pensionable compensation over a consecutive 36 month period).

Section 2. This Resolution shall not apply to any public safety employees in the International Association of Firefighters, Garden Grove Local 2005, Garden Grove Fire Management Association, Garden Grove Police Association, Garden Grove Police Management Association.

Section 3. The Human Resources Director is directed to effect the necessary changes in City systems and procedures prior to January 1, 2013.

Adopted this 11th day of December 2012.

ATTEST:

/s/ BRUCE A. BROADWATER
MAYOR

/s/ KATHLEEN BAILOR, CMC
CITY CLERK

STATE OF CALIFORNIA)
COUNTY OF ORANGE) SS:
CITY OF GARDEN GROVE)

I, KATHLEEN BAILOR, City Clerk of the City of Garden Grove, do hereby certify that the foregoing Resolution was duly adopted by the City Council of the City of Garden Grove, California, at a meeting held on the 11th day of December 2012, by the following vote:

AYES:	COUNCIL MEMBERS:	(5)	BEARD, JONES, NGUYEN, PHAN, BROADWATER
NOES:	COUNCIL MEMBERS:	(0)	NONE
ABSENT:	COUNCIL MEMBERS:	(0)	NONE

/s/ KATHLEEN BAILOR, CMC
CITY CLERK