

**TOWN OF PARADISE
ORDINANCE NO. 515**

**AN URGENCY ORDINANCE OF THE TOWN COUNCIL OF THE TOWN OF PARADISE,
CALIFORNIA, AUTHORIZING AN AMENDMENT TO THE CONTRACT
BETWEEN THE TOWN COUNCIL OF THE TOWN OF PARADISE AND THE BOARD OF
ADMINISTRATION OF THE PUBLIC EMPLOYEES RETIREMENT SYSTEM**

The Town Council of the Town of Paradise does hereby ordain as follows:

Section 1.

That an amendment to the contract between the Town Council of the Town of Paradise and the Board of Administration, California Public Employees Retirement System is hereby authorized. A copy of the amendment is attached hereto, marked "Exhibit" and by such reference made a part hereof as though herein set out in full.

Section 2.

The Mayor of the Town Council is hereby authorized, empowered, and directed to execute the amendment for and on behalf of the Town.

Section 3.

Urgency, Duration and Publication. This ordinance is adopted by the Town Council pursuant to the California Constitution, article XI, section 7 and Government Code 36937 by a four-fifths or greater vote, as an urgency measure to protect the public health, safety and welfare, and shall take effect immediately. The reason for such urgency is that the Town Police Department is currently understaffed and there is a need to amend the Town's retirement system with Cal PERS so that the Town can hire new police officers to adequately protect persons and property within the Town. Before the expiration of 15 days after the adoption of this ordinance, a summary hereof shall be published once, with the names of the members of this Council voting for or against the same in a newspaper of general circulation published in the Town of Paradise.

PASSED AND ADOPTED by the Town Council of the Town of Paradise this 8th day of February, 2011, by the following vote:

AYES: Steve "Woody" Culleton, Joe DiDuca, Scott Lotter, Tim Titus and Alan White, Mayor

NOES: None

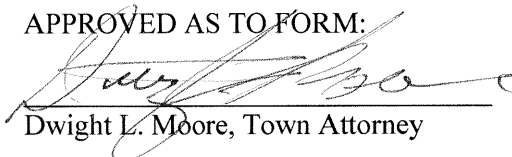
ABSENT: None

ABSTAIN: None

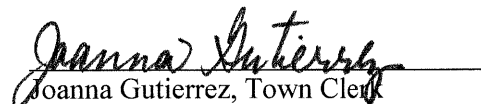


Alan White, Mayor

APPROVED AS TO FORM:


Dwight L. Moore, Town Attorney

ATTEST:


Joanna Gutierrez, Town Clerk



California
Public Employees' Retirement System

AMENDMENT TO CONTRACT

Between the
Board of Administration
California Public Employees' Retirement System
and the
Town Council
Town of Paradise

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 29, 1985, and witnessed September 17, 1985, and as amended effective February 19, 1988, June 18, 1989, October 18, 1993, May 6, 1994, December 15, 1995, January 1, 1997, April 1, 1999, June 7, 1999, October 23, 1999 and December 18, 2000 which provides for participation of Public Agency in said System, Board and Public Agency hereby agree as follows:

- A. Paragraphs 1 through 11 are hereby stricken from said contract as executed effective December 18, 2000, and hereby replaced by the following paragraphs numbered 1 through 14 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 entering membership on or prior to the effective date of the amendment to contract, age 60 for local miscellaneous members entering membership for the first time in the miscellaneous classification after the effective date of this amendment to contract, age 50 for local safety members entering membership on or prior to the effective date of this amendment to contract, and age 55 for local safety members entering membership for the first time in the safety classification after the effective date of this amendment to contract.

2. Public Agency shall participate in the Public Employees' Retirement System from and after September 29, 1985 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. Public Agency agrees to indemnify, defend and hold harmless the California Public Employees' Retirement System (CalPERS) and its trustees, agents and employees, the CalPERS Board of Administration, and the California Public Employees' Retirement Fund from any claims, demands, actions, losses, liabilities, damages, judgments, expenses and costs, including but not limited to interest, penalties and attorneys fees that may arise as a result of any of the following:
 - (a) Public Agency's election to provide retirement benefits, provisions or formulas under this Contract that are different than the retirement benefits, provisions or formulas provided under the Public Agency's prior non-CalPERS retirement program.
 - (b) Public Agency's election to amend this Contract to provide retirement benefits, provisions or formulas that are different than existing retirement benefits, provisions or formulas.
 - (c) Public Agency's agreement with a third party other than CalPERS to provide retirement benefits, provisions, or formulas that are different than the retirement benefits, provisions or formulas provided under this Contract and provided for under the California Public Employees' Retirement Law.
 - (d) Public Agency's election to file for bankruptcy under Chapter 9 (commencing with section 901) of Title 11 of the United States Bankruptcy Code and/or Public Agency's election to reject this Contract with the CalPERS Board of Administration pursuant to section 365, of Title 11, of the United States Bankruptcy Code or any similar provision of law.
 - (e) Public Agency's election to assign this Contract without the prior written consent of the CalPERS' Board of Administration.
 - (f) The termination of this Contract either voluntarily by request of Public Agency or involuntarily pursuant to the Public Employees' Retirement Law.
 - (g) Changes sponsored by Public Agency in existing retirement benefits, provisions or formulas made as a result of amendments, additions or deletions to California statute or to the California Constitution.

4. 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).
5. 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. **MEMBERS OF THE GOVERNING BODY.**
6. The percentage of final compensation to be provided for each year of credited prior and current service as a local miscellaneous member entering membership in the miscellaneous classification on or prior to 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).
7. The percentage of final compensation to be provided for each year of credited current service as a local miscellaneous member entering membership for the first time in the miscellaneous classification after the effective date of this amendment to contract shall be determined in accordance with Section 21353 of said Retirement Law (2% at age 60 Full).
8. The percentage of final compensation to be provided for each year of credited prior and current service as a local safety member entering membership in the safety classification on or prior to the effective date of this amendment to contract shall be determined in accordance with Section 21362.2 of said Retirement Law (3% at age 50 Full).
9. The percentage of final compensation to be provided for each year of credited current service as a local safety member entering membership for the first time in the safety classification after the effective date of this amendment to contract shall be determined in accordance with Section 21363.1 of said Retirement Law (3% at age 55 Full).
10. Public Agency elected and elects to be subject to the following optional provisions:
 - a. Section 20938 (Limit Prior Service to Members Employed on Contract Date).

- b. Section 20965 (Credit for Unused Sick Leave) for local safety members only.
- c. Section 21574 (Fourth Level of 1959 Survivor Benefits).
- d. Section 20042 (One-Year Final compensation) for local miscellaneous members and local safety members entering membership on or prior to the effective date of this amendment to contract.
- e. Section 21427 (Improved Nonindustrial Disability Allowance) for local safety members only.
- f. Section 20325 (Optional Membership for Part-Time Employees) for local miscellaneous members only.
- g. Section 21024 (Military Service Credit as Public Service).
- h. Section 20903 (Two Years Additional Service Credit) for local safety members only.
- i. Section 21548 (Pre-Retirement Option 2W Death Benefit) for local fire members only.
- j. Section 20475 (Different Level of Benefits). Section 21353 (2% @ 60 Full formula) and Section 20037 (Three-Year Final Compensation) are applicable to local miscellaneous members entering membership for the first time in the miscellaneous classification after the effective date of this amendment to contract.

Section 21363.1 (3% @ 55 Full formula) and Section 20037 (Three-Year Final Compensation) are applicable to local safety members entering membership for the first time in the safety classification after the effective date of this amendment to contract.

- 11. 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.
- 12. 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 21574 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 miscellaneous members and local safety 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.
13. 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.
14. 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 8th day of February, 2011.

BOARD OF ADMINISTRATION
PUBLIC EMPLOYEES' RETIREMENT SYSTEM

TOWN COUNCIL
TOWN OF PARADISE

BY _____
LORI MCGARTLAND, CHIEF
EMPLOYER SERVICES DIVISION
PUBLIC EMPLOYEES' RETIREMENT SYSTEM

BY _____
PRESIDING OFFICER
Alan White, Mayor

Dina A. Volenski 2-14-11
Witness Date
Dina A. Volenski 2-14-11

Attest:

Joanna Gutierrez
Clerk
Joanna Gutierrez, Town Clerk