

COMMISSION ON COMMUNITY INVESTMENT AND INFRASTRUCTURE

RESOLUTION NO. 50-2016

Adopted October 18, 2016

**APPROVING THE CALPERS FORM RESOLUTION AUTHORIZING A CONTRACT
BETWEEN THE CALIFORNIA PUBLIC EMPLOYEES' RETIREMENT SYSTEM
(CALPERS) AND THE SUCCESSOR AGENCY**

- WHEREAS, The Redevelopment Agency of the City and County of San Francisco ("Redevelopment Agency") approved, by Agency Resolution No. 2713 (Dec. 13, 1960), a contract with the California State Employees' Retirement System, which subsequently became the California Public Employees' Retirement System ("CalPERS"), to provide retirement benefits for its employees. The Redevelopment Agency and CalPERS have amended, on numerous occasions, the contract, which has continuously remained in effect for the benefit of Redevelopment Agency employees (the "CalPERS Contract"); and,
- WHEREAS, On February 1, 2012, state law dissolved the Redevelopment Agency, Cal. Health & Safety Code §§ 34170 et seq., and transferred certain assets and obligations to the Successor Agency to the Redevelopment Agency ("Successor Agency"). Among the transferred obligations to the Successor Agency were the CalPERS Contract, which survived dissolution as an enforceable obligation under Sections 34171 (d) (1) and 34190 of the California Health and Safety Code; and,
- WHEREAS, The Board of Supervisors of the City and County of San Francisco established, by Ordinance No. 215-12 (Oct. 4, 2012), the Successor Agency Commission as the governing body of the Successor Agency; and,
- WHEREAS, CalPERS has requested that the Successor Agency, as a separate entity from the Redevelopment Agency, enter into a new contract to confirm its continuing contractual relationship with CalPERS; and,
- WHEREAS, the Commission approved on October 20, 2015 Resolution 68-2015 which authorized OCII to hold an employee election, as required by CalPERS, to permit employees to express their approval or disapproval of the retirement proposal; and,
- WHEREAS, OCII held the required election November 9, 2015 through November 16, 2015 and has certified that 100 percent of current employees received a ballot, that 27 voted to approve the proposed retirement contract, and that no employees voted against the proposed retirement contract, and one employee did not submit a ballot; and,
- WHEREAS, The Commission approved, by Resolution No. 81-2015 (Dec. 15, 2015), a new CalPERS retirement contract and a new tax deferral authorization of CalPERS

members' contributions, both of which identified the Successor Agency to the Redevelopment Agency of the City and County of San Francisco as the employer; and,

WHEREAS, CalPERS subsequently suspended the implementation of the new retirement contract when the health care coverage of some employees was inadvertently terminated; and,

WHEREAS, Over several months, CalPERS and the Successor Agency's executive management negotiated the appropriate next steps to address the CalPERS requirement for new retirement and health care contracts and the Successor Agency's interest in limiting the amount of disruption and inconvenience to employees caused by re-enrollment in health care coverage; and,

WHEREAS, CalPERS and the Successor Agency have agreed upon new effective dates for the retirement and health care contracts that will ensure continuous coverage of health care benefits, but that will require re-approval of the CalPERS contract and the separate approval, by Resolution No. 51-2016, of the Successor Agency's participation in the CalPERS health care program; and

WHEREAS, CalPERS requires that the Successor Agency adopt the attached Resolution Authorizing a Contract (Attachment A) in the form prescribed by CalPERS ("Form Resolution"); and,

WHEREAS, The Commission's approval of the Form Resolution approving a contract between CALPERS and the Successor Agency is an administrative activity of government that will not result in any direct or indirect physical changes in the environment, and is, therefore, not a project as defined by the California Environmental Quality Act ("CEQA") Guidelines Section 15378(b)(5) and is not subject to CEQA pursuant to CEQA Guidelines Section 15060(c)(3); now therefore be it

RESOLVED, That the Successor Agency Commission adopts the Form Resolution approving a contract between CalPERS and the Successor Agency that is attached to this Resolution.

I hereby certify that the foregoing resolution was adopted by the Commission at its meeting of October 18, 2016.


Commission Secretary

Attachment A: Resolution Authorizing CalPERS Contract
Attachment B: CalPERS Contract

**SUCCESSOR AGENCY TO THE REDEVELOPMENT AGENCY
OF THE CITY AND COUNTY OF SAN FRANCISCO**

RESOLUTION AUTHORIZING A CONTRACT

No. 50-2016

WHEREAS, the Public Employees' Retirement Law provides for the participation of a Public Agency in the California Public Employees' Retirement System, making its employees members of said System; and

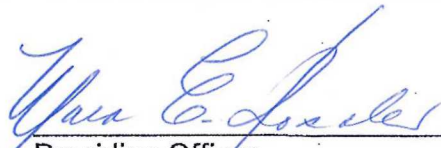
WHEREAS, the Successor Agency Commission of the Successor Agency to the Redevelopment Agency of the City and County of San Francisco on _____, _____, adopted a Resolution giving notice of intention to approve a contract providing for such participation; and

WHEREAS, the employees of said public agency, whose memberships in said Retirement System are contemplated, have approved said participation, by majority vote;

NOW, THEREFORE, BE IT RESOLVED, that a contract between the Successor Agency Commission of the Successor Agency to the Redevelopment Agency of the City and County of San Francisco and the Board of Administration, California Public Employees' Retirement System is hereby authorized, a copy of said contract being attached hereto and by such reference made a part hereof as though herein set out in full; and


NOW, THEREFORE, BE IT FURTHER RESOLVED, that the presiding officer of said governing body is hereby authorized, empowered and directed to execute said contract for and on behalf of said public agency.

Adopted this 18th day of October, 2016.



Presiding Officer

Attest:



Clerk or Secretary



California
Public Employees' Retirement System

CONTRACT

Between the
Board of Administration
California Public Employees' Retirement System
and the
Successor Agency Commission
Successor Agency to the Redevelopment Agency of
the City and County of San Francisco

In consideration of the covenants and agreement hereafter contained and on the part of both parties to be kept and performed, the governing body of above public agency, hereafter referred to as "Public Agency", and the Board of Administration, Public Employees' Retirement System, hereafter referred to as "Board", hereby agree as follows:

1. All word and terms used herein which are defined in the Public Employees' Retirement Law shall have the meaning as defined therein unless otherwise specifically provided.
2. Public Agency shall participate in the Public Employees' Retirement System from and after December 1, 2016 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) Any dispute, disagreement, claim, or proceeding (including without limitation arbitration, administrative hearing, or litigation) between Public Agency and its employees (or their representatives) which relates to Public Agency's election to amend this Contract to provide retirement benefits, provisions or formulas that are different than such employees' 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.
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. Employees other than local safety members (herein referred to as local miscellaneous members).
5. Any exclusion(s) shall remain in effect until such time as the Public Employees' Retirement System determines that continuing said exclusion(s) would risk a finding of non-compliance with any federal tax laws or regulations. If such a determination is contemplated, the Public Employees' Retirement System will meet with the Public Agency to discuss the matter and coordinate any required changes or amendments to the contract.

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. **SAFETY EMPLOYEES;**
- b. **PERSONS COMPENSATED ON A PER DIEM BASIS; AND**
- c. **PERSONS COMPENSATED ON AN HOURLY BASIS.**

6. This contract shall be a continuation of the contract of the Redevelopment Agency of the City and County of San Francisco, hereinafter referred to as "Former Agency". The accumulated contributions, assets and liability for prior and current service under the Former Agency's contract shall be merged pursuant to Section 20508 of the Government Code. Such merger occurred February 1, 2012.
 - a. All benefits provided under this contract shall apply to all past service for former employees of the Redevelopment Agency of the City and County of San Francisco.
7. The percentage of final compensation to be provided for each year of credited prior and current service as a new local miscellaneous member shall be determined in accordance with Section 7522.20 of said Retirement Law (2% at age 62 supplemental to Federal Social Security).
8. The percentage of final compensation to be provided for each year of credited prior and current service as a classic local miscellaneous member shall be determined in accordance with Section 21354 of said Retirement Law subject to the reduction provided therein for Federal Social Security (2% at age 55 Modified).
9. Public Agency elects to be subject to the following optional provisions:
 - a. Section 21335 (4% Cost-of-Living Allowance).
 - b. Section 20042 (One-Year Final Compensation) for classic local miscellaneous members only.
 - c. Section 21427 (Improved Nonindustrial Disability Allowance).
 - d. Section 20903 (Two Years Additional Service Credit).
 - e. Section 20516 (Employees Sharing Cost of Additional Benefits):

From and after the effective date of this contract, 2.25% for local miscellaneous members.
10. 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 of said Retirement System.

11. Public Agency shall also contribute to said Retirement System as follows:
- a. 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.
 - b. 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.
12. 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.
13. 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.

BOARD OF ADMINISTRATION
PUBLIC EMPLOYEES' RETIREMENT SYSTEM

BY _____
RENEE OSTRANDER, CHIEF
EMPLOYER ACCOUNT MANAGEMENT DIVISION
PUBLIC EMPLOYEES' RETIREMENT SYSTEM

SUCCESSOR AGENCY COMMISSION
SUCCESSOR AGENCY TO THE
REDEVELOPMENT AGENCY OF THE
CITY AND COUNTY OF SAN
FRANCISCO

BY *Yves E. Loebel*
PRESIDING OFFICER

October 18, 2016
Witness Date

Attest:

Lucinda Nguyen
Clerk