



**TOWN OF LOS GATOS  
COUNCIL AGENDA REPORT**

MEETING DATE: 09/03/2019

ITEM NO: 7

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DATE: August 22, 2019  
TO: Mayor and Town Council  
FROM: Laurel Prevetti, Town Manager  
SUBJECT: Adopt an Ordinance between the Board of Administration California Public Employees' Retirement System and the Town Council to add Government Code Section 20516, Employees Sharing Additional Cost, for Classic Local Police Members in the Los Gatos Police Officers' Association

**RECOMMENDATION:**

Adopt an Ordinance (Attachment 1) between the Board of Administration California Public Employees' Retirement System and the Town Council to add Government Code Section 20516, Employees Sharing Additional Cost, for Classic Local Police Members in the Los Gatos Police Officers' Association.

**BACKGROUND:**

At the August 6, 2019 meeting, the Town Council adopted a Resolution of Intention and introduced an Ordinance to add Employees Sharing Additional Cost to the California Public Employees' Retirement System (CalPERS) contract. The purpose of the amendment to the CalPERS contract is to implement the cost-sharing provision contained in the existing Memorandum of Understanding (MOU) between the Town of Los Gatos and the Police Officers' Association (POA).

**DISCUSSION:**

A formal amendment to the retirement contract between the Town of Los Gatos and CalPERS is required to implement Section 20516 (Employees Sharing Additional Cost). The previously completed steps of the amendment process included Town Council adoption of a Resolution of Intention, a first reading to introduce an Ordinance, and a secret ballot election of the employees impacted by the change. The last step remaining in the process is the recommendation to Council to adopt the Ordinance. If Council approves the recommendation,

**PREPARED BY:** Lisa Velasco  
Human Resources Director

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Reviewed by: Town Manager, Assistant Town Manager, Town Attorney, and Finance Director

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DISCUSSION (continued):

the effective date of the amendment and the commencement of the additional three percent (3%) contribution for a total of 12% will be October 6, 2019.

CONCLUSION:

Staff recommends that Council adopt an Ordinance to add Government Code Section 20516, Employees Sharing Additional Cost, for Classic Local Police Members as the last step in the CalPERS contract amendment process to comply with the provisions of the current POA MOU.

FISCAL IMPACT:

There is no fiscal impact related to the recommended actions because the Town is complying with the provisions of the existing POA MOU and the related CalPERS procedures necessary to implement the pension contract amendment. The overall fiscal impact related to the approval of the POA MOU was outlined in the staff report presented at the October 16, 2018 Town Council meeting and is expected to be cost neutral.

ENVIRONMENTAL ASSESSMENT:

This is not a project defined under CEQA, and no further action is required.

Attachment:

1. Ordinance Between the Town Council and the Board of Administration of the California Public Employees' Retirement System