

ATTACHMENT A

ORDINANCE NO. 2025-21

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF NEWPORT BEACH, CALIFORNIA, AUTHORIZING AN AMENDMENT TO THE CONTRACT BETWEEN THE CITY COUNCIL OF THE CITY OF NEWPORT BEACH AND THE BOARD OF ADMINISTRATION OF THE CALIFORNIA PUBLIC EMPLOYEES' RETIREMENT SYSTEM

WHEREAS, Section 200 of the City Charter, of the City of Newport Beach, vests the City Council with the authority to make and enforce all laws, rules and regulations with respect to municipal affairs subject only to the restrictions and limitations contained in the City Charter and the State Constitution, and the power to exercise, or act pursuant to any and all rights, powers, and privileges or procedures granted or prescribed by any law of the State of California; and

WHEREAS, the City Council of the City of Newport Beach desires to amend the contract between the City Council of the City of Newport Beach and the Board of Administration, California Public Employees' Retirement System, as set forth herein.

NOW THEREFORE, the City Council of the City of Newport Beach ordains as follows:

Section 1: An amendment to the contract between the City Council of the City of Newport Beach and the Board of Administration, California Public Employees' Retirement System, is hereby authorized, a copy of said amendment being 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 of the City of Newport Beach is hereby authorized, empowered, and directed to execute said amendment for and on behalf of the City of Newport Beach.

Section 3: The recitals provided in this ordinance are true and correct and are incorporated into the substantive portion of this ordinance.

Section 4: If any section, subsection, sentence, clause or phrase of this ordinance is for any reason held to be invalid or unconstitutional, such decision shall not affect the validity or constitutionality of the remaining portions of this ordinance. The City Council hereby declares that it would have passed this ordinance and each section, subsection, sentence, clause or phrase hereof, irrespective of the fact that any one or more sections, subsections, sentences, clauses or phrases be declared invalid or unconstitutional.

Section 5: The City Council finds the introduction and adoption of this ordinance is not subject to the California Environmental Quality Act ("CEQA") pursuant to Sections 15060(c)(2) (the activity will not result in a direct or reasonably foreseeable indirect physical change in the environment) and 15060(c)(3) (the activity is not a project as defined in Section 15378) of the CEQA Guidelines, California Code of Regulations, Title 14, Division 6, Chapter 3, because it has no potential for resulting in physical change to the environment, directly or indirectly.

Section 6: The Mayor shall sign and the City Clerk shall attest to the passage of this ordinance. This ordinance shall be effective thirty (30) calendar days after its adoption. In compliance with Charter Section 414, prior to the expiration of thirty (30) calendar days from the passage of this ordinance, the ordinance shall be published at least once in the Daily Pilot, a newspaper of general circulation, published and circulated in the City of Newport Beach, County of Orange, and thenceforth and thereafter the same shall be in full force and effect.

This ordinance was introduced at a regular meeting of the City Council of the City of Newport Beach held on the 26th day of August, 2025, and adopted on the 9th day of September, 2025, by the following vote, to-wit:

AYES: _____

NAYS: _____

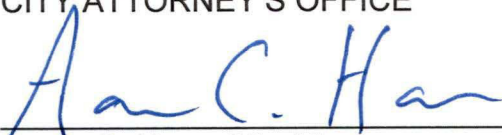
ABSENT: _____

Joe Stapleton, Mayor

ATTEST:

Molly Perry, Interim City Clerk

APPROVED AS TO FORM:
CITY ATTORNEY'S OFFICE



Aaron C. Harp, City Attorney

Attachment: Exhibit - Amendment to the Contract Between the City Council of the City of Newport Beach and the Board of Administration, California Public Employees' Retirement System



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 Newport Beach

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 July 1, 1945, and witnessed April 27, 1945, and as amended effective March 1, 1948, November 1, 1951, April 1, 1956, October 31, 1970, September 18, 1971, December 11, 1971, September 24, 1977, December 18, 1977, June 17, 1978, March 24, 1979, June 30, 1979, January 12, 1989, December 2, 1989, June 12, 1996, July 12, 2000, August 26, 2000, June 15, 2002, November 30, 2002, November 13, 2004, July 23, 2005, December 22, 2007, March 15, 2008, June 20, 2009, and November 23, 2012, which provides for participation of Public Agency in said System, Board and Public Agency hereby agree as follows:

- A. Paragraphs 1 through 17 are hereby stricken from said contract as executed effective November 23, 2012, and hereby replaced by the following paragraphs numbered 1 through 19 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 classic local miscellaneous members entering membership in the miscellaneous classification on or prior to November 23, 2012, age 60 for classic local miscellaneous members entering membership for the first time in the miscellaneous classification after November 23, 2012, age 62 for new miscellaneous members, age 50 for classic local fire members, classic local ocean beach lifeguards and those classic local police members entering membership in the police classification on or prior to November 23, 2012, age 55 for classic local police members entering membership for the first time in the police classification after November 23, 2012, and age 57 for new local safety members.

2. Public Agency shall participate in the Public Employees' Retirement System from and after July 1, 1945, 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 attorney 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. Local Fire Fighters (herein referred to as local safety members);
 - b. Local Police Officers (herein referred to as local safety members);
 - c. Local Ocean Beach Lifeguards (included as local safety members);
 - d. 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. **POLICE CADETS; AND**
 - b. **RESERVE OFFICERS.**
6. The percentage of final compensation to be provided for each year of credited prior and current service as a classic local miscellaneous member in employment before and not on or after December 22, 2007, 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 prior and current service for classic local miscellaneous members in employment on or after December 22, 2007, and not entering membership for the first time in the miscellaneous classification after November 23, 2012, shall be determined in accordance with Section 21354.4 of said Retirement Law (2.5% at age 55 Full).
8. The percentage of final compensation to be provided for each year of credited current service as a classic local miscellaneous member entering membership for the first time in the miscellaneous classification after November 23, 2012, shall be determined in accordance with Section 21353 of said Retirement Law (2% at age 60 Full).
9. 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 Full).
10. The percentage of final compensation to be provided for each year of credited prior and current service as a classic local safety member entering membership in the safety classification on or prior to November 23, 2012, shall be determined in accordance with Section 21362.2 of said Retirement Law (3% at age 50 Full).
11. The percentage of final compensation to be provided for each year of credited current service as a classic local fire member entering membership for the first time in the fire classification and classic local ocean beach lifeguards entering membership for the first time in the ocean beach lifeguard classification after November 23, 2012, shall be determined in accordance with Section 21362 of said Retirement Law (2% at age 50 Full).
12. The percentage of final compensation to be provided for each year of credited current service as a classic local police member entering membership for the first time in the police classification after November 23, 2012, shall be determined in accordance with Section 21363.1 of said Retirement Law (3% at age 55 Full).

13. The percentage of final compensation to be provided for each year of credited prior and current service as a new local safety member shall be determined in accordance with Section 7522.25(d) of said Retirement Law (2.7% at age 57 Full).
14. Public Agency elected and elects to be subject to the following optional provisions:
 - a. Section 20421 ("Local Safety Member" shall include ocean beach lifeguards of a city as described in Government Code Section 20421).
 - b. Section 21574 (Fourth Level of 1959 Survivor Benefits).
 - c. Section 21024 (Military Service Credit as Public Service).
 - d. Section 21389 (Second Opportunity to Elect 1959 Survivor Benefits). Legislation repealed said Section effective September 27, 1979.
 - e. Section 20965 (Credit for Unused Sick Leave) for local miscellaneous members only.
 - f. Section 20042 (One-Year Final Compensation) for classic local miscellaneous members and classic local safety members entering membership on or prior to November 23, 2012.
 - g. Section 21548 (Pre-Retirement Option 2W Death Benefit).
 - h. Section 20516 (Employees Sharing Cost of Additional Benefits) for miscellaneous members entering membership on or prior to November 23, 2012. From and after November 23, 2012, and until the effective date of this amendment to contract:

Section 21354.4 (2.5% @ 55 Full formula) for first tier classic local miscellaneous members.

The employee cost sharing contributions are not to exceed 2.420%. The maximum employee cost sharing contribution is the normal cost plus the increase in the accrued liability due to the benefit improvement amortized over 20 years. In no event shall the employee cost sharing contribution attributable to the unfunded liability remain in effect beyond December 31, 2027. Thereafter, in any given contribution year, the maximum employee cost sharing contribution cannot exceed .838% of payroll.

- i. Section 20475 (Different Level of Benefits). Section 21362 (2% @ 50 Full formula) and Section 20037 (Three-Year Final Compensation) are applicable to classic local fire members entering membership for the first time with this agency in the fire classification and classic local ocean beach lifeguards entering membership for the first time with this agency in the ocean beach lifeguard classification after November 23, 2012,

Section 21363.1 (3% @ 55 Full formula) and Section 20037 (Three-Year Final Compensation) are applicable to classic local police members entering membership for the first time with this agency in the police classification after November 23, 2012, and

Section 21353 (2% @ 60 Full formula) and Section 20037 (Three-Year Final Compensation) without Section 20516 (Employees Sharing Cost of Additional Benefits) are applicable to classic local miscellaneous members entering membership for the first time with this agency in the miscellaneous classification after November 23, 2012.

15. Public Agency, in accordance with Government Code Section 20790, ceased to be an "employer" for purposes of Section 20834 effective on September 24, 1977. 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.
16. 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.
17. 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.
18. 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.

19. 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 NEWPORT BEACH

BY _____
MELODY BENAVIDES, CHIEF
PENSION CONTRACTS AND PREFUNDING
PROGRAMS DIVISION
PUBLIC EMPLOYEES' RETIREMENT SYSTEM

BY _____
PRESIDING OFFICER

Witness Date

Attest:

Clerk