

ORDINANCE NO. 562

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

The City Council of the City of Newark does ordain as follows:

SECTION 1. That an amendment to the contract between the City Council of the City of Newark 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 City of Newark is hereby authorized, empowered, and directed to execute said amendment for and on behalf of the City of Newark.

SECTION 3. This Ordinance shall take effect thirty days from the date of its adoption, and prior to the expiration of fifteen days from the passage thereof shall be published once in the Tri-City Voice, a newspaper of general circulation, published and printed in the County of Alameda and the circulated in the City of Newark and thenceforth and thereafter the same shall be in full force and effect.

The foregoing ordinance was introduced and read before the City Council of the City of Newark by Council Member Grindall at the regular meeting of the City Council of the City of Newark held on January 8, 2026.

This ordinance was read at the regular meeting of the City Council held February 12, 2026. Vice Mayor Jorgens moved that it be adopted and passed, which motion was duly seconded, and said ordinance was passed and adopted.

AYES: Council Members Catancio, Grindall, Little, Vice Mayor Jorgens, and Mayor Hannon

NOES: None

ABSENT: None

SECONDED: Council Member Catancio

APPROVED:

MICHAEL K. HANNON
Mayor

ATTEST:

NEETU SALWAN
City Clerk

APPROVED AS TO FORM:

KRISTOPHER J. KOKOTAYLO
City Attorney



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 Newark**

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, 1959, and witnessed July 2, 1959, and as amended effective September 1, 1965, October 16, 1969, October 25, 1969, January 16, 1970, September 24, 1978, January 1, 1980, October 1, 1980, September 15, 1986, January 16, 1987, January 1, 1988, August 13, 1989, October 15, 1989, September 13, 1991, October 15, 2000, January 26, 2001, February 11, 2002, July 1, 2003, January 1, 2004, November 16, 2004, July 1, 2005, July 16, 2006, and December 16, 2013, which provides for participation of Public Agency in said System, Board and Public Agency hereby agree as follows:

- A. Paragraphs 1 through 15 are hereby stricken from said contract as executed effective December 16, 2013, and hereby replaced by the following paragraphs numbered 1 through 18 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, age 62 for new local miscellaneous members, age 50 for classic local safety members, and age 57 for new local safety members.

2. Public Agency shall participate in the Public Employees' Retirement System from and after July 1, 1959, 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. 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:

NO ADDITIONAL EXCLUSIONS

6. From and after October 25, 1969, those members who were hired by Public Agency on a temporary and/or seasonal basis not to exceed 6 months were excluded from PERS membership by contract. Government Code Section 20336 superseded this contract provision by providing that any such temporary and/or seasonal employees are excluded from PERS membership subsequent to January 1, 1975. Legislation repealed and replaced said Section with Government Code Section 20305 effective July 1, 1994.
7. 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 January 1, 2004, shall be determined in accordance with Section 21354 of said Retirement Law (2% at age 55 Full).
8. 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 on or after January 1, 2004, shall be determined in accordance with Section 21354.4 of said Retirement Law (2.5% at age 55 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 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 prior and current service as a classic local safety member shall be determined in accordance with Section 21363.1 of said Retirement Law (3% at age 55 Full).
12. 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).
13. Public Agency elected and elects to be subject to the following optional provisions:
 - a. Section 21574.5 (Indexed Level of 1959 Survivor Benefits).
 - b. Section 21024 (Military Service Credit as Public Service).
 - c. Section 20965 (Credit for Unused Sick Leave).
 - d. Section 20042 (One-Year Final Compensation) for classic members only.
 - e. Section 21548 (Pre-Retirement Option 2W Death Benefit).

f. Section 20516 (Employees Sharing Cost of Additional Benefits):

Section 21354.4 (2.5% @ 55 Full formula) effective January 1, 2004, for classic local miscellaneous members.

The employee cost sharing contributions are not to exceed 3.468%. 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, 2023. Thereafter, in any given contribution year, the maximum employee cost sharing contribution cannot exceed 1.351% of payroll.

Section 21362.2 (3% @ 50 Full formula) effective January 1, 2003, for classic local safety members.

The employee cost sharing contributions are not to exceed 11.182%. 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 June 30, 2023. Thereafter, in any given contribution year, the maximum employee cost sharing contribution cannot exceed 4.418% of payroll.

g. Section 20516 (Employees Sharing Additional Cost):

From and after December 16, 2013, 3.468% for new local miscellaneous members.

From and after December 16, 2013, 1.5% for new local fire members.

From and after December 16, 2013, and until the effective date of this amendment to contract, 1.5% for new local police members.

14. Public Agency, in accordance with Government Code Section 20790, ceased to be an "employer" for purposes of Section 20834 effective on September 24, 1978. 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.
15. 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.

16. 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.
17. 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.
18. 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 NEWARK

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

BY _____
PRESIDING OFFICER

PLEASE DO NOT SIGN "EXHIBIT ONLY"

PLEASE DO NOT SIGN "EXHIBIT ONLY"

Witness Date

Attest:

Clerk