

ORDINANCE NO. 633-26

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF MURRIETA, CALIFORNIA, APPROVING AN AMENDMENT TO THE CONTRACT BETWEEN THE CITY COUNCIL OF THE CITY OF MURRIETA AND THE BOARD OF ADMINISTRATION OF THE CALIFORNIA PUBLIC EMPLOYEES' RETIREMENT SYSTEM TO INCLUDE PUBLIC EMPLOYEES' PENSION REFORM ACT (PEPRA) LANGUAGE

Summary: This ordinance approves an amendment to the City's contract with the Board of Administration of the California Public Employees' Retirement System (CalPERS) to reference Public Employees' Pension Reform Act (PEPRA) language.

WHEREAS, the City of Murrieta (the "City") participates in the California Public Employees' Retirement System ("CalPERS") pursuant to a contract with the Board of Administration of CalPERS (the "Board"); and

WHEREAS, the Public Employees' Pension Reform Act of 2013 ("PEPRA") established new requirements and limitations applicable to public retirement systems and participating agencies, including provisions governing pensionable compensation and benefit structures; and

WHEREAS, the City desires to ensure that its CalPERS contract provisions are consistent with and fully compliant with the requirements of PEPRA and applicable state law; and

WHEREAS, the Board has requested that participating agencies amend their contracts to expressly incorporate and clarify compliance with PEPRA provisions where necessary; and

WHEREAS, the City Council of the City of Murrieta has determined that it is in the best interest of the City to approve an amendment to its contract with CalPERS to incorporate PEPRA language and ensure continued participation in the CalPERS retirement system in accordance with state law.

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF MURRIETA, CALIFORNIA DOES HEREBY ORDAIN AS FOLLOWS:

SECTION 1. That an amendment to the contract between the City Council of the City of Murrieta and the Board of Administration, California Public Employees' Retirement System, is hereby authorized, a copy of said amendment being attached hereto, marked Exhibit A, and by such reference made a part hereof as though herein set out in full.

SECTION 2. The Mayor of the City Council is hereby authorized, empowered, and directed to execute said amendment for and on behalf of the City of Murrieta.

SECTION 3. This ordinance is exempt from the California Environmental Quality Act ("CEQA") under Section 15061(b)(3) of the CEQA Guidelines, which provides that CEQA only

applies to projects that have the potential for causing a significant effect on the environment. Where, as here, it can be seen with certainty that there is no possibility that the activity in question would have a significant effect on the environment, the activity is not subject to CEQA.

SECTION 4. If any section, subsection, sentence, clause, or phrase of this ordinance is for any reason held to be invalid or unconstitutional by a decision of any court of any competent jurisdiction, such decision shall not affect the validity of the remaining portions of this ordinance. The City Council hereby declares that it would have passed this ordinance, and each and every section, subsection, sentence, clause and phrase thereof not declared invalid or unconstitutional without regard to whether any portion of the ordinance would be subsequently declared invalid or unconstitutional.

SECTION 5. This Ordinance shall become effective on the thirty-first (31st) day after its passage and adoption, and within fifteen (15) days after its final passage and the City Clerk shall cause it to be posted and published in a newspaper of general circulation, printed, published and circulated in the City in the manner required by law and shall cause a copy of this Ordinance and its certification, to be entered in the Book of Ordinances of the City.

PASSED AND ADOPTED this ____ day of ____, 2026.

Jon Levell, Mayor

ATTEST:

Cristal McDonald, City Clerk

APPROVED AS TO FORM:

Tiffany J. Israel, City Attorney

STATE OF CALIFORNIA)
COUNTY OF RIVERSIDE)§
CITY OF MURRIETA)

I, Cristal McDonald, City Clerk of the City of Murrieta, California, do hereby certify that the foregoing Ordinance No. 633-26 was duly passed and adopted by the City Council of the City of Murrieta at the regular meeting thereof, held on the ____ day of ____, 2026, and was signed by the Mayor of the said City, and that the same was passed and adopted by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

Cristal McDonald, City Clerk

I, Cristal McDonald, City Clerk of the City of Murrieta, California further certify that Ordinance No. 633-26 was duly published according to law and the order of the City Council of said City and the same was so published in Press Enterprise, a newspaper of general circulation on the following date(s):

Introduced Ordinance:

Adopted Ordinance:

In witness whereof, I have hereunto subscribed my name this ____ day of ____, 2026.

Cristal McDonald, City Clerk



EXHIBIT A

**California
Public Employees' Retirement System**



AMENDMENT TO CONTRACT

**Between the
Board of Administration
California Public Employees' Retirement System
and the
City Council
City of Murrieta**



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 February 9, 1992, and witnessed January 13, 1992, and as amended effective February 7, 1993, June 26, 1994, September 16, 1994, June 22, 1997, October 5, 2001, November 1, 2002, July 13, 2003, November 7, 2004, June 24, 2007, and December 30, 2012, 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 30, 2012, and hereby replaced by the following paragraphs numbered 1 through 17 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 December 30, 2012, age 60 for classic local miscellaneous members entering membership for the first time in the miscellaneous classification after December 30, 2012, age 62 for new local miscellaneous members, age 50 for classic local safety members entering membership in the safety classification on or prior to December 30, 2012, age 55 for classic local safety members entering membership for the first time in the safety classification after December 30, 2012, and age 57 for new local safety members.

2. Public Agency shall participate in the Public Employees' Retirement System from and after February 9, 1992, 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 Police Officers (herein referred to as local safety members);
 - b. 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. **FIREFIGHTERS.**

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 June 24, 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 as a classic local miscellaneous member in employment on or after June 24, 2007, and not entering membership for the first time in the miscellaneous classification after December 30, 2012, shall be determined in accordance with Section 21354.5 of said Retirement Law (2.7% 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 December 30, 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 December 30, 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 safety member entering membership for the first time in the safety classification after December 30, 2012, 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 20042 (One-Year Final Compensation) for those classic local miscellaneous members and classic local safety members entering membership on or prior to December 30, 2012.
 - b. Section 20965 (Credit for Unused Sick Leave).

- c. Section 21151 (Industrial Disability Retirement for Local Miscellaneous Members).
- d. Section 20938 (Limit Prior Service to Members Employed on Contract Date) for local safety members only.
- e. Section 21574 (Fourth Level of 1959 Survivor Benefits).
- f. Section 21024 (Military Service Credit as Public Service) for local miscellaneous members only.
- g. Section 20475 (Different Level of Benefits): Section 21353 (2% @ 60 Full formula) and Section 20037 (Three-Year Final Compensation) are applicable to classic local miscellaneous members entering membership for the first time with this agency in the miscellaneous classification after December 30, 2012.

Section 21363.1 (3% @ 55 Full formula) and Section 20037 (Three-Year Final Compensation) are applicable to classic local safety members entering membership for the first time with this agency in the safety classification after December 30, 2012.

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

Section 21362.1 (3% @ 50 Full formula) effective July 13, 2003, for local safety members entering membership on or prior to December 30, 2012.

The employee cost sharing contributions are 5.66%. 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 July 13, 2023. Thereafter, in any given contribution year, the maximum employee cost sharing contribution cannot exceed 3.030% of payroll.

- 14. 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.
- 15. 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.
16. 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.
17. 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 MURRIETA

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

BY _____
PRESIDING OFFICER

Witness Date

Attest:

Clerk