

RESOLUTION NO. _____

**RESOLUTION OF THE CITY COUNCIL OF THE CITY OF BURLINGAME AUTHORIZING
THE MAYOR TO SEND A LETTER OF OPPOSITION REGARDING SENATE BILL 266,
PUBLIC EMPLOYEES' RETIREMENT SYSTEM: DISALLOWED COMPENSATION:
BENEFIT PAYMENTS**

WHEREAS, the Public Employees Retirement Law (PERL) and the Public Employees' Pension Reform Act of 2013 (PEPRA) govern what an individual is entitled to receive as pension benefits in retirement, and the California Code of Regulations (CCR) sections 570 and 571 clearly define exactly what is eligible to be included in the pension benefit calculation; and

WHEREAS, an employee receives a pension benefit that is a factor of how long they have worked in a CalPERS agency, the pension formula, and their final compensation; and

WHEREAS, CalPERS, as the administrator of the City's pension plan, interprets the PERL, PEPRA, and CCR when calculating the pension benefit for an individual, and their determination is final; and

WHEREAS, Senate Bill (SB) 266 absolves CalPERS from all liability for ensuring retirement benefits are calculated and administered correctly; and

WHEREAS, SB 266 requires public agencies to directly pay retirees and/or their beneficiaries disallowed retirement benefits using General Fund dollars; and

WHEREAS, SB 266 creates a double payment for the City, for past and future contributions, past contributions made by the City are intended to cover existing liabilities; and

WHEREAS, SB 266 means CalPERS has no incentive to properly calculate benefit payments for retirees, as the City is responsible for any errors CalPERS makes in the calculation; and

WHEREAS, SB 266 creates compliance and implementation issues and GASB 68 reporting requirements, requiring the City to hire costly outside actuarial and legal experts to ensure that they follow federal reporting laws; and

WHEREAS, SB 266 is a de facto and retroactive benefit enhancement bill that would further strain the City's budget at a time where retirement obligations are making it financially difficult to provide critical services for the public; and

WHEREAS, SB 266 would require the City to track and maintain current records of all retirees and their beneficiaries in order to deliver the direct payment, presenting a costly logistical challenge; and

WHEREAS, SB 266 requires cities to provide a gift of public funds and therefore violates the California Constitution; and

WHEREAS, the League of California Cities suggested a series of amendments to try and make the measure lawful and workable that were rejected.

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF BURLINGAME RESOLVES THAT:

The City of Burlingame opposes SB 266 and authorizes the Mayor to send a letter of opposition to the appropriate Legislators and the League of California Cities.

Mayor Donna Colson

I, Meaghan Hassel-Shearer, City Clerk of the City of Burlingame, certify that the foregoing Resolution was adopted at a regular meeting of the City Council held on the 3rd day of September, by the following vote:

AYES:	COUNCILMEMBERS:
NOES:	COUNCILMEMBERS:
ABSENT:	COUNCILMEMBERS:

City Clerk