

MICHAEL N. FEUER  
CITY ATTORNEY

REPORT NO. R14-0064  
FEB 23 2014

REPORT RE:

**DRAFT ORDINANCE AMENDING CHAPTER 10 OF DIVISION 4 OF THE  
LOS ANGELES ADMINISTRATIVE CODE TO REFLECT INCREASED PENSION  
CONTRIBUTIONS TO BE MADE BY CERTAIN MEMBERS OF THE LOS ANGELES  
CITY EMPLOYEES' RETIREMENT SYSTEM IN EXCHANGE FOR THE VESTING  
OF CERTAIN SUBSIDY BENEFITS**

The Honorable City Council  
of the City of Los Angeles  
Room 395, City Hall  
200 North Spring Street  
Los Angeles, California 90012

Honorable Members:

This Office has prepared and now transmits for your consideration the enclosed draft ordinance, approved as to form and legality. This ordinance amends the Los Angeles Administrative Code (LAAC) to provide for the payment of additional contributions by certain members of the Los Angeles City Employees' Retirement System (LACERS) in exchange for the vesting of certain subsidy benefits. More specifically, the draft ordinance provides that members subject to certain MOUs will contribute by salary deduction an additional 1% of the member's compensation earnable retroactive to February 9, 2014, and ongoing, and an additional 3% of the members compensation earnable commencing on June 29, 2016, and ongoing, for a total additional contribution of 4% effective June 29, 2016, and ongoing, in exchange for the vesting of certain subsidy benefits.

This ordinance may be adopted by the City Council pursuant to Charter Section 1168(a), which requires approval by **not less than two-thirds** of the membership of the Council, subject to the veto of the Mayor and the override by the Council by three-fourths of the Council. The final adoption of this ordinance cannot occur until after a

public hearing has been held and until at least 30 days after its first presentation to the Council. Since this ordinance modifies retirement benefits, Government Code Section 7507 requires that a report from an actuary, who is an associate or fellow of the Society of Actuaries, must be obtained and made public at a public meeting at least two weeks prior to the adoption of these changes. If the future costs of the changes exceed one-half of one percent (.5%) of the future annual costs, an actuary shall be present to provide information as needed at the public meeting at which the adoption of a benefit change shall be considered.

If you have any questions regarding this matter, please contact Senior Assistant City Attorney Theresa Patzakis Stamus at (213) 978-6800. She or another member of this Office will be present when you consider this matter to answer any questions you may have.

Very truly yours,

MICHAEL N. FEUER, City Attorney

By



DAVID MICHAELSON  
Chief Assistant City Attorney

DM:TPS:jc  
Transmittal

cc: Board of Administration, LACERS  
Tom Moutes, General Manager, LACERS

**ORDINANCE NO. \_\_\_\_\_**

An ordinance amending Chapter 10 of Division 4 of the Los Angeles Administrative Code to provide for the payment of additional contributions by certain members of the Los Angeles City Employees' Retirement System in exchange for the vesting of certain subsidy benefits.

**THE PEOPLE OF THE CITY OF LOS ANGELES  
DO ORDAIN AS FOLLOWS:**

Section 1. Subsection 4.1003(c) of the Los Angeles Administrative Code is amended by adding a new Subdivision (4) to read as follows:

(4) Members subject to other specific MOUs shall contribute by salary deduction to the Retirement Fund an additional one percent (1%) of the member's compensation earnable retroactive to February 9, 2014, and ongoing, and an additional three percent (3%) of the member's compensation earnable commencing on June 29, 2016, and ongoing, for a total additional contribution of four percent (4%) effective June 29, 2016, and ongoing.

Sec. 2. This ordinance shall be effective upon its publication, pursuant to Charter Section 252(i).

Sec. 3. The City Clerk shall certify to the passage of this ordinance and have it published in accordance with Council policy, either in a daily newspaper circulated in the City of Los Angeles or by posting for ten days in three public places in the City of Los Angeles: one copy on the bulletin board located at the Main Street entrance to the Los Angeles City Hall; one copy on the bulletin board located at the Main Street entrance to the Los Angeles City Hall East; and one copy on the bulletin board located at the Temple Street entrance to the Los Angeles County Hall of Records.

I hereby certify that this ordinance was passed by the Council of the City of Los Angeles, **by a vote of not less than two-thirds** of all of its members, at its meeting of \_\_\_\_\_.

HOLLY L. WOLCOTT, Interim City Clerk

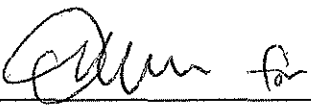
By \_\_\_\_\_  
Deputy

Approved \_\_\_\_\_

\_\_\_\_\_  
Mayor

Approved as to Form and Legality

MICHAEL N. FEUER, City Attorney

By  \_\_\_\_\_  
THERESA PATZAKIS STAMUS  
Senior Assistant City Attorney

Date 2-25-14

File No. \_\_\_\_\_