



CITY OF COMMERCE AGENDA REPORT

TO: Honorable City Council

FROM: City Manager

SUBJECT: ADOPTION OF ORDINANCE NO. 830 AUTHORIZING AN AMENDMENT TO THE CITY'S CALPERS CONTRACT TO PROVIDE UP TO TWO (2) YEARS OF ADDITIONAL SERVICE CREDIT ("GOLDEN HANDSHAKE") AND ADOPTION OF AN URGENCY ORDINANCE AUTHORIZING THE SAME AMENDMENT

MEETING DATE: March 10, 2026

RECOMMENDATION:

Staff recommends that the City Council take the following actions:

1. Adopt **Ordinance No. 830**, previously introduced on February 10, 2026, authorizing an amendment to the contract between the City Council of the City of Commerce and the Board of Administration of the California Public Employees' Retirement System (CalPERS).
2. Adopt an **Urgency Ordinance** authorizing the same amendment to the CalPERS contract to allow the amendment to take effect immediately upon adoption.

BACKGROUND :

On February 10, 2026, the City Council received and publicly disclosed the actuarial valuation prepared by CalPERS pursuant to Government Code section 7507 and adopted a Resolution of Intention to amend the City's CalPERS contract to provide up to two (2) years of additional service credit pursuant to Government Code section 20903. At that same meeting, the City Council introduced **Ordinance No. 830** authorizing the amendment to the contract between the City Council of the City of Commerce and the Board of Administration of the California Public Employees' Retirement System Government Code section 20903 authorizes contracting agencies to provide additional service credit as a retirement incentive, commonly referred to as a "Golden Handshake," provided that the governing body complies with statutory notice, disclosure, and workforce reduction certification requirements. All required disclosures and certifications have been completed, and the required two-week waiting period following disclosure of the actuarial valuation has been satisfied.

ANALYSIS:

Adoption of Ordinance No. 830 (Second Reading)

Ordinance No. 830 authorizes the amendment to the City's CalPERS contract to provide up to two (2) years of additional service credit. Pursuant to Section 3 of Ordinance No. 830, the ordinance becomes effective thirty (30) days after adoption and must be published at least once in a newspaper of general circulation within fifteen (15) days of passage. Adoption of Ordinance No. 830 constitutes the final legislative action necessary to approve the contract amendment under standard ordinance procedures.

Adoption of Urgency Ordinance

Staff is also recommending adoption of an Urgency Ordinance authorizing the same CalPERS contract amendment. Unlike a regular ordinance, the Urgency Ordinance becomes effective immediately upon adoption. Adoption of the Urgency Ordinance will allow the City to implement the CalPERS contract amendment without the thirty (30) day waiting period, thereby ensuring timely processing with CalPERS and alignment with the designated retirement window. The Urgency Ordinance is appropriate to preserve the City's operational and fiscal interests by allowing prompt implementation of the retirement incentive program and facilitating planned workforce transitions. Upon adoption of the ordinance(s), the Mayor will be authorized to execute the contract amendment with CalPERS.

ALTERNATIVES:

1. Adopt Ordinance No. 830 and the Urgency Ordinance.
2. Adopt Ordinance No. 830 only, allowing the ordinance to take effect in thirty (30) days.
3. Provide alternative direction to staff..

FISCAL IMPACT:

The fiscal impact associated with granting up to two (2) years of additional service credit has been identified in the actuarial valuation previously disclosed pursuant to Government Code section 7507. While the retirement incentive may result in increased short-term retirement system costs, the City anticipates potential long-term payroll savings through workforce reduction and organizational realignment, consistent with the City Council's certified intent to leave some or all resulting vacancies permanently unfilled.

RELATIONSHIP TO STRATEGIC GOALS:

This request supports a strategic effort to strengthen city operations, enhance efficiency, and improve service delivery to the community. This action supports the City's efforts to manage workforce transitions in a planned and fiscally responsible manner while maintaining continuity of operations.

Approved by: Marlo Revilla, Human Resources Manager
Fiscal Impact reviewed by: Alvaro Castellon, Finance Director
Approved as to form: Noel Tapia, City Attorney
Respectfully submitted: Ernie Hernandez, City Manager

ATTACHMENTS:

1. EXHIBIT A – Ordinance No. 830 Amending the Contract
2. EXHIBIT B – Urgency Ordinance Amending the Contract
3. EXHIBIT C – CalPERS Contract Amendment