

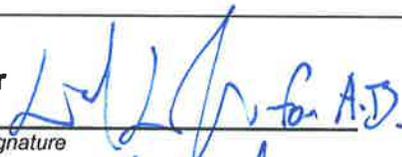
STAFF REPORT
COUNCIL MEETING DATE
July 9, 2012

ITEM FOR COUNCIL CONSIDERATION

ADOPTION OF RESOLUTION NO. 5401, A CHANGE TO THE PAYMENT AND REPORTING VALUE OF THE EMPLOYER PAID MEMBER CONTRIBUTION TO THE CALIFORNIA PUBLIC EMPLOYEES' RETIREMENT SYSTEM FOR CERTAIN EMPLOYEES COVERED BY THE SEIU LOCAL 620 EMPLOYEES MEMORANDUM OF UNDERSTANDING (AS ESTABLISHED BY RESOLUTION NO. 5398).

Report prepared by: Arlene Balmadrid, HR Administrator

Signature



Reviewed by: Dave Durlinger, City Manager

Signature



STAFF RECOMMENDATION

Action Item ; Non-Action Item

Approve Resolution No. 5401, a change to the payment and reporting value of the Employer Paid Member Contribution to the California Public Employees' Retirement System for certain employees covered by the SEIU Local 620 Memorandum of Understanding, (as established by Resolution No. 5398).

Motion: I move approval of Resolution No. 5401, as read by title only, to approve and adopt a change to the payment and reporting value of the employer paid member contribution to California Public Employees' Retirement System for certain employees covered by the SEIU Local 620 memorandum of understanding.

I. BACKGROUND

At its regular meeting on June 25, 2012, through adoption of Resolution No. 5398, the City Council approved the Memorandum of Understanding for Fiscal Year 2012-2014 between the City of Carpinteria and Service Employees International Union (SEIU) Local 620, representing employees in the general service and public works bargaining units.

Resolution No. 5398 provided provisions that all employees in the general service and public works bargaining units will pay four and one-half percent (4.5%) of the Employer Paid Member

Contribution ("EPMC") and will, in addition, share any cost increase in the combined total CalPERS employer and employee contribution rates by an amount equal to one-half of the annual change. As applied for the current fiscal year, the total cost sharing will be 4.6875% beginning July 1, 2012. The rate increase for the 2012 year calculated below. The 2013 cost sharing will be calculated and applied next year based on any change to the combined employer/employee retirement rate.

Fiscal year 2011-12:

Employer Rate:	12.903%
Employee Rate:	<u>7.000%</u>
Total Rate	19.903%

Fiscal year 2012-13

Employer Rate:	13.278%
Employee Rate:	<u>7.000%</u>
Total Rate	20.278%

Rate increase	= 0.375%
Labor group share	= 0.1875%

II. DISCUSSION

This benefit applies to the SEIU Local 620 labor group and is subject to change of the EPMC based on the provisions of the Memorandum of Understanding by Resolution No. 5398.

The total amount of the employee contribution to the statutorily mandated employee retirement contribution to CalPERS is cumulative and is adjusted each fiscal year if there is any change in the CalPERS rate and will be paid through payroll deduction.

Also, the amount of the employee retirement contribution to the statutorily mandated employee retirement contribution to CalPERS may increase or decrease, depending on the change in the combined total CalPERS employer and employee retirement contribution rates, except the amount of the employee retirement contribution to the statutorily mandated employee contribution to CalPERS shall in no event be less than zero percent (0%).

Further, in any one year the employee retirement contribution will not increase by greater than 1%.

The terms of this provision, including the required employee contributions, will have no effect on other pension contribution requirements of the subject labor agreement between the City and SEIU Local 620.

The City will continue to report the value of the remaining Employer Paid Member Contribution (EPMC) on all reportable compensation subject to CalPERS for all employees in the Bargaining Unit as approved and adopted by Resolution 4229 (General Services) and Resolution 4239 (Public Works).

III. FINANCIAL CONSIDERATIONS

The benefits and cost savings are compatible to the City's adopted budget and will contain and expand necessary cost savings allowing the City to meet service needs.

IV. LEGAL ISSUES

N/A

V. ATTACHMENTS:

Resolution No. 5401

RESOLUTION NO. 5401

A RESOLUTION OF THE CITY OF CARPINTERIA CITY COUNCIL APPROVING A CHANGE TO THE PAYMENT AND REPORTING VALUE OF EMPLOYER PAID MEMBER CONTRIBUTIONS TO CALIFORNIA PUBLIC EMPLOYEES' RETIREMENT SYSTEM FOR THE SEIU LOCAL 620 LABOR GROUP, AND SUPERCEDING ALL PRIOR APPLICABLE RESOLUTIONS.

WHEREAS, the City Council of the City of Carpinteria has the authority to implement Government Code section 20636(c)(4) pursuant to section 20691, concerning payment of the Employer Paid Member Contribution (EPMC);

WHEREAS, the City Council of the City of Carpinteria has a written labor policy or agreement that specifically provides for the normal member contributions to be paid by the employer, and reported as additional compensation;

WHEREAS, the City Council of the City of Carpinteria via Resolution No. 5398, adopted terms within the labor agreement that effectively call for a Change to the Payment and Reporting Value of the EPMC;

WHEREAS, one of the steps in the procedures to implement section 20691 is the adoption by the governing body of the City of Carpinteria of a Resolution to commence paying and reporting the value of said EPMC;

WHEREAS, the City Council of the City of Carpinteria has identified the following conditions for the purpose of its election to pay EPMC;

- This benefit shall apply to all SEIU Local 620 labor group employees of the City of Carpinteria.
- This benefit shall consist of paying five and thirty-one one hundredths percent (5.31%) of the normal contributions as EPMC, and reporting the five and thirty-one hundredths percent (5.31%) value of compensation earnable (excluding Government Code section 20636(c) (4) as additional compensation.
- The effective date of this Resolution shall be July 9, 2012.

NOW, THEREFORE, BE IT RESOLVED that the City Council of the City of Carpinteria elects a change to the payment and reporting value of EPMC, as set forth above, and that this Resolution supersedes any prior resolution inconsistent with the terms of this Resolution.

PASSED, APPROVED AND ADOPTED this 9th day of July, 2012, by the following called vote:

AYES: COUNCIL MEMBER:
NOES: COUNCIL MEMBER:
ABSENT: COUNCIL MEMBER

Al Clark
Mayor, City of Carpinteria

ATTEST:

Fidela Garcia
City Clerk,
City of Carpinteria

I hereby certify that the foregoing was duly and regularly introduced and adopted at a regular meeting of the City Council of the City of Carpinteria held the 9th day of July, 2012.

Fidela Garcia
City Clerk, City of Carpinteria

Approved as to form:

Peter Brown
City Attorney