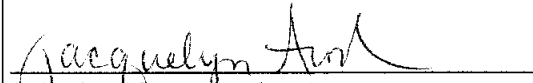


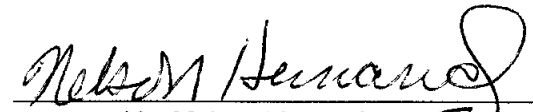


City of Carson Report to Mayor and City Council

July 15, 2014
New Business Consent

**SUBJECT: CONSIDERATION OF ADOPTION OF RESOLUTION NOS. 14-023 & 14-069
ELIMINATING THE CALPERS EMPLOYER PAID MEMBER CONTRIBUTIONS
(EPMC) FOR UNCLASSIFIED MANAGEMENT EMPLOYEES**


Submitted by Jacquelyn Acosta
Director of Administrative Services


Approved by Nelson Hernandez
City Manager

I. SUMMARY

Recently, the City Council negotiated the elimination of the CALPERS Employer Paid Member Contributions (EPMC) with the various bargaining units representing full-time classified employees (AFSCME, ACE, CPSA and AME).

In doing so, the City came into compliance with the new State law regarding public pensions, entitled the Public Employees' Pension Reform Act of 2013, more commonly known as PEPRRA, for those employees.

It is now appropriate for the City to also eliminate this benefit for the Unclassified Management Employees.

II. RECOMMENDATION

TAKE the following actions:

- 1) WAIVE further reading and ADOPT Resolution No. 14-023, "A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CARSON, CALIFORNIA, ELIMINATING THE CALPERS EMPLOYER PAID MEMBER CONTRIBUTIONS (EPMC) FOR UNCLASSIFIED MANAGEMENT EMPLOYEES"
- 2) WAIVE further reading and ADOPT Resolution No. 14-069, "A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CARSON, CALIFORNIA, ELIMINATING EMPLOYER PAID MEMBER CONTRIBUTIONS (EPMC), GOVERNMENT CODE SECTION 20691"

III. ALTERNATIVES

TAKE any other action that the City Council deems appropriate.

IV. BACKGROUND

The Public Employees' Pension Reform Act of 2013 (PEPRRA) enacted sweeping changes to public employee retirement programs across the state. One of those changes was the requirement to eliminate the traditional Employer Paid Member Contributions (EPMC) benefit for City employees by January 1, 2018. This benefit is one that is provided to employees in most all California cities that

participate in the California Public Employees' Retirement System (CalPERS). This benefit provides that the employer pay the employee's share of their retirement contribution, typically 7 or 8 percent. In order to comply with PEPR, the City of Carson took the initiative to negotiate the elimination of this benefit as soon as possible after the enactment of this legislation rather than waiting until closer to the January 1, 2018 deadline. In doing so, the City has successfully negotiated the elimination of this benefit with the various bargaining units representing full-time classified employees (AFSCME, ACE, CPSA and AME). As part of the negotiations to eliminate this benefit, the City agreed to provide employees with a 6% salary adjustment in exchange for employees paying their own 7% required contribution to the retirement plan. These changes became effective on March 15, 2014, for the City's full-time classified employees. It is now appropriate for the City to also eliminate this benefit for Unclassified Management Employees.

In order to eliminate the EPMC for Unclassified Management Employees, two resolutions need to be adopted by the City Council; one for the City's purposes that approves the 6% salary increase in exchange for the elimination of the EPMC (Exhibit No. 1) and one for CalPERS that deals solely with the elimination of the EPMC (Exhibit No. 2).

V. FISCAL IMPACT

The City will no longer pay the employee share of retirement costs for Unclassified Management Employees.

VI. EXHIBITS

- 1. Resolution No. 14-023. (pgs. 4-5)
- 2. Resolution No. 14-069. (pg. 6)

Prepared by: Jacquelyn Acosta, Director of Administrative Services

Document2

TO: Rev07-02-2014

Reviewed by:

City Clerk	City Treasurer
Administrative Services	Public Works
Community Development	Community Services

Action taken by City Council	
Date _____	Action _____

RESOLUTION NO. 14-023

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CARSON, CALIFORNIA, ELIMINATING THE CALPERS EMPLOYER PAID MEMBER CONTRIBUTIONS (EPMC) FOR UNCLASSIFIED MANAGEMENT EMPLOYEES

WHEREAS, the City provides retirement benefits to the Unclassified Management Employees through the California Public Employees' Retirement System (CalPERS); and

WHEREAS, the City has traditionally paid the required member contributions on behalf of the Unclassified Management Employees; and

WHEREAS, the City desires to come into compliance with the Public Employees' Pension Reform Act of 2013, more commonly known as PEPRRA;

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF CARSON, CALIFORNIA, DOES HEREBY RESOLVE, FIND, DETERMINE AND ORDER AS FOLLOWS:

Section 1. The Director of Human Resources is authorized and directed under the provisions of Sections 2797.1 and 2797.3 (d) of the Carson Municipal Code to prepare and recommend, after consultation with the Unclassified Management Employees, a salary and benefits plan which becomes effective upon approval by the City Council.

Section 2. Effective with the pay period beginning July 19, 2014, the City shall eliminate the CalPERS Employer Paid Member Contributions (EPMC) of 7% for each Unclassified Management position.

Section 3. Effective with the pay period beginning July 19, 2014, the City shall increase the salary range of each Unclassified Management position by 6%.

Section 4. The Interim Human Resources Officer, acting in lieu of the Director of Human Resources, has consulted with the affected parties.

PASSED, APPROVED and ADOPTED this 15th day of July, 2014.

Mayor Jim Dear

ATTEST:

City Clerk Donesia L. Gause, CMC

APPROVED AS TO FORM:

City Attorney



RESOLUTION NO. 14-069

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CARSON, CALIFORNIA, ELIMINATING EMPLOYER PAID MEMBER CONTRIBUTIONS (EPMC), GOVERNMENT CODE SECTION 20691

WHEREAS, the governing body of the City of Carson, California, has the authority to implement Government Code Section 20691;

WHEREAS, the governing body of the City of Carson, California, has a written labor policy or agreement which specifically provides for the normal member contributions to be paid by the employer;

WHEREAS, one of the steps in the procedures to implement Section 20691 is the adoption by the governing body of the City of Carson, California of a Resolution to commence said Employer Paid Member Contributions (EPMC);

WHEREAS, the governing body of the City of Carson, California, has identified the following conditions for the purpose of its election to pay EPMC:

- This benefit shall apply to Unclassified Management Employees.
- This benefit shall consist of paying 0% of the normal member contributions as EPMC.
- The effective date of this Resolution shall be July 19, 2014.

NOW, THEREFORE, BE IT RESOLVED that the governing body of the City of Carson, California, elects to pay 0% EPMC, as set forth above.

PASSED, APPROVED and ADOPTED this 15th day of July, 2014.

Mayor Jim Dear

ATTEST:

City Clerk Donesia L. Gause, CMC

APPROVED AS TO FORM:

City Attorney

