



City of Emeryville

CALIFORNIA

MEMORANDUM

DATE: October 30, 2018

TO: Christine Daniel, City Manager

FROM: Lisa Lopez, Human Resources Director

SUBJECT: Resolution Of Intention To Approve An Amendment To Contract Between The Board Of Administration California Public Employees' Retirement System And The City Council Of The City Of Emeryville

RECOMMENDATION

Staff recommends that the City Council adopt the attached Resolution Of Intention To Approve An Amendment To The Contract Between The Board Of Administration, California Public Employees' Retirement System (CalPERS) and the City Council of the City of Emeryville, to increase the cost-sharing agreement between the City and the classic local Police Officer members, where they will be assessed an additional 1% (an increase to 5%) of their compensation for a total contribution rate of 14%.

BACKGROUND

The Emeryville Police Officers Association (EPOA) and the City reached an agreement for a two-year successor agreement in 2018. In recognition of additional pension benefits previously granted to classic local police members, this new memorandum of understanding provides that all EPOA classic members would continue their share of the cost of the Police retirement plan as well as contribute an additional 1% employee contribution above the current 4% member contributions, for a total of 14%. The members of the Confidential, Administrative, Managerial, and Professional (CAMP) who are also covered by the classic local police retirement plan are also subject to the retirement contract amendments negotiated for classic local police members.

DISCUSSION

In order to implement the contract amendments detailed above (the end of the variable cost sharing of 4% and the increase to 5% for classic local police members), the City must amend its current contract with CalPERS. The contract must be amended by an ordinance approved by the City Council. Prior to adopting the ordinance, the City Council must first adopt a Resolution of Intention indicating its intent to approve a contract amendment. Pursuant to Government Code Section 20471, there must be a 20-day period between the adoption of the Resolution of Intention and final adoption of the Ordinance. The first reading of the Ordinance to amend the contract will be scheduled for the November 13, 2018 City Council meeting. If the first reading is approved, the final

adoption of the Ordinance will be scheduled for the December 4, 2018 City Council meeting.

Following adoption of this resolution by the City Council, staff will conduct an election, utilizing the CalPERS required balloting process, to record classic local police members' votes concerning the cost sharing arrangement adopted in the EPOA MOU. This election must be conducted and the results certified (see attachment 5) before staff may submit the required certifications directing CalPERS to prepare the plan contract.

The Resolution of Intention requires the signature of the presiding officer (Mayor) of the City Council of the City of Emeryville, and the date it was adopted. In addition to providing the certified copy of the Resolution of Intent, the City must provide the following certifications to CalPERS:

1. Certification of the Governing Body's Action (completed by the City Clerk – original),
2. Certification of Compliance with Government Code Section 7507 (original or certified) – which is the certification that we have disclosed the future annual costs as determined by the System Actuary at a public meeting (that disclosure is provided in the Fiscal Impact section below),
3. Certification of Employee Election (original)
4. Certification of Compliance with Government Code Section 20516 –(original or certified copy) which certifies that the City and the bargaining units have agreed in writing to share the costs of the retirement benefit.

FISCAL IMPACT

CalPERS' disclosure requirements mandate the following language is disclosed relative to the costs of the contract amendment, and that the future annual costs or benefits be made public at a public meeting at least two weeks prior to the adoption of the final Ordinance. The current cost of the classic police member retirement system is \$1,743,397. If the contract amendment is approved, beginning January 2019, local police classic members will begin cost sharing with an additional 1% contribution (total of 5%) toward employer costs for retirement.

STAFF COMMUNICATION WITH THE PUBLIC

None.

CONCLUSION

It is recommended that the City Council of the City of Emeryville adopt the Resolution of Intention and proceed with the finalization of the pension amendment provisions for classic local police employees represented by Emeryville Police Officers' Association (EPOA) and the Confidential, Administrative, Managerial and Professional Employees (CAMP).

PREPARED BY: Lisa Lopez, Human Resources Director

**APPROVED AND FORWARDED TO THE
CITY COUNCIL OF THE CITY OF EMERYVILLE:**



Christine Daniel, City Manager

ATTACHMENTS

1. Resolution of Intention
 - Exhibit A: Proposed Amendment
2. Certification of Governing Body's Action
3. Certification of Compliance with Government Code Section 7507
4. Certification of Compliance with Government Code Section 20516
5. Certification of Employee Election