



## Legislation Text

---

**File #:** 13-0035, **Version:** 1

---

Recommendation to adopt resolution approving the amendment to the 2007-2012 Memorandum of Understanding with the International Association of Machinists and Aerospace Workers; and

City management representatives and representatives of the International Association of Machinists and Aerospace Workers (IAM) have had a number of meet and confer sessions regarding the financial impacts of the Fiscal Year 2012 (FY 12) and Fiscal Year 2013 (FY 13) budgets. Meetings have been concluded and a tentative agreement has been reached between management representatives and representatives of the employee organization.

The major agreed upon provisions of the attached Amendment are: (1) current City employees will pay an additional 6 percent of the CalPERS pickup in FY 13, for a total of 8 percent, which represents 100 percent of the employee's share; (2) employees hired into the City on or after January 1, 2013, who are new members to CalPERS, will pay the full CalPERS pickup, which represents 100 percent of the employee's normal member contribution (see California Government Code sec. 7522.30); (3) employees hired into the City on or after January 1, 2013, who are new members to CalPERS, will receive a lower retirement formula of 2 percent at 62 (see California Government Code sec. 7522.20); and (4) employees hired into the City on or after January 1, 2013, who are new members to CalPERS, will be subject to a three-year average final compensation calculation (see California Government Code sec. 7522.32).

Pursuant to the attached Amendment and pending the approval of the Resolutions, these changes will be effective January 26, 2013, unless prior implementation is mandated by state retirement law.

In order for the City to make changes to the employer paid member contribution (EPMC) for current City employees, it is necessary for the City Council to adopt the attached Resolutions as prepared by the City Attorney.

This matter was reviewed by Senior Deputy City Attorney Christina L. Checel and Budget Management Officer Victoria Bell on January 9, 2013.

City Council action is requested on January 15, 2013 to implement the MOU Amendment provisions and to ensure that CalPERS receives the EPMC Resolution for processing consistent with the effective date of the action.

This amendment will save the City an estimated \$2.5 million in the General Fund and \$7.6 million in All Funds in FY 13. In FY 14, the savings is an estimated \$3.8 million in the General Fund and \$11.8 million in All Funds and expected to continue annually at that amount thereafter. Through FY 23, the amendment is projected to save the City an estimated \$40.1 million in the General Fund and \$125.5 million in All Funds. There is no local job impact associated with this recommendation.

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LONG BEACH APPROVING AN AMENDMENT TO THE 2007-2012 MEMORANDUM OF UNDERSTANDING WITH THE INTERNATIONAL ASSOCIATION OF MACHINISTS AND AEROSPACE WORKERS; AND AUTHORIZING AND DIRECTING THE CITY MANAGER TO EXECUTE SUCH AMENDMENT; AND DIRECTING CERTAIN IMPLEMENTING AND RELATED ACTIONS

DEBORAH R. MILLS  
DIRECTOR OF HUMAN RESOURCES

APPROVED:

PATRICK H. WEST  
CITY MANAGER