



## Legislation Text

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**File #:** 11-1085, **Version:** 1

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Adopt resolution for paying and reporting the lower value of the employer paid member contributions to the California Public Employees Retirement System for employees represented by the Long Beach Firefighter's Association. (Citywide)

City management representatives and representatives of the Long Beach Firefighter's Association (LBFFA) have had a number of meet and confer sessions regarding the financial impacts of the Fiscal Year 2012 (FY12) Budget. Meetings have been concluded and an amendment to the Memorandum of Understanding (MOU) has been jointly executed with representatives of the employee organization.

The major provisions of the Amendment (attached) are agreement to an additional seven percent (7%) CalPERS pick-up in FY12, representing one hundred percent (100%) of the employee's share; agreement to full CalPERS pick-up for new City employees; and agreement to a lower retirement formula of two percent (2%) at fifty (50) and three-year average final compensation for new employees represented by the Association.

Pursuant to the Amendment and pending approval of the Resolutions, effective November 5, 2011, employees represented by the LBFFA shall contribute an amount equal to nine percent (9%) of their annual salary towards their individual employee contribution. The Resolutions also provide that new City employees represented by this Association hired on or after November 5, 2011, shall pay one hundred percent (100%) of the normal member contribution.

In order for the City to make changes to the employer paid member contribution (EPMC), 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. Checél on October 17, 2011 and Budget Management Officer Victoria Bell on October 14, 2011.

City Council action is requested on November 1, 2011 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.

Over the term, this amendment will save the City \$12.1 million, not including the savings related to the changes to the pension plan for new LBFFA members. In the last year of the contract, the savings is expected to be \$3 million and is expected to continue annually at that amount thereafter. These savings do not include the long-term savings due to changes to the pension plan for new employees.

Through FY 22, the agreement is projected to save the City's General Fund at least \$35.9 million including \$6.1 million from pension plan reductions for new LBFFA members. For FY 12, the contract will result in a savings of approximately \$970,000 million. This savings, combined with the additional \$925,000 million from the Uplands Oil Fund approved by City Council on October 4, 2011 on a one-

time basis, and an additional \$1.3 million in one-time savings to be generated from operational adjustments, is expected to provide funding to allow the Fire Department to maintain staffing in FY 12.

Approve recommendation.

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LONG BEACH RETRACTING IMPLEMENTATION OF GOVERNMENT CODE SECTION 20636(c)(4) PURSUANT TO SECTION 20691 AS TO PAYING AND REPORTING THE VALUE OF EMPLOYER PAID MEMBER CONTRIBUTIONS FOR EMPLOYEES REPRESENTED BY THE LONG BEACH FIREFIGHTERS' ASSOCIATION TO THE CALIFORNIA PUBLIC EMPLOYEES' RETIREMENT SYSTEM (CalPERS)

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APPROVED:

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CITY MANAGER