



Legislation Text

File #: 12-0181, **Version:** 1

Recommendation to adopt Resolution of Intention to amend the City's contract with the Board of Administration of CalPERS as prepared by the City Attorney;

On September 20, 2011, the City Council approved an amendment to the Memorandum of Understanding with the Long Beach Police Officers' Association. On November 1, 2011, the City Council approved an amendment to the Memorandum of Understanding with the Long Beach Firefighters' Association. The amendments increased the employee's contribution towards their retirement, effective October 8, 2011, and November 5, 2011, respectively, and required the City's contract with the Board of Administration of the California Public Employees' Retirement System (CalPERS) to be amended to provide a lower retirement formula for those employees hired after the effective date of the contract amendment.

In order for the City Council to implement the agreements to amend the City's contract with the Board of Administration of CalPERS, as provided by the City Council approved amendments, it is necessary for the Council to adopt a Resolution of Intention and an Ordinance amending the City's contract with CalPERS. CalPERS has prepared a contract amendment, which, if adopted, will provide the 2.0% at 50 full retirement formula and a three-year final compensation period for those employees hired after the effective date of the contract amendment. The City Attorney has reviewed the proposed contract amendment and has prepared a Resolution of Intention and the Ordinance amending the City's contract with the Board of Administration of CalPERS.

This matter was reviewed by Christiana Checél, Senior Deputy City Attorney, on February 13, 2012 and Budget Management Officer Victoria Bell on February 10, 2012.

The Resolution of Intention and first reading of the Ordinance is requested on March 6, 2012, to amend the City's contract with the Board of Administration of CalPERS on May 5, 2012. In order to comply with the Government Code Section 7507 requirement to post future annual costs at least two weeks prior to the adoption of the final Ordinance and the Government Code Section 20471 requirement of twenty (20) day period between the adoption of the Resolution of Intention and the adoption of the final Ordinance, the second reading must be scheduled for the City Council meeting of April 3, 2012.

Adopting the 2.0% at 50 full retirement formula and a three-year final compensation period for employees hired after the effective date of the contract amendment will save the City's General Fund an estimated \$22.1 million through FY 22, based on estimates provided by the City's actuary. Actual savings will vary based on how closely the actuarial assumptions match the actual situation in the future. There is no local job impact associated with this recommendation.

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LONG BEACH TO APPROVE AN AMENDMENT TO CONTRACT BETWEEN THE BOARD OF ADMINISTRATION OF THE CALIFORNIA PUBLIC EMPLOYEES' RETIREMENT SYSTEM AND THE CITY OF LONG BEACH

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APPROVED:

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