



Legislation Text

File #: 13-0927, **Version:** 1

Adopt resolution for paying and reporting the value of the Employer Paid Member Contributions (EPMC) to the California Public Employees Retirement System for employees represented by the Long Beach Association of Engineering Employees, Long Beach Managers Association, Long Beach Association of Confidential Employees, unrepresented managers; and

Since May 2013, City management representatives and representatives of the Long Beach Association of Engineering Employees (LBAEE), Long Beach Managers Association (LBMA), Long Beach Association of Confidential Employees (LBACE), and the Long Beach Lifeguards Association (LBLGA) have had a number of negotiation sessions regarding their open contracts. Based upon the direction given to the City's negotiating team at the City Council's Closed Session of July 9, 2013, to extend the offer to the four open contracts and on August 13, 2013, to extend the same terms of that offer to the City Manager, these meetings have concluded and the amendments to the Memoranda of Understanding (MOU) have been jointly signed by City representatives and representatives of the four Associations.

The agreements use the same methodology as the previous agreements with the Police, Fire and IAM associations. The major provisions of the amendments are agreement for pension reform, full employee pick-up with six percent offset for Miscellaneous and seven percent offset for Safety, equity adjustments of five percent in FY 14, and four percent in FY 15 (1 percent for LBACE) to achieve parity and restore the balance throughout the organization, two-year contract terms through September 30, 2015, and contract re-openers for sick leave conversion and FLSA straight overtime. These four units have not received any salary increase since FY 08 (with the exception of 3 percent for Confidential in FY 09). The agreements provide an equivalent salary increase of 1.3 percent per year when averaged from FY 09 to FY 15.

Pursuant to the Amendments and pending approval of the Resolutions, effective October 1, 2013, or shortly thereafter, "classic" CalPERS employees represented by the four associations and unrepresented employees shall contribute an amount representing one hundred percent of their individual employee contribution (eight percent of their annual salary for miscellaneous and nine percent for Safety).

In order for the City to make changes to the employer paid member contribution, 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 on October 4, 2013, and by Budget Management Officer Victoria Bell on October 4, 2013.

City Council action is requested on October 22, 2013, to ensure implementation of the MOU Amendments' provisions and that CalPERS receives their Resolutions for processing consistent with the effective date of the action.

In FY 14, the cost of the contracts is estimated to be \$0.8 million in the General Fund and \$4.3 million in All Funds. The annualized cost beginning in FY 15 is estimated to be \$1.8 million in the General Fund and \$8.2 million in All Funds. Based on the current economic climate, these unbudgeted costs are not expected to impact the City's General Fund projections for FY 14 and FY 15. Economic events and trends post FY 14 budget development indicate General Fund revenues in FY 14 and beyond will be sufficient to cover the additional cost. Assuming no economic slowdown, increased revenues are expected to cover the General Fund costs of these contracts in FY 14 and FY 15.

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 ASSOCIATION OF ENGINEERING EMPLOYEES, LONG BEACH MANAGEMENT ASSOCIATION, LONG BEACH ASSOCIATION OF CONFIDENTIAL EMPLOYEES, AND UNREPRESENTED MANAGEMENT EMPLOYEES TO THE CALIFORNIA PUBLIC EMPLOYEES' RETIREMENT SYSTEM (CalPERS)

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APPROVED:

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CITY MANAGER