



CITY OF LONG BEACH

DEPARTMENT OF HUMAN RESOURCES

R-19

333 West Ocean Boulevard 13th Floor • Long Beach, CA 90802

February 15, 2011

HONORABLE MAYOR AND CITY COUNCIL
City of Long Beach
California

RECOMMENDATION:

1. Adopt the attached Resolution approving the second Amendments to the 2008-2012 Memorandum of Understanding with the Long Beach City Attorneys Association and the 2008-2012 Memorandum of Understanding with the Long Beach City Prosecutors Association;
2. Adopt the attached Resolution for paying and reporting the value of the employer paid member contributions to the California Public Employees Retirement System for employees represented by the City Attorneys Association; and,
3. Adopt the attached Resolution for paying and reporting the value of the employer paid member contributions to the California Public Employees Retirement System for employees represented by the City Prosecutors Association. (Citywide)

DISCUSSION

City management representatives and representatives of the Long Beach City Attorneys Association (LBCAA) and the Long Beach City Prosecutors Association (LBCPA) have had a number of meet and confer sessions regarding the financial impacts of the Fiscal Year 2011 (FY11) budget. Meetings have been concluded and amendments to the Memorandum of Understanding (MOU) have been jointly signed by City representatives and representatives of the Long Beach City Attorneys Association and the Long Beach City Prosecutors Association.

The major provisions of the Amendments are: agreement to an additional two percent CalPERS pick-up in FY11 by employees; agreement to full CalPERS pick-up for new City employees; agreement to a lower retirement formula of 2.0% at 60; and three-year average final compensation for new employees represented by the two Associations.

Pursuant to the Amendments and pending approval of the Resolutions, effective February 26, 2011, employees represented by the LBCAA and the LBCPA shall pay an amount equal to four percent of their annual salary towards their individual employee contribution. The Resolutions also provide that new City employees represented by these Associations, hired on or after February 26, 2011, shall pay 100 percent of the member contribution, which, at this time, is eight percent.

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 Deputy City Attorney Christina L. Checel January 28, 2011 and Budget Management Officer Victoria Bell on January 31, 2011.

TIMING CONSIDERATIONS

City Council action is requested on February 15, 2011 to ensure implementation of the MOU Amendment provisions and that CalPERS receives these Resolutions for processing consistent with the effective date of the action.

FISCAL IMPACT

The existing MOUs provide for a general salary adjustment of two percent and an equivalent two percent value for equity adjustments in FY11 with an estimated cost of \$131,370 to the General Fund and \$230,655 to all funds. Over the terms of the agreements, the total estimated savings from the additional two percent member contributions is \$166,982 to the General Fund and \$300,828 to all funds.

As new hires join the LBCAA and LBCPA, savings will be generated by those employees paying 100 percent of their member contribution. Future savings to the City will be realized as a result of the lower retirement formula of 2.0% at 60 and three-year average final compensation for new employees in these two Associations, once all Miscellaneous associations agree to a new tier.

There is no local job impact associated with this recommendation.

SUGGESTED ACTION:

Approve recommendation.

Respectfully submitted,



DEBORAH R. MILLS
DIRECTOR OF HUMAN RESOURCES

DRM:tb

Attachments: LBCAA MOU
LBCPA MOU
3 Resolutions

APPROVED:



PATRICK H. WEST
CITY MANAGER

SECOND AMENDMENT TO
THE MEMORANDUM OF UNDERSTANDING BETWEEN
THE CITY OF LONG BEACH AND
THE LONG BEACH CITY ATTORNEYS ASSOCIATION

The City of Long Beach and the Long Beach City Attorneys Association (LBCAA) agree to amend the October 1, 2007 to September 30, 2012 Memorandum of Understanding as follows:

All existing terms and conditions set forth in that agreement and the first amendment shall remain unchanged for the term of the agreement, except as modified below.

The retirement section of the LBCAA MOU (8. Retirement) will be amended to include the following:

1. Effective as soon as practicable, the employee shall contribute an amount equal to four percent (4%) of his/her annual salary towards his/her individual employee contribution.
2. A newly hired City employee shall contribute from their annual salary their full employee contribution to CalPERS upon approval by resolution of the City Council.
3. Contingent upon agreement by all other Miscellaneous associations, the LBCAA agrees to implement a new retirement formula of 2.0% @ 60 for those employees hired after the CalPERS contract has been amended. These employees shall contribute from their annual salary their full employee contribution to CalPERS. The employee's final compensation will be calculated based on a three-year average.

In the event that the other Miscellaneous associations all agree to a new retirement formula other than 2.0% @ 60, then that formula shall also apply to the LBCAA and will supersede the 2.0% @ 60 formula.

In witness thereof, the parties hereto have caused this Amendment to the Memorandum of Understanding to be executed this _____ day of January, 2011.

FOR THE LONG BEACH CITY ATTORNEYS ASSOCIATION

Ted Zinger, President
Long Beach City Attorneys Association

FOR THE CITY OF LONG BEACH:

Patrick H. West, City Manager

Deborah R. Mills
Director of Human Resources

Ken Walker
Manager, Personnel Operations

Robert E. Shannon, City Attorney

Tara Brewer
Personnel Analyst III

Nani Blyleven
Administrative Analyst III

APPROVED AS TO FORM:

Robert E. Shannon, City Attorney

SECOND AMENDMENT TO
THE MEMORANDUM OF UNDERSTANDING BETWEEN
THE CITY OF LONG BEACH AND
THE LONG BEACH CITY PROSECUTORS ASSOCIATION

The City of Long Beach and the Long Beach City Prosecutors Association (LBCPA) agree to amend the October 1, 2007 to September 30, 2012 Memorandum of Understanding as follows:

All existing terms and conditions set forth in that agreement and the first amendment shall remain unchanged for the term of the agreement, except as modified below.

The retirement section of the LBCPA MOU (8. Retirement) will be amended to include the following:

1. Effective as soon as practicable, the employee shall contribute an amount equal to four percent (4%) of his/her annual salary towards his/her individual employee contribution.
2. A newly hired City employee shall contribute from their annual salary their full employee contribution to CalPERS upon approval by resolution of the City Council.
3. Contingent upon agreement by all other Miscellaneous associations, the LBCPA agrees to implement a new retirement formula of 2.0% @ 60 for those employees hired after the CalPERS contract has been amended. These employees shall contribute from their annual salary their full employee contribution to CalPERS. The employee's final compensation will be calculated based on a three-year average.

In the event that the other Miscellaneous associations all agree to a new retirement formula other than 2.0% @ 60, then that formula shall also apply to the LBCPA and will supersede the 2.0% @ 60 formula.

In witness thereof, the parties hereto have caused this Amendment to the Memorandum of Understanding to be executed this _____ day of December, 2010.

FOR THE LONG BEACH CITY PROSECUTORS ASSOCIATION

Calvin Ray George, President
Long Beach City Prosecutors Association

FOR THE CITY OF LONG BEACH:

Patrick H. West, City Manager

Deborah R. Mills
Director of Human Resources

Ken Walker
Manager, Personnel Operations

Douglas Haubert, City Prosecutor

Tara Brewer
Personnel Analyst III

Nani Blyleven
Administrative Analyst III

APPROVED AS TO FORM:

Robert E. Shannon, City Attorney

1 RESOLUTION NO.
2

3 A RESOLUTION OF THE CITY COUNCIL OF THE
4 CITY OF LONG BEACH IMPLEMENTING GOVERNMENT
5 CODE SECTION 20636(c)(4) PURSUANT TO SECTION
6 20691 BY PAYING AND REPORTING THE VALUE OF
7 EMPLOYER PAID MEMBER CONTRIBUTIONS FOR
8 MISCELLANEOUS EMPLOYEES REPRESENTED BY THE
9 LONG BEACH CITY PROSECUTORS ASSOCIATION TO
10 THE CALIFORNIA PUBLIC EMPLOYEES' RETIREMENT
11 SYSTEM (CalPERS)
12

13 WHEREAS, the City of Long Beach has the authority to implement
14 Government Code Section 20636(c)(4) pursuant to Section 20691; and

15 WHEREAS, the City of Long Beach has a written labor policy or agreement
16 which specifically provides for the normal member contributions to be paid by the
17 employer, and reported as special compensation; and

18 WHEREAS, one of the steps in the procedures to implement this section is
19 the adoption by the governing body of the City of Long Beach of a resolution giving notice
20 of its intention to commence paying and reporting the value of employer paid member
21 contributions (EPMC) as compensation for all members of the group or class as identified
22 herein.

23 NOW, THEREFORE, the City Council of the City of Long Beach resolves as
24 follows:

25 Section 1. Effective as of February 26, 2011, the governing body of the
26 City of Long Beach shall implement Government Code Section 20636(c)(4) pursuant to
27 Section 20691 by paying and reporting the value of Employer Paid Member Contributions
28 (EPMC) for miscellaneous employees represented by the Long Beach City Prosecutors

OFFICE OF THE CITY ATTORNEY
ROBERT E. SHANNON, City Attorney
333 West Ocean Boulevard, 11th Floor
Long Beach, CA 90802-4664

1 Association. This benefit shall consist of the City paying 4% of the normal contributions
2 as EPMC, and reporting the same percent value of compensation earnable, excluding
3 special compensation pursuant to Government Code Section 20636(c)(4) as additional
4 compensation. The employee shall pay 4% of the normal contribution.

5 Section 2. New City employees hired on or after February 26, 2011, who
6 are represented by the Long Beach City Prosecutors Association shall pay 100% of the
7 normal contributions and the City shall pay 0% of the normal contributions.

8 Section 3. This resolution shall take effect immediately upon its adoption
9 by the City Council, and the City Clerk shall certify the vote adopting this resolution.

10 I hereby certify that the foregoing resolution was adopted by the City
11 Council of the City of Long Beach at its meeting of _____, 2011, by the
12 following vote:

13
14 Ayes: Councilmembers: _____
15 _____
16 _____
17 _____

18 Noes: Councilmembers: _____
19 _____

20 Absent: Councilmembers: _____
21 _____

22
23
24 _____
City Clerk

25
26
27
28