



Legislation Text

File #: 21-1031, **Version:** 3

Recommendation to declare ordinance authorizing an amendment to the contract between the City of Long Beach and the Board of Administration of the California Public Employees' Retirement System and authorizing City Manager of said City to execute said amendment for and on behalf of the City of Long Beach, read and adopt as read. (Citywide)

On August 25, 2020, the City Council approved the 2019-2023 successor Memorandum of Understanding (MOU) with the Long Beach Management Association (LBMA). This new contract includes a provision for Cost Sharing by LBMA Classic Public Safety CalPERS members via payroll deductions pursuant to California Government Code Section 20516(f) effective with the start of the first pay period of Fiscal Year 2020 (FY 20) (October 1, 2019). Per this provision, LBMA Classic Public Safety CalPERS members will contribute 3 percent of compensation earnable toward the City of Long Beach's (City) required employer contribution to CalPERS in addition to the 9 percent statutory employee contribution already paid by the employee, which will increase the employee's contribution to a total of 12 percent. The parties agreed to pursue a CalPERS contract amendment, as soon as administratively possible to change the above-described 3 percent cost-sharing under Government Code section 20516 (f), to cost-sharing of 3 percent of compensation earnable, pursuant to Government Code Section 20516(a).

On May 26, 2021, the City notified CalPERS of its intent to initiate the CalPERS contract amendment process. Upon receipt of further instructions from CalPERS, the City must complete the following steps to finalize the amendment process:

1. City Council adoption of a Resolution of Intention with Exhibit Amendment to Contract (attached).
2. Submission of a certified copy of Resolution of Intention to my|CalPERS following City Council adoption.
3. Submission of Form CON-12, Certification of Governing Body's Action to my|CalPERS following City Council adoption of Resolution of Intention.
4. Submission of Form CON-12A, Certification of Compliance with Government Code Section 7507 to my|CalPERS, following City Council adoption of Resolution of Intention.
5. Submission of Form CON-15, Certification of Employee Election to my|CalPERS, following City Council adoption of the Resolution of Intention.
6. Submission of Form CON-500, Certification of Compliance with Government Code Section 20516 to my|CalPERS, following City Council adoption of the Resolution of Intention.
7. City Council adoption of the final Ordinance, no earlier than 20 days following the adoption of Resolution of Intention. Amendment effective the first day of the payroll period following adoption of the final Ordinance.

This matter was reviewed by Principal Deputy City Attorney Gary J. Anderson on September 20, 2021 and by Budget Manager Grace H. Yoon on September 19, 2021.

City Council action is requested on October 5, 2021, to ensure timely implementation of the MOU provisions.

The pension pick-up savings implemented in FY 20 per the LBMA MOU were estimated at the time of contract approval to generate an annualized structural savings of \$145,000 in the General Fund and \$159,000 across All Funds. Cost-sharing savings are expected to decrease over time as Classic Public Safety CalPERS employees retire or otherwise leave the City. These pension pick-up changes and associated savings began to be realized in FY 20 and were structurally incorporated into the budget beginning in FY 21. PEPRA members have lower-cost pension plans as part of PEPRA pension reform. This recommendation has no staffing impact beyond the normal budgeted scope of duties and is consistent with existing City Council priorities. There is no local job impact associated with this recommendation.

Approve recommendation.

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF LONG BEACH AUTHORIZING AN AMENDMENT TO THE CONTRACT BETWEEN THE CITY OF LONG BEACH AND THE BOARD OF ADMINISTRATION OF THE CALIFORNIA PUBLIC EMPLOYEES' RETIREMENT SYSTEM AND AUTHORIZING THE CITY MANAGER OF SAID CITY TO EXECUTE SAID AMENDMENT FOR AND ON BEHALF OF THE CITY OF LONG BEACH

JOE AMBROSINI
HUMAN RESOURCES DIRECTOR

APPROVED:

THOMAS B. MODICA
CITY MANAGER