



Legislation Text

File #: 22-1304, **Version:** 1

Recommendation to adopt a Resolution of Intention amending the City of Long Beach's (City) contract with the California Public Employees Retirement System (CalPERS) to include a mandatory employee contribution of two (2) percent of compensation earnable toward the City's required employer contribution to CalPERS (in addition to the nine (9) percent statutory employee contribution) pursuant to Government Code Section 20516(a), applicable to the Long Beach Lifeguard Association (LGA) Classic Public Safety CalPERS Members; and

On October 18, 2022, the City Council approved the 2022-2025 successor Memorandum of Understanding (MOU) with the Long Beach Lifeguard Association (LGA). This new contract includes a provision for Cost Sharing by LGA Classic Public Safety CalPERS Members via payroll deductions pursuant to California Government Code Section 20516(f). Per this provision, LGA Classic Public Safety CalPERS members will contribute two percent (2%) of compensation earnable toward the City's required employer contribution to CalPERS in addition to the nine percent (9%) statutory employee contribution already paid by the employee, which will increase the employee's contribution to a total of eleven percent (11%). The parties agreed to pursue a CalPERS contract amendment, as soon as administratively possible to change the above-described two percent (2%) cost sharing under Government Code section 20516(f), to cost sharing of two percent (2%) of compensation earnable, pursuant to Government Code Section 20516(a).

On September 17, 2022, the City of Long Beach 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. Council Adoption of a Resolution of Intention with Exhibit Amendment to Contract (attached).
2. Submission of 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 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 Resolution of Intention.
7. City Council adoption of final Ordinance, no earlier than 20 days following 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 Assistant City Attorney Gary J. Anderson and Budget Manager Grace H. Yoon on October 11, 2022.

City Council action is requested on November 1, 2022, to ensure the timely implementation of the MOU provisions.

The pension pick-up savings implemented in Fiscal Year 2022 (FY 22) per the LGA MOU were estimated at the time of contract approval to generate an annualized structural savings of \$38,550 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 22 and were structurally incorporated into the budget in FY 22. 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.

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APPROVED:

THOMAS B. MODICA
CITY MANAGER