



AGENCY: City Council  
MEETING DATE: April 23, 2018  
DEPARTMENT: Administrative Services  
PRESENTED BY: S. Schneider  
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## AGENDA ITEM SUMMARY

### **TITLE:**

**Receive Report and Consider Adoption of City Council Resolution to Approve an Amendment to Contract Between the Board of Administration of the California Public Employees' Retirement System (CalPERS) and the City Council of the City of Fort Bragg to Provide Section 20516 (Employees Sharing Additional Cost) of 1% for Classic Local Miscellaneous Members and Classic Local Safety Members**

### **ISSUE:**

During the latest rounds of negotiations between the City and its employees, it was agreed upon that all classic members of CalPERS would increase their share of CalPERS costs by 1% effective July 1, 2018. In order to implement this change, a Contract Amendment is required by CalPERS which requires, among other steps, adoption of a Resolution of Intention and the introduction of the proposed Ordinance.

### **ANALYSIS:**

Recent negotiations between the City and the Fort Bragg Employee Organization (FBEO) and the City and the Fort Bragg Police Association (FBPA) resulted in updated Memorandum of Understandings approved by City Council on October 23, 2017. In addition, Resolutions establishing terms of conditions of employment for Confidential, Non-Bargaining Employees, Mid-Management Employees and Executive Management Employees were approved by City Council on July 24, 2017. Included in all above agreements is the stipulation for classic miscellaneous and classic safety employees (those employees who joined the CalPERS system prior to January 1, 2013) to contribute an additional 1% towards their CalPERS premiums effective July 1, 2018.

The following statement is the proposed Contract Amendment to the contract:

**To provide Section 20516 (Employees Sharing Additional Cost) of 1% for classic local miscellaneous members and classic local safety members.**

The full Amendment is included as Attachment 1 to this report.

The above Amendment would increase the employees' share for classic local miscellaneous employees from 7% to 8% of reportable earnings and classic local safety members from 9% to 10% of reportable earnings.

In order to implement this change, CalPERS requires an Amendment to its Contract with the City. Several steps are required in order for an Amendment to be made.

1. A Resolution of Intention of the Amendment needs to be adopted by the City Council (scheduled on tonight's agenda and included as Attachment 2 to this report).
2. Waive the first reading and introduce an Ordinance authorizing the Amendment (scheduled on tonight's agenda and included as Attachment 3 to this report).
3. Waive the second reading and adopt the Ordinance authorizing the Amendment (scheduled for May 14, 2018).

4. A secret ballot election by the employees affected whenever the Contract is amended to provide a benefit which changes the employees' rate of contribution as required by Government Code Section(s) 20469 & 20474. Sample Ballots are included as Attachments 4 & 5 to this report. The election will be carried out following the outcome of tonight's agenda item. Ballots will be dispersed to all affected employees with instructions to return the ballots in a provided sealed envelope to the City Clerk's Office. The City Clerk shall open all sealed ballots on Monday, May 7<sup>th</sup> at 12:00pm at City Hall and certify the results. The contract shall not be amended if a majority of the affected members vote to disapprove of the proposed plan.
5. The future annual costs or benefit change of the proposed contract be made public at a public meeting at least two weeks prior to the adoption of the final Ordinance pursuant to Government Code Section 7507. Adoption of the retirement benefit increase or change cannot be placed on the consent calendar.
6. Certification of the Governing Body's Action, Compliance with Government Code Section 7507, Employee Election and Compliance with Government Code Section 20516 are required to be signed and submitted to CalPERS following the final adoption of the Ordinance. These Certifications are included as Attachments 6-9.

**RECOMMENDED ACTION:**

Staff recommends the City Council take the following action:

1. Adopt Resolution of Intention to approve an amendment to the Contract between CalPERS and the City
2. Waive the first reading and introduce an Ordinance authorizing an amendment to the Contract between CalPERS and the City

**ALTERNATIVE ACTION(S):**

Take no action. Should the City decide not to perform the recommended actions, they will need to direct staff to reopen negotiations with the FBEO & FBPA to account for the lack of a Contract Amendment between CalPERS & the City.

**FISCAL IMPACT:**

The fiscal impact to the City will be ongoing cost savings dependent upon staffing levels, rate of pay and overall liability to CalPERS. It is estimated for FY 2018-2019, the City's share of its liability with CalPERS will decrease \$34,422.

**CONSISTENCY:**

The proposed actions are consistent with the adopted MOUs and Resolutions approved by City Employees and City Council in 2017.

**IMPLEMENTATION/TIMEFRAMES:**

Should City Council adopt the Resolution of Intention tonight, the earliest date the Ordinance may be adopted is May 14, 2018. There must be a 20-day period between the adoption of the Resolution of Intention and the adoption of the final Ordinance pursuant to Government Code 20471.

The secret ballot election will take place between April 24, 2018 and May 4, 2018. Ballots will be opened by the City Clerk at City Hall on Monday, May 7<sup>th</sup> at 12 Noon.

The effective date of the Amendment will be the first pay period following the agreed upon date of the change in the adopted MOUs or July 8, 2018.

**ATTACHMENTS:**

1. Amendment to Contract between CalPERS & the City
2. Resolution of Intention
3. Ordinance Authorizing Amendment to the Contract with CalPERS
4. Cost Sharing Ballot for classic local safety members
5. Cost Sharing Ballot for classic local miscellaneous members
6. Certification of Governing Body's Action
7. Certification with Compliance with Government Code Section 7507
8. Certification of Employee Election
9. Certification of Compliance with Government Code Section 20516

**NOTIFICATION:**

Fort Bragg Employee Organization  
Fort Bragg Police Association