



AGENDA REPORT

Meeting Date: December 15, 2015

Item Number: F-4

To: Honorable Mayor & City Council

From: Peter Brown, Labor Negotiator

Subject:

- A. A RESOLUTION OF THE COUNCIL OF THE CITY OF BEVERLY HILLS FOR TERMINATION OF PAYING AND REPORTING THE VALUE OF EMPLOYER PAID MEMBER CONTRIBUTIONS FOR THE BEVERLY HILLS FIREFIGHTERS' ASSOCIATION
- B. A RESOLUTION OF THE COUNCIL OF THE CITY OF BEVERLY HILLS FOR A REDUCTION IN PAYING AND REPORTING THE VALUE OF EMPLOYER PAID MEMBER CONTRIBUTIONS FOR THE BEVERLY HILLS POLICE OFFICERS' ASSOCIATION AND BEVERLY HILLS POLICE MANAGEMENT ASSOCIATION

Attachments:

- 1. Resolution (Beverly Hills Firefighters' Association)
- 2. Resolution (Beverly Hills Police Officers' Association and Beverly Hills Police Management Association)

RECOMMENDATION

It is recommended that the attached resolutions to change the paying and reporting of the Employer Paid Member Contribution (EPMC) to the California Public Employee's Retirement System (CalPERS) for the City's Safety Associations which include the

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Beverly Hills Firefighters' Association, Beverly Hills Police Officers' Association and Beverly Hills Police Management Association, be approved.

INTRODUCTION

The City currently pays to CalPERS all or a portion of the member (employee) contribution on behalf of employees in the City's safety associations.

In 2011, the City negotiated with the safety associations. During these negotiations, which occurred prior to the passage of the Public Employees' Pension Reform Act (PEPRA), the association members agreed to begin contributing a portion towards their retirement.

The Police Management Association and Police Officers' Association Memoranda of Understanding (MOU) are still in effect until October of 2016. Based upon the terms of the existing MOU, members are now contributing 3% towards the employer's share of the retirement contribution.

The Firefighters' Association MOU expired on October 5, 2015. Currently the Employer Paid Member Contribution (EPMC) for "Classic Member" employees is 6% and the City and Association have been in negotiations for a successor Memorandum of Understanding (MOU), which is being considered by Council for approval at this meeting of December 15, 2015.

DISCUSSION

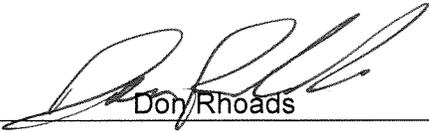
The attached resolutions change the paying and reporting of Employer Paid Member Contributions (EPMC) for employees of the City's safety associations to align with the negotiated changes.

Effective January 1, 2016, the members of the Police Management and Police Officers' Associations will begin paying 1% towards the member portion of the retirement contribution, which will reduce the City's paying and reporting of the member contribution from 9% to 8%. This will result in "Classic Member" employees of the Police Management Association and Police Officers Association paying a total of 4% towards their retirement contribution (including 3% to the employer contribution and 1% to the member contribution). "New Members", as defined by the Public Employee Pension Reform Act (PEPRA), will also pay 4% towards their retirement contribution through the term of the existing MOU.

Based upon the terms of the newly negotiated Firefighters' Association MOU (presented for Council approval on December 15, 2015), "Classic Member" employees will begin paying their full 9% member contribution which, will reduce the City's paying and reporting of the EPMC to 0% (effective December 26, 2015). Based upon the PEPRA, "New Members" as defined by the Public Employee Pension Reform Act (PEPRA), will pay half the normal cost, which is currently 12%.

FISCAL IMPACT

The passage of resolutions to align with changes to the Employer Paid Member Contributions is an administrative requirement of CalPERS. As such, there is no fiscal impact associated with passing these resolutions. The fiscal impact of any changes to the EPMC is included in the costing and fiscal impact analysis prepared for the labor negotiations process.



Dory Rhoads

Finance Approval



Shelley Ovrom

Human Resources Approval

Attachment 1

RESOLUTION NO. 15-R-_____

A RESOLUTION OF THE COUNCIL OF THE CITY OF BEVERLY HILLS FOR TERMINATION OF PAYING AND REPORTING THE VALUE OF EMPLOYER PAID MEMBER CONTRIBUTIONS FOR THE BEVERLY HILLS FIREFIGHTERS' ASSOCIATION

WHEREAS, the City Council of the City of Beverly Hills has the authority to implement or take action under Government Code section 20636(c)(4) pursuant to Government Code Section 20691;

WHEREAS, the City Council of the City of Beverly Hills has a written labor policy or agreement which specifically provides for the member contributions to be paid by the employer and reported as special compensation to be reduced to zero;

WHEREAS, one of the steps in the procedures to implement Section 20691 is the adoption by the City Council of the City of Beverly Hills of a Resolution to modify its payment and reporting of the value of said Employer Paid Member Contributions (EPMC); and,

WHEREAS, the City Council of the City of Beverly Hills has identified the following conditions for the purpose of its election to pay EPMC:

- No EPMC shall be paid for New Members, as defined by Government Code section 7522.30(c).
- The following benefit shall apply to all (classic) employees of the Beverly Hills Firefighters' Association:
 - The current benefit consists of the employer paying 6% of the normal member contributions as EPMC and reporting the same percent (value) of compensation earnable as special compensation.

- Effective December 26, 2015, employer shall terminate payment of normal member contributions and reduce EPMC to 0%. Therefore, this benefit shall consist of the employer paying 0% of the normal member contributions as EPMC and reporting the same percent (value) of compensation earnable as special compensation.
- Effective December 26, 2015, employees will pay the full 9% member contribution.

The effective date of this Resolution shall be December 15, 2015.

NOW, THEREFORE, the Council of the City of Beverly Hills does hereby resolve as follows:

Section 1. The Chief Financial Officer or his/her designee shall oversee the City's compliance with this resolution.

Section 2. The City Clerk shall certify to the adoption of the Resolution and shall cause the Resolution and his certification to be entered in the Book of Resolutions of the Council of the City.

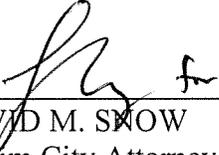
Adopted:

JULIAN A. GOLD, M.D.
Mayor of the City of Beverly Hills, California

ATTEST:

BYRON POPE (SEAL)
City Clerk

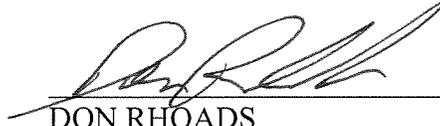
APPROVED AS TO FORM:



DAVID M. SNOW
Interim City Attorney

APPROVED AS TO CONTENT:

MAHDI ALUZRI
City Manager



DON RHOADS
Director of Administrative Services/
Chief Financial Officer

Attachment 2

RESOLUTION NO. 15-R-_____

A RESOLUTION OF THE COUNCIL OF THE CITY OF BEVERLY HILLS FOR A REDUCTION IN PAYING AND REPORTING THE VALUE OF EMPLOYER PAID MEMBER CONTRIBUTIONS FOR THE BEVERLY HILLS POLICE OFFICERS' ASSOCIATION AND BEVERLY HILLS POLICE MANAGEMENT ASSOCIATION

WHEREAS, the City Council of the City of Beverly Hills has the authority to implement or take action under Government Code section 20636(c)(4) pursuant to Government Code Section 20691;

WHEREAS, the City Council of the City of Beverly Hills has a written labor policy or agreement which specifically provides for the member contributions to be partially paid by the employer and reported as special compensation;

WHEREAS, one of the steps in the procedures to implement Section 20691 is the adoption by the City Council of the City of Beverly Hills of a Resolution to modify its payment and reporting of the value of said Employer Paid Member Contributions (EPMC); and,

WHEREAS, the City Council of the City of Beverly Hills has identified the following conditions for the purpose of its election to pay EPMC:

- No EPMC shall be paid for New Members, as defined by Government Code section 7522.30(c).
- The following benefit shall apply to all (classic) employees of the Beverly Hills Police Officers' Association and Beverly Hills Police Management Association:
 - The current benefit consists of the employer paying 9% of the normal member contributions as EPMC and reporting the same percent (value) of compensation earnable as special compensation.

- Effective January 1, 2016, this benefit shall consist of the employer paying 8% of the normal member contributions as EPMC and reporting the same percent (value) of compensation earnable as special compensation.
- Effective January 1, 2016, employees will pay 1% towards their member contribution.

The effective date of this Resolution shall be December 15, 2015.

NOW, THEREFORE, the Council of the City of Beverly Hills does hereby resolve as follows:

Section 1. The Chief Financial Officer or his/her designee shall oversee the City's compliance with this resolution.

Section 2. The City Clerk shall certify to the adoption of the Resolution and shall cause the Resolution and his certification to be entered in the Book of Resolutions of the Council of the City.

Adopted:

JULIAN A. GOLD, M.D.
Mayor of the City of Beverly Hills, California

ATTEST:

BYRON POPE (SEAL)
City Clerk

APPROVED AS TO FORM:



DAVID M. SNOW
Interim City Attorney

APPROVED AS TO CONTENT:

MAHDI ALUZRI
City Manager



DON RHOADS
Director of Administrative Services/
Chief Financial Officer