



City Council Staff Report

DATE: SEPTEMBER 19, 2012

CONSENT

SUBJECT: AMENDING PROVISIONS OF RESOLUTION 19967, ELIMINATING PAYING AND REPORTING THE VALUE OF EMPLOYER PAID MEMBER CONTRIBUTIONS FOR NEW EMPLOYEES OF THE SERVICE EMPLOYEES INTERNATIONAL LOCAL 721 (GENERAL UNIT), MANAGEMENT ASSOCIATION OF PALM SPRINGS (MAPS), EXECUTIVE MANAGEMENT, AND OPTIONAL MEMBERS (CITY COUNCIL) IN THE MISCELLANEOUS GROUP FOR THE PUBLIC EMPLOYEES RETIREMENT SYSTEM.

FROM: David H. Ready, City Manager

BY: Human Resources

SUMMARY

The City Council will consider that the provisions of Resolution 19967 be amended to eliminate the paying and reporting the value of Employer Paid Member Contributions (EPMC) for the Public Employees' Retirement System (PERS) time and grade provisions for employees hired after adoption of the Resolution in the:

- Service Employees International Local 721 (General Unit) in the Miscellaneous Group
- Management Association of Palm Springs (MAPS) in the Miscellaneous Group
- Executive Management (EX) in the Miscellaneous Group, including the Police Chief and Fire Chief in the Safety Group
- Optional Members (City Council) in the Miscellaneous Group

This Resolution is an action required to comply with the California Public Employees' Retirement System procedures.

RECOMMENDATION:

1. Adopt Resolution No. _____, "A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF PALM SPRINGS, CALIFORNIA APPROVING PAYING AND REPORTING THE VALUE OF EMPLOYER PAID MEMBER CONTRIBUTIONS FOR THE PUBLIC EMPLOYEES RETIREMENT SYSTEM (PERS)."

ITEM NO. 2.E.

STAFF ANALYSIS:

City Council adopted Resolution 19967 on January 3, 2001, which approved the paying and reporting the value of Employer Paid Member Contributions (EPMC) for the employees in Service Employees International Local 721 (General Unit), Management Association of Palm Springs (MAPS), Executive Management (including the Police Chief and Fire Chief) (EX), and Optional Members (City Council).

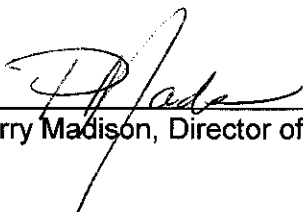
In a continuing effort towards the reduction of pension costs, the City in concert with employee groups continues to make progress towards this goal. As part of this effort, the City Council will consider the elimination of provisions of Resolution 19967 for MAPS, EX, and Optional Members (City Council). Once adopted, General Unit, MAPS, EX, and Optional Members (City Council) will pay their own member contributions under the California Public Employees' Retirement System time and grade provisions for a period of five years, unless amended or changed by law. This Resolution is an action that is required to comply with the California Public Employees' Retirement System (CalPERS) procedures.

Although, the State has approved legislation effective January 1, 2013 where the five year limitation will not apply for new hires, the details of the legislation are still under review by CalPERS and they are advising agencies to continue with modifications under the current CalPERS rules until further guidance is provided.

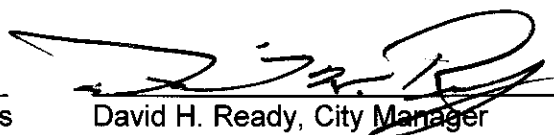
By adoption this Resolution, the paying and reporting the value of Employer Paid Member Contributions (EPMC) will continue for all employees in General Unit, MAPS, EX and Optional Members (City Council) hired prior to the adoption of this Resolution.

FISCAL IMPACT

It is estimated that this agreement could result in estimated savings of up to \$51,000 in first year based on current turnover projections and increasing through additional turnover thereafter.



Perry Madison, Director of Human Resources



David H. Ready, City Manager

Attachments:
Proposed Resolution

RESOLUTION NO. ____

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF PALM SPRINGS, CALIFORNIA, APPROVING PAYING AND REPORTING THE VALUE OF EMPLOYER PAID MEMBER CONTRIBUTIONS FOR THE PUBLIC EMPLOYEES RETIREMENT SYSTEM (PERS) AND AMENDING RESOLUTION NO. 19967.

WHEREAS, the governing body of the City of Palm Springs has elected to pay and report the value of all or a part of the normal member contributions to the California Public Employees' Retirement System (CalPERS) pursuant to Government Code Sections 20636(c)(4) and 20691, and applicable labor policies or agreements;

WHEREAS, the governing body of the City of Palm Springs may elect a time-in-grade Exception to said Employer Paid Member Contributions (EPMC) within a given group or class of employees as defined in Government Code Section 20636(e)(1) and as specifically authorized in Title 2, California Code of Regulations Amended Section 571;

WHEREAS, the governing body of the City of Palm Springs has identified the following conditions for the application of said Exception:

- This Time-in-Grade exception shall apply to all employees of:
 - Service Employees International Local 721 (General Unit) in the Miscellaneous Group
 - Management Association of Palm Springs (MAPS) in the Miscellaneous Group
 - Executive Management (EX) in the Miscellaneous Group, including the Police Chief and Fire Chief in the Safety Group
 - Optional Members (City Council) in the Miscellaneous Group
- The City of Palm Springs elects to continue to pay and report the value of EPMC, 8% for MAPS, EX (9% for Police and Fire Chief), Optional Members, and General Unit for all employees hired on or before September 19, 2012.
- For employees hired after September 19, 2012, the City of Palm Springs will, pursuant to Title 2, California Code of Regulations Amended Section 571, pay the value of EPMC according to the following time in grade schedule:
 - Year 1 – 0%
 - Year 2 – 0%
 - Year 3 – 0%
 - Year 4 – 0%
 - Year 5 – 0%

- Once a newly-hired employee accrues five (5) years of total service (either on a continuous or cumulative basis), s/he shall be entitled to payment of EPMC on the same terms that apply to all other employees in the group or class unless changed by State law. In so resolving, the governing body of the City of Palm Springs agrees to abide by Section 571, the terms of which are incorporated-by-reference as if fully set forth herein.
- The effective date of this Resolution shall be September 19, 2012.

WHEREAS, the governing body of the City of Palm Springs acknowledges that the adoption of this Resolution may result in an upward adjustment of its employer contribution rate.

THE CITY COUNCIL OF THE CITY OF PALM SPRINGS DOES HEREBY RESOLVE, DETERMINES AND APPROVE AS FOLLOWS:

SECTION 1. The City Council, as the governing body of the City of Palm Springs, hereby elects the time-in grade exception to the paying and reporting of employer paid member contributions as set forth above.

SECTION 2. Resolution No. 19967 is hereby amended to provide the time-in grade exception to the paying and reporting of employer paid member contributions.

SECTION 3. This Resolution shall take effect on September 19, 2012.

PASSED, APPROVED AND ADOPTED BY THE PALM SPRINGS CITY COUNCIL THIS 19th day of September, 2012.

DAVID H. READY, CITY MANAGER

ATTEST:

JAMES THOMPSON, CITY CLERK

CERTIFICATION

STATE OF CALIFORNIA)
COUNTY OF RIVERSIDE) ss.
CITY OF PALM SPRINGS)

I, JAMES THOMPSON, City Clerk of the City of Palm Springs, hereby certify that Resolution No. _____ is a full, true and correct copy, and was duly adopted at a regular meeting of the City Council of the City of Palm Springs on _____, by the following vote:

AYES:
NOES:
ABSENT:
ABSTAIN:

JAMES THOMPSON, CITY CLERK
City of Palm Springs, California