



City Council Staff Report

DATE: DECEMBER 5, 2012

CONSENT

SUBJECT: AMENDING PROVISIONS OF RESOLUTION NO. 19880 AND 19883, ELIMINATING PAYING AND REPORTING THE VALUE OF EMPLOYER PAID MEMBER CONTRIBUTIONS FOR NEW EMPLOYEES OF THE PALM SPRINGS POLICE MANAGEMENT ASSOCIATION AND THE PALM SPRING FIRE MANAGEMENT ASSOCIATION IN THE SAFETY 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 19880 and 19883 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:

- Palm Springs Police Management Association (PSPMA) in the Safety Group
- Palm Spring Fire Management Association (PSFMA) in the Safety 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. 20

STAFF ANALYSIS:

City Council adopted Resolution 19880 and 19883 on August 2, 2000, which approved the paying and reporting the value of Employer Paid Member Contributions (EPMC) for the employees in Palm Springs Police Management Association (PSPMA) and the Palm Spring Fire Management Association (PSFMA) in the Safety Group.

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 19880 and 19883 for PSPMA and PSFMA. Once adopted, PSPMA and PSFMA 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 whereby new hires will be required to pay a portion of the employee cost, that legislation does not apply to lateral hires under CalPERS. This resolution will include that lateral hires also pay their own member contributions.

Palm Springs Police Officers Association (PSPOA) and Palm Springs Fire Safety Association (PSFSA) new hires will also pay their own member contributions, however, no action other than through an approved MOU is required for these groups, as the City does not report the value of member contributions for PSPOA and PSFSA as EPMC.

By adoption this Resolution, the paying and reporting the value of Employer Paid Member Contributions (EPMC) will continue for all employees in PSPMA and PSFMA hired prior to the adoption of this Resolution.

FISCAL IMPACT

It is estimated that this agreement could result in estimated savings of up to \$10,000 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. 19880 and 19883.

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:
 - Palm Springs Police Management Association (PSPMA) in the Safety Group
 - Palm Spring Fire Management Association (PSFMA) in the Safety Group
- The City of Palm Springs elects to continue to pay and report the value of EPMC, 9% for PSPMA and PSFMA for all employees hired on or before December 5, 2012.
- For employees hired after December 5, 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 December 5, 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. 19880 and 19883 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 December 5, 2012.

PASSED, APPROVED AND ADOPTED BY THE PALM SPRINGS CITY COUNCIL THIS 5th day of December, 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