

CITY OF SANTA ROSA
CITY COUNCIL

TO: MAYOR AND CITY COUNCIL

FROM: RHONDA MCKINNON, INTERIM HUMAN RESOURCES
DIRECTOR

SUBJECT: ADOPTION OF RESOLUTION OF INTENTION TO APPROVE AN
AMENDMENT TO THE CITY OF SANTA ROSA'S CONTRACT
WITH THE CALIFORNIA PUBLIC EMPLOYEES' RETIREMENT
SYSTEM AND INTRODUCE AN ORDINANCE TO AMEND THE
CONTRACT; REPEAL OF PRIOR ORDINANCE

AGENDA ACTION: RESOLUTION AND ORDINANCE

RECOMMENDATION

It is recommended by the Human Resources Department that the Council, by resolution and ordinance: 1) adopt a resolution of intention to approve an amendment to the City of Santa Rosa's Contract with the California Public Employees' Retirement System (CalPERS) and introduce an ordinance to amend the contract; and 2) repeal Ordinance number 4071.

EXECUTIVE SUMMARY

The first action completes the process of employees sharing in the City's cost of CalPERS retirement that was started with the labor contracts negotiated and settled in 2013, 2014 and 2016. This action will allow the current percentages of employee cost sharing to be credited to the employee's CalPERS account effective July 26, 2016. The second action repeals the prior ordinance approving an erroneous amendment to the Contract.

BACKGROUND

Beginning in 2013, the Council prioritized pension cost sharing by City employees in labor contracts. Through negotiations in 2013 and 2014, all City employees participating in CalPERS began cost sharing by paying additional percentages towards the overall retirement cost. Through Government Code Section 20516, employees may elect to have their cost sharing become part of the City's contract with CalPERS through this amendment process. Upon repeal of Ordinance number 4071, this will be the third cost sharing amendment the City has undertaken.

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This amendment process will allow CalPERS to credit the employee accounts with their contribution for the employer's share. This is the last step of the process to amend the pension cost sharing that was part of the labor contracts that began in 2013-2014 and ended in 2016.

This action also repeals the prior ordinance approving the last amendment to the Contract which inadvertently included duplicative employee contributions. The erroneous amendment to the Contract was introduced and approved by City Council on August 2, 2016 through Ordinance number 4071.

PRIOR CITY COUNCIL REVIEW

On August 2, 2016, Council introduced Resolution of Intention number 28835 and passed the Ordinance number 4071.

ANALYSIS

By the City Council authorizing a contract amendment with CalPERS to provide Section 20516 (Employee Sharing Additional Cost) it will formalize the following cost sharing arrangements in the CalPERS contract with the City:

- A. Section 20516 of two and one half percent (2.5%) for miscellaneous members in the Santa Rosa City Employees Association, Unit 4 – Support Services, Unit 6 - Professional, and Unit 7 – Technical.
- B. Section 20516 of two and one half percent (2.5%) for miscellaneous members in SEIU Local 1021, Unit 8 - Transit.
- C. Section 20516 of one percent (1.0%) for safety members in the Santa Rosa Police Officers Association, Unit - 5.
- D. Section 20516 of one percent (1.0%) for safety members in the Santa Rosa Police Management Association, Unit - 9 Police Management.
- E. Section 20516 of one and one half percent (1.5%) for classic and new members in Santa Rosa Fire Fighters Local 1401, Unit 2 Firefighting.
- F. Section 20516 of one percent (1.0%) for miscellaneous members in the Unrepresented Confidential Unit - 12.

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FISCAL IMPACT

Approval of this action does not have a current fiscal impact on the General Fund. It allows for the existing cost sharing to be credited to the employee's CalPERS account.

ENVIRONMENTAL IMPACT

This action is exempt from the California Environmental Quality Act (CEQA) because it is not a project which has a potential for resulting in either a direct physical change in the environment, or a reasonably foreseeable indirect physical change in the environment, pursuant to CEQA Guideline section 15378.

BOARD/COMMISSION/COMMITTEE REVIEW AND RECOMMENDATIONS

Not applicable.

NOTIFICATION

Not applicable.

ATTACHMENTS

- Attachment 1 – Amendment
- Resolution
- Ordinance

CONTACT

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