



## **STAFF REPORT TO THE CITY COUNCIL**

**DATE:** Regular Meeting of February 12, 2019

**TO:** Members of the City Council

**SUBMITTED BY:** David Biggs, City Manager  
Lori Martin, Administrative Services Director/City Clerk

**SUBJECT:** CalPERS Contract Amendment

### **RECOMMENDED ACTION:**

Waive reading and adopt Ordinance authorizing an amendment to the contract between the City of Hercules and the Board of Administration of the California Public Employees' Retirement System to include provisions pursuant to Government Code 20516 "Cost Sharing" for Local Miscellaneous Members, Local Police Officers Association and eligible Non-Represented Employees of the City of Hercules in accordance with previously approved Memorandums of Understanding with the Teamsters Local 315 and the Hercules Police Officers Association and through approval of Pay and Benefit Plans for Executive Level Employees, Mid-Management Employees and Non-Represented employees of the City of Hercules.

### **COMMISSION/SUBCOMMITTEE ACTION AND RECOMMENDATION:**

There was no commission or subcommittee review of this item.

### **FISCAL IMPACT OF RECOMMENDATION:**

There is no fiscal impact associated with this item.

### **DISCUSSION:**

The City Council recently approved FY 18-19 Memorandum of Understandings with the Teamsters Local 315, Hercules Police Officers Association and various Pay and Benefit Plans with the City's non-represented employees. All of the employee groups agreed to a CalPERS cost sharing arrangement where employees would pay an additional 3% to be applied to the employers CalPERS contributions in exchange for a 2% wage increase. Therefore, in order to implement this change the City needs to amend its contract with CalPERS to reflect the change to employee contribution rates.

The new contribution rate for the various member groups will be changed through the contract amendment to reflect the following:

- The classic local miscellaneous member contribution rate will be 10% of reportable earnings as of the effective date of the amendment to the contract.

- The new local miscellaneous member contribution rate will be 9.25% of reportable earnings as of the effective date of the amendment to the contract.
- The classic local safety member contribution rate will be 12% of reportable earnings as of the effective date of the amendment to the contract.
- The new local safety member contribution rate will be 15% of reportable earnings as of the effective date of the amendment to the contract.

City Council adopted a Resolution of Intention and approved the introduction of an Ordinance to approve an amendment to the Contract between the City of Hercules and the Board of Administration of the California Public Employees' Retirement System at a regular meeting held on January 8, 2019, pursuant to Government Code Section 20471.

In addition, pursuant to Government Code Section 20474, the City conducted a secret ballot election by the employees affected by the contract amendment. The balloting period opened on January 10, 2019 and closed on January 24, 2019. The results of the employee secret balloting have been certified by the City Clerk with zero (0) number of votes disapproving said participation in the contract amendment to include provisions pursuant to Government Code 20516 "Cost Sharing" for Local Miscellaneous Members, Local Police Officers Association and eligible Non-Represented Employees of the City of Hercules.

The effective date of this amendment cannot be earlier than the first day of a payroll period following the effective date of the final Ordinance. If adopted tonight, the Ordinance will go into effect 30 days later on March 12, 2019. The first day of the payroll period following that will be March 24, 2019 when this change will take effect for employees.

**ATTACHMENTS:**

1. Ordinance Amending the CalPERS Contract
2. Amendment to Contract