



City of Arts & Innovation

City Council Memorandum

TO: HONORABLE MAYOR AND CITY COUNCIL **DATE: MARCH 6, 2018**

FROM: HUMAN RESOURCES DEPARTMENT **WARDS: ALL**

SUBJECT: RESOLUTION TO EFFECTUATE A PROVISION FOR PAYING AND REPORTING CALPERS RETIREMENT CONTRIBUTIONS FOR TIER 1 EMPLOYEES IN THE RIVERSIDE POLICE OFFICERS' ASSOCIATION UNIT HIRED BETWEEN FEBRUARY 17, 2012 AND JUNE 12, 2012

ISSUE:

Adopt a Resolution to effectuate the Riverside Police Officers' Association Memorandum of Understanding provision approved by City Council on January 9, 2018 for Tier 1 employees hired between February 17, 2012, and June 12, 2012 to offset the cost-sharing provision that requires all Tier 1 employees to pay 1.5% of the employer contribution starting January 1, 2018.

RECOMMENDATION:

That the City Council adopt the attached Resolution for paying and reporting 1.5% of Employer Paid Member Contributions for Tier 1 Riverside Police Officers' Association employees hired between February 17, 2012, and June 12, 2012.

BACKGROUND:

In 2012, the Union and the City agreed to adopt a CalPERS Resolution effective February 17, 2012, requiring all new employees hired after the Resolution effective date to pay 9% of the employee contribution to CalPERS. In addition, the City and the Union amended the CalPERS Police contract to create a Tier 2, for all employees hired on or after June 13, 2012.

Subsequently in 2016, the City Council approved the Riverside Police Officers' Association's (RPOA) new Memorandum of Understanding (MOU) for employees in this unit. The benefits package contained changes to the City's Retirement plan for CalPERS classic Tier 1 employees which would allow for a cost sharing provision for the Employer Paid Member Contribution (EPMC).

The adoption of these provisions created an overlap in the application of retirement contributions for three employees hired between February 17, 2012, and June 12, 2012. These employees are considered Tier 1 employees and subject to the new 1.5% employer contribution cost-sharing provisions effective January 1, 2018, in addition to the Resolution requiring the 9% employee contribution.

In order to effectuate the intention of both the 2012 and 2016 provisions, the attached Resolution reflects an off-set of payment for the three affected employees to ensure that they are able to maintain a combined contribution of 9% toward their retirement.

DISCUSSION:

On January 9, 2018, the City Council approved the amended RPOA MOU language for Section 9.1 Retirement plan for RPOA employees hired between February 17, 2012 and June 12, 2012. The amended language impacts three employees that were hired during this timeframe.

As indicated above, the three employees are considered Tier 1 employees and are subject to the 1.5% employer contribution cost-sharing provisions effective January 1, 2018. Per the revised language, these employees will have the 9% employee contribution offset by the cost-sharing employer contribution percentage, every year upon the contract amendment effective date, for a total combined contribution of 9%.

To fully implement the amended MOU language, the City must adopt a new CalPERS Resolution for paying and reporting the value of the EPMC for these three employees. This will adjust the employee contribution to 7.5% and the EPMC contribution to 1.5%, for a combined contribution of 9%.

FISCAL IMPACT:

The financial impact of reporting 1.5% as EPMC in fiscal years 17/18 and 18/19 is about \$100, this will be absorbed by the Riverside Police Department's budget.

Prepared by:	Stephanie Holloman, Human Resources Director
Certified as to availability of funds:	Adam Raymond, Chief Financial Officer/City Treasurer
Approved by:	Marianna Marysheva, Assistant City Manager
Approved as to form:	Gary G. Geuss, City Attorney

Attachment:	Resolution of the City Council of the City of Riverside, California, for paying and reporting the value of Employer Paid Member Contributions, effective March 9, 2018
-------------	--