



City of Arts & Innovation

City Council Memorandum

TO: HONORABLE MAYOR AND CITY COUNCIL **DATE: OCTOBER 20, 2020**

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

SUBJECT: RESOLUTION FOR PAYING AND REPORTING THE VALUE OF EMPLOYER PAID MEMBER CONTRIBUTIONS FOR EMPLOYEES IN THE INTERNATIONAL BROTHERHOOD OF ELECTRICAL WORKERS UTILITY AND SUPERVISORY UNITS

ISSUE:

Adopt a Resolution to effectuate the International Brotherhood of Electrical Workers, Utility and Supervisory Units Memoranda of Understanding changes to pension benefits provided through the California Public Employees' Retirement System related to Employer Paid Member Contributions.

RECOMMENDATION:

That the City Council adopt a Resolution for paying and reporting the value of Employer Paid Member Contributions for members of the International Brotherhood of Electrical Workers Utility and Supervisory Units.

BACKGROUND:

On September 6, 2016, the City Council approved International Brotherhood of Electrical Workers (IBEW) Utility and Supervisory Units Memoranda of Understanding (MOU). The new agreement contained changes to the City's Employer Paid Member Contributions (EMPC) for the California Public Employees' Retirement System (CalPERS) Tier 1 employees hired on or before October 18, 2011. Historically, the City paid the EPMC, equivalent to 8% of the employee's salary, for Tier 1 employees. The new agreement included a provision that would incrementally require the employee to begin paying the employee contribution over a four-year period in return for 4% salary increases in fiscal year (FY) 2017-18, FY 2018-19 and FY 2019-20 and a 3.5% salary increase in FY 2020-21. Employees in Tier 1 began paying 2% of the employee contribution in November 2017, an additional 2% in November 2018, an additional 2% in November 2019, and effective with the pay period following November 1, 2020 they will pay a final 2%, for a total of 8%.

DISCUSSION:

As memorialized in the Resolution presented in this report, effective with the first pay period following November 1, 2020 which corresponds with November 13, 2020, IBEW Utility and

Supervisory employees in Tier 1 will pay an additional 2% of the employee contribution for a total of 8%. The City will no longer pay any of the EPMC. During the current FY 2020-21, employees in Tier 1 will absorb the remaining 2% of the EPMC for a total of 8% by November 2020. This is the last CalPERS giveback adjustment for this group.

Pension reform changes were implemented with all other groups, with variations, and these are memorialized in their respective MOUs or the City's Fringe Benefit and Salary Resolutions in an effort to continue reducing retirement costs to the City.

FISCAL IMPACT:

Savings resulting from the IBEW Utility and Supervisory Units Tier 1 employees contributing 8% of the employee contribution to CalPERS in FY 2020-21 have been incorporated into the FY 2020-2021 Budget and are offset by increases in wages, as authorized through their MOU.

Prepared by:	Rene Goldman, Human Resources Director
Certified as to	
availability of funds:	Edward Enriquez, Chief Financial Officer/City Treasurer
Approved by:	Rafael Guzman, Assistant City Manager
Approved as to form:	Gary G. Geuss, City Attorney

Attachment: Resolution