

CONSENT CALENDAR

November 30, 2021

To: Honorable Mayor and Members of the City Council

From: Dee Williams-Ridley, City Manager

Submitted by: Donald E. Ellison, Interim Director of Human Resources

Subject: Resolution Authorizing an Amendment to the Miscellaneous CalPERS Contract Pursuant to California Government Code 20516

RECOMMENDATION

Adopt a Resolution revising Resolution No 70,081 N.S to initiate a process to amend the contract between the Board of Administration, California Public Employees' Retirement System and the City Council for the City of Berkeley pursuant to California Government Code 20516 to effectuate changes to the cost sharing agreement between the City and Unrepresented PEPRA members in the Unrepresented Employees Group.

BACKGROUND

Council adopted Resolution #70,081 N.S. at its October 26, 2021 meeting. A revised Resolution is needed as CalPERS advised that the Resolution was not sufficient. This new version incorporates requested changes from CalPERS. Staff needs Council to affirmatively vote on the revised Resolution.

As part of the most recent negotiations regarding the memorandum of understanding between the City and SEIU Local 1021 Maintenance and Clerical (MC), the parties agreed to reduce the MC PEPRA members' employer cost share (Ramp Down) of eight percent (8%) over the term of the current MOUs. Although the Unrepresented Group is not represented by a labor group, they customarily receive the same negotiated benefits afforded to the MC chapters.

FISCAL IMPACTS OF RECOMMENDATION

The terms of the new MOU PEPRA ramp down is as follows:

SEIU MC and the Unrepresented Employees Group:

- FY2021-22: 1% reduction of cost share for a total of 7%, (to be effective as soon as administratively possible following adoption of successor contract by the City Council)
- FY2022-23: 1% reduction of cost share for a total of 6%, effective July 10, 2022
- FY2023-24: 1% reduction of cost share for a total of 5%, effective July 9, 2023
- FY2024-25: 2% reduction of cost share for a total of 3%, effective July 7, 2024
- FY2025-26: 2% reduction of cost share for a total of 1%, effective July 6, 2025
- FY2026-27: 1% reduction of cost share for a total of 0%, effective July 5, 2026

The total cost to approve the ramp down for the Unrepresented PEPRA members is approximately \$98,896. There are approximately 51 PEPRA employees affected by this resolution. Funding for the Ramp Down comes from the General Fund and other special

revenue funds. This cost of will be included in the fiscal years 2022 through 2024 budgets.

CURRENT SITUATION AND ITS EFFECTS

Although Council previously approved the terms of the Ramp Down for MC and the City's other employee organizations who negotiated similar Ramp Downs, the City must amend its contract with CalPERS to effectuate the Ramp Down terms for the Unrepresented Group. (See Cal. Gov. Code § 20516.) Council's approval of the Resolution will initiate the contract amendment process, which includes the following steps:

- The City shall provide CalPERS with the Resolution and a cover letter indicating the exact percentage of change, total cost-share percentage and who it is applicable to;
- CalPERS will contact the City to establish the Anticipated Schedule of Agency Actions and send the required documents;
- Over a time period specified by CalPERS, the City will:
 - Conduct an employee election whereby a simple majority of the affected PEPR members in the Unrepresented Group must vote in favor of proposed cost-share terms;
 - The City shall adopt a Resolution of Intention;
 - The City shall approve the final reading of an ordinance or final resolution and complete certification forms.
- Once the documents are received and approved, the contract amendment becomes effective and is updated with the effective date in myCalPERS.
- CalPERS sends a fully executed contract to the City.

ENVIRONMENTAL SUSTAINABILITY AND CLIMATE IMPACT

There are no identifiable environmental effects or opportunities associated with the subject of this report.

RATIONALE FOR RECOMMENDATION

Although Council previously approved the terms of the Ramp Down for MC and the City's other employee organizations who negotiated similar Ramp Downs, the City must amend its contract with CalPERS to effectuate the Ramp Down terms for the Unrepresented Group. (See Cal. Gov. Code § 20516.) Council's approval of the Resolution will initiate the contract amendment process

ALTERNATIVE ACTIONS CONSIDERED

None. The City is obligated under the existing labor agreements to complete the Ramp Downs in accordance with the MOUs.

CONTACT PERSON

Donald E. Ellison, Interim Director of Human Resources, (510) 981-6807

Attachments:

- 1: Resolution: Approving an Amendment to CalPERS Contract
- 2: CalPERS Employee Cost-Sharing Informational Page

RESOLUTION NO. 70,081–N.S.

RESOLUTION OF THE CITY COUNCIL OF THE CITY OF BERKELEY RELATING TO CALPERS RETIREMENT COST-SHARING UNDER GOVERNMENT CODE SECTION 20516 BY UNREPRESENTED EMPLOYEES GROUP

WHEREAS, The Unrepresented Employees Group of the City of Berkeley are not covered by a memorandum of understanding; and

WHEREAS, Miscellaneous New Members (as defined under California Public Employees' Pension Reform Act of 2013 (PEPRA)) in the Unrepresented Employees Group currently participate in cost sharing at a rate of 8% of the City's employer share of the California Public Employees' Retirement System (CalPERS) pension benefit pursuant to Government Code section 20516; and

WHEREAS, on July 20, 2021, the City Council authorized a ramp-down of the employees' contribution toward the City's CalPERS employer share of pension for the Unrepresented Employees Group in the following amounts over the following period, and adopted Resolution No. 69, 968-N.S. to in part memorialize the same:

- FY2021-22: 1% reduction of cost share for a total of 7%, (to be effective as soon as administratively possible following adoption of successor contract by the City Council)
- FY2022-23: 1% reduction of cost share for a total of 6%, effective July 10, 2022
- FY2023-24: 1% reduction of cost share for a total of 5%, effective July 9, 2023
- FY2024-25: 2% reduction of cost share for a total of 3%, effective July 7, 2024
- FY2025-26: 2% reduction of cost share for a total of 1%, effective July 6, 2025
- FY2026-27: 1% reduction of cost share for a total of 0%, effective July 5, 2026; and

WHEREAS, CalPERS requires that the City Council adopt a resolution that specifically identifies the following information for unrepresented employees in order to amend the Section 20516 cost share amounts in its contract with CalPERS.

WHEREAS, Council adopted Resolution #70,081 N.S. at its October 26, 2021 meeting. A revised Resolution is needed as CalPERS advised that the Resolution was not sufficient. This new version incorporates requested changes from CalPERS. Staff needs Council to affirmatively vote on the revised Resolution.

NOW THEREFORE, BE IT RESOLVED that the City Council approves this Resolution to amend the existing contract between the City of Berkeley and CalPERS under Government Code Section 20516 for Miscellaneous New Members in the Unrepresented Employees Group as follows:

Miscellaneous New Members in the Unrepresented Employees Group will have their contributions toward the City's CalPERS employer share of pension reduced in the following amounts on the following effective dates:

- FY2021-22: 1% reduction of cost share for a total of 7%, (to be effective as soon as administratively possible following adoption of successor contract by the City Council)
- FY2022-23: 1% reduction of cost share for a total of 6%, effective July 10, 2022
- FY2023-24: 1% reduction of cost share for a total of 5%, effective July 9, 2023
- FY2024-25: 2% reduction of cost share for a total of 3%, effective July 7, 2024
- FY2025-26: 2% reduction of cost share for a total of 1%, effective July 6, 2025; and
- FY2026-27: 1% reduction of cost share for a total of 0%, effective July 5, 2026.

BE IT FURTHER RESOLVED that this Resolution complies with CalPERS' procedures for unrepresented employees needed in order to initiate the CalPERS contract amendment process under Government Code Section 20516.

BE IT FURTHER AND FINALLY RESOLVED that, in advance of Council's approval of an amended contract with CalPERS, the City shall obtain approval by a simple majority of the employees in the Unrepresented Employees Group who must sign in agreement of the change.