



COUNCIL REPORT

DATE: October 22, 2024
CATEGORY: New Business
DEPT.: Human Resources
TITLE: **CalPERS Contract Amendment for All Unrepresented Police Managers**

RECOMMENDATION

1. Adopt a Resolution of Intention to Approve an Amendment to the Contract Between the Board of Administration, California Public Employees' Retirement System, and the City Council of the City of Mountain View for All Unrepresented Police Managers, to be read in title only, further reading waived (Attachment 1 to the Council report).
2. Introduce an Ordinance of the City of Mountain View Authorizing an Amendment to the Contract Between the City Council of the City of Mountain View and the Board of Administration of the California Public Employees' Retirement System, to be read in title only, further reading waived, and set a second reading for November 12, 2024 (Attachment 2 to the Council report).

BACKGROUND

City employee pensions are governed by contracts the City has with the California Public Employees' Retirement System (CalPERS). Government Code Section 20516 allows for contracting agencies and their employees to agree to share the costs of the employer contribution. All City employees contribute to a cost-share in which employees pay a portion of the employer contribution in addition to their normal employee contribution. Unrepresented Police Manager employees contribute a total cost share which is 0.65% higher than the cost share contributed by represented sworn Police employees. The additional 0.65% has been paid by employees in this unrepresented group on an ongoing basis since 2012, when it was agreed upon as an employee concession as part of a budget balancing strategy during an economic downturn.

On August 27, 2018, Assembly Bill 2310 (AB 2310) was passed, which revised Government Code Section 20516 to allow memoranda of understanding (MOU) to effectuate cost-sharing without contract amendments. However, for unrepresented groups such as the unrepresented Police Managers, CalPERS requires that a contract amendment be initiated for the affected unrepresented groups in order to update the cost-share contributions.

On June 25, 2024, the City Council adopted a resolution to amend the compensation for unrepresented employees, which included a reduction of the cost-share for the unrepresented Police Managers group by 0.65%. Therefore, the employee cost-share amount will be reduced through this resolution and a subsequent CalPERS contract amendment, in compliance with Government Code Section 20516.

The City has initiated this process in which Human Resources will come before the City Council a total of three times to implement a contract amendment. The first of which occurred on September 10, 2024, when Council adopted a resolution authorizing the City Manager or designee to modify benefit contributions for unrepresented Police Manager employees as follows:

Unrepresented Police Managers (Classic)	Employee Normal Contribution	Employee Share of Employer Contribution	Total Paid by Employee
Current	9%	6.798%*	15.798%
Updated	9%	6.148%*	15.148%

Unrepresented Police Managers (PEPRA)	Employee Normal Contribution	Employee Share of Employer Contribution	Total Paid by Employee
Current	12%	2.798%*	14.798%
Updated	12%	2.148%*	14.148%

* Includes 0.148% for survivor benefit.

For purposes of cost-share only, Police Managers includes the Police Chief.

ANALYSIS

Following Council’s approval of the September 10, 2024 resolution adoption, CalPERS provided staff with the required Resolution of Intention (Attachment 1) and Amendment to Contract (Exhibit), which must be adopted as set forth and cannot be altered. Adoption of the Resolution of Intention and Introduction Ordinance authorizing the amendment is the next step in the CalPERS amendment process. Following City Council adoption of the resolution and ordinance, staff will wait the required 20 days, per CalPERS, and will return with a recommendation to Council to adopt the final ordinance on November 12, 2024. Based on this timeline, the effective date of the ordinance will be December 12, 2024. The changes in the member contributions for purposes of CalPERS will be effective beginning December 22, 2024.

FISCAL IMPACT

There is no fiscal impact associated with this resolution as the fiscal impact associated with this cost-share reduction has already been reflected in the Fiscal Year 2024-25 Adopted Budget and the General Operating Fund Five-Year Financial Forecast based on City Council adoption of the June 25, 2024 compensation resolution for this group.

LEVINE ACT

California Government Code Section 84308 (also known as the Levine Act) prohibits city officials from participating in any proceeding involving a “license, permit, or other entitlement for use” if the official has received a campaign contribution exceeding \$250 from a party, participant, or agent of a party or participant in the proceeding within the last 12 months. A city official is similarly prohibited from accepting, soliciting, or directing a campaign contribution exceeding \$250 from a party, participant, or agent of a party or participant to any proceeding involving a license, permit, or other entitlement for use for 12 months after a final decision is rendered in said proceeding.

Please refer to the “X” in the checklist below for information about whether the recommended action for this agenda item is subject to or exempt from the Levine Act.

SUBJECT TO THE LEVINE ACT

- Land development entitlements
- Other permit, license, or entitlement for use
- Contract or franchise

EXEMPT FROM THE LEVINE ACT

- Competitively bid contract
- Labor or personal employment contract
- General policy and legislative actions

For more information about the Levine Act, please see the Fair Political Practices Commission website: www.fppc.ca.gov/learn/pay-to-play-limits-and-prohibitions.html.

ALTERNATIVES

1. Direct staff to provide additional information.
2. Provide other direction.

PUBLIC NOTICING—Agenda posting and a copy of report to CalPERS.

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- Attachments: 1. Resolution of Intention
 2. Introduction Ordinance