



# COUNCIL REPORT

**DATE:** September 10, 2024

**CATEGORY:** New Business

**DEPT.:** Human Resources

**TITLE:** **Resolution Governing Compensation Related to CalPERS Cost-Share for All Unrepresented Police Managers**

## **RECOMMENDATION**

Adopt a Resolution of the City Council of the City of Mountain View Authorizing the City Manager or Designee to Modify Benefit Contributions for Unrepresented Police Managers, to be read in title only, further reading waived (Attachment 1 to the Council report).

## **BACKGROUND**

City employee pensions are governed by contracts the City has with the California Public Employees' Retirement System (CalPERS). In addition to the normal employee contributions set forth in the CalPERS annual valuation reports, all City employees contribute to a cost-share, in which employees pay a portion of the employer 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 implemented as an employee concession as part of a budget balancing strategy during an economic downturn.

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.

## **ANALYSIS**

Government Code Section 20516 allows for contracting agencies and their employees to agree to share the costs of the employer contribution. For unrepresented safety groups that do not have an MOU, CalPERS requires that a contract amendment be initiated for the affected unrepresented groups to update the cost-share contributions. The first step to initiate a contract amendment is for a resolution regarding cost-share contributions to be adopted. Upon Council approval of the resolution amendment brought forth today, the City can submit a request to

CalPERS to begin the contract amendment to update the cost share for the unrepresented Police Managers as intended by the adoption of the June 25, 2024 compensation resolution for this group. In accordance with the CalPERS contract amendment requirements, staff will bring this item back before Council two additional times.

The current cost-share contributions for unrepresented Police Managers employees and the updates to be made are as follows:

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

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

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\*Includes 0.148% for survivor benefit.

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

**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.

**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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AC-LB/4/CAM  
036-09-10-24CR  
204389

Attachment: 1. Resolution

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