



Human Resources

CONSENT CALENDAR
November 7, 2023

To: Honorable Mayor and Members of the City Council

From: Dee Williams-Ridley, City Manager

Submitted by: Aram Kouyoumdjian, Director of Human Resources

Subject: Resolution of Intention to Amend the Miscellaneous CalPERS Contract Pursuant to California Government Code Section 20516 to Reduce the Additional Cost Share Contribution Made by Unrepresented Employees on Behalf of the City

RECOMMENDATION

1. Adopt the Resolution of Intention to eliminate the additional cost share contribution made by Unrepresented Employees, who are classified as Public Employees Pension Reform Act (PEPRA) members of the California Public Employees' Retirement System (CalPERS), on behalf of the City to CalPERS pursuant to California Government Code Section 20516.

FISCAL IMPACTS OF RECOMMENDATION

Based on this action, the additional cost share contributions made on behalf of the City by Unrepresented Employees, outlined below, will be eliminated, and the City will begin making those contributions on the affected employees' behalf:

- FY 2024-25: 2% reduction of cost share (reducing the remaining cost share to 3%), effective July 7, 2024
- FY 2025-26: 2% reduction of cost share (reducing the remaining cost share to 1%), effective July 6, 2025
- FY 2026-27: 1% reduction of cost share (reducing the cost share to 0%), effective July 5, 2026

There are approximately 75 Unrepresented Employees who are PEPRA members of CalPERS and affected by this resolution, and the total cost to approve the ramp down for Unrepresented Employees is approximately \$247,957.

CURRENT SITUATION AND ITS EFFECTS

Council adopted Resolution #70,156 N.S. at its December 14, 2021 meeting, authorizing the amendments to the City's CalPERS Miscellaneous contract to reduce over the course of five fiscal years the additional cost share borne by Unrepresented Employees who are classified as PEPRA members of CalPERS. While the reductions have occurred on schedule, the City has decided to accelerate the cost share reduction pace of the remaining years (through FY 2027). As a result, Council must now pass a Resolution of Intention to approve a contract amendment between the City and the CalPERS Board of Administration. (See Cal. Gov. Code § 20516.) The contract amendment process 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 to whom it's applicable;
- 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:
 - Adopt a Resolution of Intention (which will be satisfied by the approval of this resolution);
 - 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

Cost share contributions on behalf of the City have now been eliminated for all represented employees. This accelerated cost share reduction for Unrepresented Employees will ensure internal equity with those in represented classifications and assist in the recruitment and retention of Unrepresented Employees who have PEPRA status within CalPERS.

ALTERNATIVE ACTIONS CONSIDERED

Continue with the existing cost share reduction schedule, which would lead to inequity between represented and unrepresented employees.

CONTACT PERSON

Aram Kouyoumdjian, Director of Human Resources, (510) 981-6807.

Attachment:

1. Resolution of Intention to Amend the Miscellaneous CalPERS Contract Pursuant to California Government Code Section 20516 to Reduce the Additional Cost Share Contribution Made by Unrepresented Employees on Behalf of the City

RESOLUTION NO. XXX
RESOLUTION OF INTENTION TO AMEND THE MISCELLANEOUS CALPERS
CONTRACT PURSUANT TO CALIFORNIA GOVERNMENT CODE SECTION 20516
TO REDUCE THE ADDITIONAL COST SHARE CONTRIBUTION MADE BY
UNREPRESENTED EMPLOYEES ON BEHALF OF THE CITY

WHEREAS, the Unrepresented Employees group of the City of Berkeley are not covered by a Memorandum of Understanding; and

WHEREAS, CalPERS requires that the City of Berkeley adopt a resolution that specifically identifies the cost sharing information for Unrepresented Employees in order to amend the contract with CalPERS to reduce the cost share for the following employees:

- Unrepresented Employee Group who are designated as CalPERS New Members (PEPRA);
- The employees in this group are currently paying an additional five percent (5%) cost share towards the employer rate per Government Code Section 20516;
- The additional cost share shall be reduced to zero, effective the first full pay period that begins thirty (30) days after approval by CalPERS;

WHEREAS, this resolution is an agreement between the City of Berkeley and its Unrepresented Employees who have New Member status with CalPERS to reduce the cost share contributions pursuant to Government Code Section 20516;

NOW THEREFORE, BE IT RESOLVED that the City Council approves this Resolution of Intention to amend the existing contract between the City of Berkeley and CalPERS under Government Code Section 20516 and reduce the additional cost share contribution made by Unrepresented Employees on behalf of the City to zero, effective the first full pay period which begins thirty (30) days after approval by CalPERS.

PASSED AND ADOPTED by the governing body of the City of Berkeley on this 7th day of November 2023.

By _____
(Signature of Official)

(Title of Official)