

ACTION CALENDAR
May 24, 2022

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 Adopting the Resolution of Intention of Amendment to the Miscellaneous CalPERS Contract Pursuant to California Government Code 20516; Adopt First Ordinance Reading authorizing an amendment to the contract between the City Council of the City of Berkeley and the Board of Administration of the California Public Employees' Retirement System

RECOMMENDATION

1. Adopt the Resolution of Intention in order to approve the amendment of 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 PEPRAs members of Service Employee International Union, Local 1021 Maintenance and Clerical (SEIU MC), Public Employees Union Local 1 (Local 1), Community Services & Part-Time Recreation Leaders Associations Local 1021 (SEIU CSU/PTRLA), and the Unrepresented Employees Group.
2. Adopt first reading of an Ordinance amending the City's contract with CalPERS to effectuate changes to the cost sharing agreement between the City and PEPRAs members of Service Employee International Union, Local 1021 Maintenance and Clerical (SEIU MC), Public Employees Union Local 1 (Local 1), Community Services & Part-Time Recreation Leaders Associations Local 1021 (SEIU CSU/PTRLA), and the Unrepresented Employees Group.

Council adopted Resolution #70,156 N.S. at its December 14, 2021, meeting authorizing the FY2021-22 amendment to the City's CalPERS Miscellaneous contract. Council must now pass another Resolution of Intention to approve the FY2022-23 contract amendment between the City and the Public Employees' Retirement System Board of Administration.

FISCAL IMPACTS OF RECOMMENDATION

The terms of the new MOU PEPRAs ramp down are 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 SEIU MC PEPRA members is approximately \$980,000. There are approximately 204 PEPRA employee affected by this resolution.

The total cost to approve the ramp down for the Unrepresented PEPRA members is approximately \$420,000. 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. The applicable cost was included in the fiscal year 2022 budget and will be included in the fiscal years through 2027 budgets.

SEIU CSU/PTRLA and Local 1:

- FY2021-22: 3% reduction of cost share for a total of 5%, (to be effective as soon as administratively possible following adoption of successor contract by the City Council)
- FY2022-23: 4% reduction of cost share for a total of 1%, effective July 10, 2022
- FY2023-24: 1% reduction of cost share for a total of 0%, effective July 9, 2023

The total cost to approve the ramp down for the SEIU CSU/PTRLA PEPRA members is approximately \$952,000. There are approximately 178 PEPRA employees affected by this resolution.

The total cost to approve the ramp down for the Local 1 PEPRA members is approximately \$448,000. There are approximately 59 PEPRA employees affected by this resolution.

Funding for the ramp down comes from the General Fund and other special revenue funds. This applicable cost was included in the fiscal year 2022 budget and will be included in the fiscal years through 2024 budgets.

CURRENT SITUATION AND ITS EFFECTS

Council adopted Resolution #70,156 N.S. at its December 14, 2021, meeting authorizing the FY2021-22 amendment to the City's CalPERS Miscellaneous contract. Council must now pass another Resolution of Intention to approve the FY2022-23 contract amendment between the City and the Public Employees' Retirement System 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 who it is applicable to – completed April 18, 2022;

- 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 PEPRAs members in the Unrepresented Group must vote in favor of the proposed cost-share terms – completed in December 2021;
 - 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

Council adopted Resolution #70,156 N.S. at its December 14, 2021, meeting authorizing an amendment to the City's CalPERS Miscellaneous contract. Council must now pass another Resolution of Intention to approve the FY2022-23 contract amendment between the City and the Public Employees' Retirement System Board of Administration.

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, 981-6807

Attachments:

1: Resolution of Intention to Approve an Amendment to Contract Between the Board of Administration of California Public Employees' Retirement System and the City Council of the City of Berkeley

Exhibit A: Amendment to Contract Between the Board of Administration California Public Employees' Retirement System and the City Council of the City of Berkeley

2: Ordinance of the City Council of the City of Berkeley authorizing an amendment to the contract between the City Council of the City of Berkeley and the Board of Administration of the California Public Employees' Retirement System.

Exhibit A: Amendment to Contract Between the Board of Administration California Public Employees' Retirement System and the City Council of the City of Berkeley

RESOLUTION NO. XX,XXX

RESOLUTION OF INTENTION TO APPROVE AN AMENDMENT TO CONTRACT
BETWEEN THE BOARD OF ADMINISTRATION CALIFORNIA PUBLIC EMPLOYEES'
RETIREMENT SYSTEM AND THE CITY COUNCIL CITY OF BERKELEY

WHEREAS, the Public Employees' Retirement Law permits the participation of public agencies and their employees in the Public Employees' Retirement System by the execution of a contract, and sets forth the procedure by which said public agencies may elect to subject themselves and their employees to amendments to said Law; and

WHEREAS, one of the steps in the procedures to amend this contract is the adoption by the governing body of the public agency of a resolution giving notice of its intention to approve an amendment to said contract, which resolution shall contain a summary of the change proposed in said contract; and

WHEREAS, the following is a statement of the proposed change: To provide Section 20516 (Employees Sharing Additional Cost) for a reduction of 1% for new local miscellaneous members in the Unrepresented Employees group and the Service Employees International Union Local 1021 Maintenance and Clerical Chapters; and, for a reduction of 4% for new local miscellaneous members in the Public Employees Union Local 1 and the Community Services & Part-Time Recreation Leaders Association Local 1021.

NOW, THEREFORE, BE IT RESOLVED that the governing body of the above agency does hereby give notice of intention to approve an amendment to the contract between said public agency and the Board of Administration of the Public Employees' Retirement System, a copy of said amendment being attached hereto, as an "Exhibit" and by this reference made a part hereof.

ORDINANCE NO. #, ### N.S.

AUTHORIZING AN AMENDMENT TO THE CONTRACT BETWEEN THE CITY COUNCIL OF THE CITY OF BERKELEY AND THE BOARD OF ADMINISTRATION OF THE CALIFORNIA PUBLIC EMPLOYEES' RETIREMENT SYSTEM

BE IT ORDAINED by the Council of the City of Berkeley as follows:

Section 1.

That an amendment to the contract between the City Council of the City of Berkeley and the Board of Administration, California Public Employees' Retirement System is hereby authorized, a copy of said amendment being attached hereto, marked Exhibit A, and by such reference made a part hereof as though herein set out in full.

Section 2.

The Mayor of the City of Berkeley City Council is hereby authorized, empowered, and directed to execute said amendment for, and on behalf of, said Agency.

Section 3.

This Ordinance shall take effect thirty (30) days after the date of its adoption. Copies of this Ordinance shall be posted for two days prior to adoption in the display case located near the walkway in front of Council Chambers 2134 Martin Luther King Jr. Way. Within 15 days of adoption, copies of this Ordinance shall be filed at each branch of the Berkeley Public Library and the title shall be published in a newspaper of general circulation.

