

# Agenda Report

DATE: August 13, 2007

TO: City Council

FROM: City Manager

RE: APPROVAL OF THE AGREEMENT BETWEEN THE CITY OF PASADENA AND THE COALITION OF MISCELLANEOUS NON-SAFETY UNIONS AND ADOPTION OF A RESOLUTION AMENDING THE SALARY RESOLUTION TO MODIFY RETIREMENT BENEFIT COST SHARING METHODOLOGY; AND ADOPTION OF A RESOLUTION TO PAY AND REPORT THE VALUE OF THE EMPLOYER PAID MEMBER CONTRIBUTION FOR MISCELLANEOUS NON-SAFETY EMPLOYEES

## RECOMMENDATION:

It is recommended that the City Council implement an agreement between the City of Pasadena and the Coalition of Miscellaneous Unions (AFSCME, IBEW, IUOE, PACTE/LIUNA, PMA and SEIU) related to retirement benefit cost sharing and the employer's payment of the member retirement contributions for miscellaneous non-safety employees by taking the following actions:

- 1) Approve the Agreement with the Coalition modifying the methodology by which employees share in the cost of retirement benefit enhancements approved in 2006; and,
- 2) Adopt a Resolution amending the Salary Resolution for employees in the Executive, Top, Middle, and Professional Management, Technical and Administrative, Confidential-Clerical, Non-Represented, and Hourly groups to modify the methodology by which employees share in the cost of retirement benefit enhancements approved in 2006; to reflect the City's payment of the employees' 8% retirement contribution effective August 20, 2007; and to report such payment to CalPERS as additional compensation; and,
- 3) Adopt a Resolution relating to employees represented by AFSCME, IBEW, IUOE, PACTE/LIUNA, PMA and SEIU, and employees in the Executive, Top, Middle, and Professional Management, Technical and Administrative, Confidential-Clerical, Non-Represented, and Hourly

groups to reflect the City's payment of the employees' 8% retirement contribution effective August 20, 2007, and to report such payment to CalPERS as additional compensation.

**BACKGROUND:**

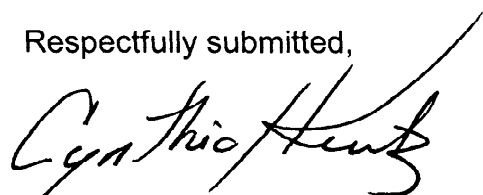
In 2006, the City Council approved several retirement benefit enhancements and cost-sharing arrangements for miscellaneous employees represented by AFSCME, IBEW, IUOE, PACTE, PMA and SEIU (collectively known as the Coalition), and for unrepresented miscellaneous employees covered by the Salary Resolution. The cost sharing was accomplished by reducing the amount of the employee contribution to CalPERS the City pays. The Coalition recently approached the City to request a modification to the methodology by which the cost sharing is accomplished.

Staff met with the Coalition representatives and communicated with the unrepresented employees, and agreement was reached with the Coalition to implement the new methodology, wherein the cost sharing is treated as an after-tax payroll deduction, and the City re-implements the employer's payment of the full employee contribution to CalPERS. The attached Resolutions are required to implement the new methodology for all miscellaneous employees.

**FISCAL IMPACT:**

The change in cost sharing methodology does not create any additional fiscal impact beyond that which was anticipated and approved for the original Coalition agreement. No additional appropriations are necessary.

Respectfully submitted,



CYNTHIA J. KURTZ  
City Manager

Prepared and approved by:



KARYN S. EZELL  
Director of Human Resources

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**AGREEMENT BETWEEN THE CITY OF PASADENA AND AFSCME, IBEW, IUOE, PACTE/LIUNA, SEIU, AND PMA SUPPLEMENTING THE JANUARY 27, 2006 RETIREMENT ENHANCEMENT AND COST SHARING AGREEMENT**

Representatives of the American Federation of State, County and Municipal Employees, Local 858; the International Brotherhood of Electrical Workers, Local 18; the International Union of Operating Engineers, Local 501; the Pasadena Association of Clerical & Technical Employees/LIUNA, Local 777; the Service Employees International Union, Local 347; and the Pasadena Management Association, collectively known as the Coalition, have met and conferred in good faith with the City of Pasadena and have agreed to modify the methodology by which the employees share the cost of the enhanced retirement benefits provided by the agreement between the City of Pasadena and the Coalition dated January 27, 2006.

Effective the beginning of the first payperiod following adoption by the City Council of a Resolution implementing this agreement, the parties agree as follows:

1. All Coalition bargaining unit employees will contribute a total of 4.6% of their PERS'able compensation to reimburse the City for the increased costs associated with the retirement benefit enhancements provided by the January 27, 2006 agreement. Such reimbursement will be accomplished through after-tax payroll deduction.
2. The City will pay the employees' 8% member contribution to PERS, and will report such as additional compensation to PERS, as provided in Government Code Sections 20636(c)(4) and 20691.
3. All other terms of the January 27, 2006 Coalition agreement shall remain in full force and effect. The terms and conditions of this agreement shall continue until otherwise modified or changed in writing by a subsequent negotiated agreement.

For the City:

For AFSCME:

  
Pete Hodes

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For IBEW:

Supplemental agreement  
to the 2006 retirement  
enhancement agreement

[Signature]

For IUOE:

Larry Nighlan

For PACTE/LIUNA:

Paul A. Baker

~~For SEIU~~

Jerry S. SEIU

[Signature]

Robert MONZON  
FOR PMA

For PMA:

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Date 7-11-07

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF PASADENA AMENDING THE SALARY RESOLUTION TO MODIFY THE METHODOLOGY BY WHICH MISCELLANEOUS UNREPRESENTED EMPLOYEES IN THE EXECUTIVE, TOP, MIDDLE AND PROFESSIONAL MANAGEMENT, TECHNICAL & ADMINISTRATIVE, CONFIDENTIAL-CLERICAL, NON-REPRESENTED, AND HOURLY GROUPS SHARE IN THE COST FOR RETIREMENT BENEFITS; TO REFLECT THE CITY'S PAYMENT OF THE EMPLOYEE MEMBER CONTRIBUTION TO PERS; AND TO PROVIDE THAT SUCH PAYMENT SHALL BE REPORTED TO PERS AS ADDITIONAL COMPENSATION

BE IT RESOLVED by the City Council of the City of Pasadena that the Salary Resolution is amended as follows:

SECTION 1. Related to classifications in the Technical & Administrative, Confidential-Clerical, Non-Represented and Hourly Groups, Section 3.25.02, Subsection III; Retirement, Section 3.30.02, Subsection III, Retirement; Section 3.35.02, Subsection III, Retirement; and Section 3.40.02, Subsection III, Retirement, are hereby amended to provide the following:

- h. Effective the first payperiod following July 1, 2007, employees will contribute a total of 4.6% of their PERS'able compensation to share in the increased costs associated with the retirement benefit enhancements provided for miscellaneous employees, which contribution consists of 3.6% as noted in c., herein, plus an additional 1% for the cost of reporting the value of the EPMC reported to PERS as additional compensation.
- i. Effective August 20, 2007, employee cost sharing shall be in the form of reimbursement in the amount of 4.6%, consistent with h., above, and will be accomplished through after-tax payroll deduction.
- j. Effective August 20, 2007, the City will pay the employees' 8% member contribution to PERS, and will report such as additional compensation to PERS, as provided in Government Code Sections 20636(c)(4) and 20691.

SECTION 2. Related to classifications in the Executive, Top, Middle and Professional Management Groups, Section 3.05.02, Subsection III, Retirement; Section 3.10.02, Subsection III, Retirement; Section 3.15.02, Subsection III, Retirement; and Section 3.20.02, Subsection III, Retirement, are hereby amended to provide the following:

- h. Effective the first payperiod following July 1, 2007, employees will contribute a total of 3.6% of their PERS'able compensation to share in the increased costs associated with the retirement benefit enhancements provided for miscellaneous employees, as provided in c., herein.
- i. Effective August 20, 2007, employee cost sharing shall be in the form of reimbursement in the amount of 3.6%, consistent with c., herein, and will be accomplished through after-tax payroll deduction.
- j. Effective August 20, 2007, the City will pay the employees' 8% member contribution to PERS, and will report such as additional compensation to PERS, as provided in Government Code Sections 20636(c)(4) and 20691.

The effective date of this Resolution shall be August 13, 2007.

Adopted by the following vote at the meeting of the City Council on August 13, 2007.

AYES:

NOES:

ABSTAIN:

ABSENT:

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Jane Rodriguez, City Clerk

Approved as to Form:

  
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Michele Beal Bagneris, City Attorney

RESOLUTION NO. \_\_\_\_\_

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF PASADENA TO REPORT THE VALUE OF EMPLOYER PAID MEMBER CONTRIBUTIONS FOR MISCELLANEOUS UNREPRESENTED EMPLOYEES IN THE EXECUTIVE, TOP, MIDDLE AND PROFESSIONAL MANAGEMENT, TECHNICAL & ADMINISTRATIVE, CONFIDENTIAL-CLERICAL, NON-REPRESENTED, AND HOURLY GROUPS, AND FOR EMPLOYEES REPRESENTED BY AFSCME, IBEW, IUOE, PACTE/LIUNA, PMA AND SEIU

WHEREAS, the City of Pasadena has the authority to implement Government Code Section 20023 (c) (4) pursuant to Section 20615;

WHEREAS, the City of Pasadena has a written labor policy or agreement which specifically provides for the inclusion of normal member contributions paid by the employer on behalf of the members as additional compensation;

WHEREAS, one of the steps in the procedures to implement this section is the adoption by the City Council of the City of Pasadena of a Resolution giving notice of its intention to commence reporting the value of employer paid member contributions (EPMC) as compensation for all members of a group or class;

WHEREAS, the City Council of the City of Pasadena has identified the following conditions for the purpose of its election to pay EPMC:

The City of Pasadena elects to pay the employees' 8% member contributions as EPMC and report the same percent (value) of compensation earnable (excluding Government Code Section 20023 (c) (4)) as additional compensation.

This benefit shall apply to miscellaneous employees in the Executive, Top, Middle and Professional Management, Technical & Administrative, Confidential-Clerical, Non-Represented and Hourly Groups, and to miscellaneous employees represented by AFSCME, IBEW, IUOE, PACTE/LIUNA, PMA and SEIU.

NOW, THEREFORE, BE IT RESOLVED that the City Council of the City of Pasadena shall implement Government Code Section 20023 (c) (4) pursuant to Section 20615 by paying and reporting the value of EPMC for all miscellaneous employees as set forth above.

The effective date of this Resolution shall be August 13, 2007.

Adopted by the following vote at the meeting of the City Council on August 13, 2007.

AYES:

NOES:


ABSTAIN:

ABSENT:

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Jane Rodriguez, City Clerk

Approved as to Form:

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Michele Beal Bagneris, City Attorney