



City of Rialto

Legislation Text

File #: 21-0433, **Version:** 1

For City Council Meeting [July 13, 2021]

TO: Honorable Mayor and City Council

APPROVAL: Marcus Fuller, City Manager

FROM: Stephen Erlandson, Deputy City Manager

Request City Council approve a Supplement Agreement with the City Government Management Association (CGMA) to specifically account for the cost sharing formula for any PEPRA employees of CGMA.

BACKGROUND

The Memorandum of Understanding (MOU) associated with CGMA, along with the City's PERS contract, allows for cost sharing with employee's pursuant to the written agreement with said employee group. Procedures related to cost-sharing require that the exact cost-sharing rate percentage be provided to CalPERS. If the MOU specifies a methodology for calculating the cost-sharing rate, a signed and ratified side letter must indicate the exact cost sharing rate percentage. The City Manager and CGMA have met and conferred in good faith limited to implementing the CalPERS regulations related to PEPRA normal cost, and GGMA has agreed to this Supplemental Agreement as necessary to conform to state law as it relates to its PEPRA employees.

This Supplemental Agreement to the CGMA MOU will ensure the City's PEPRA employees within CGMA are treated consistently in accordance with CalPERS regulations related to PEPRA normal cost. The cost-sharing formula associated with each of the non-safety PEPRA groups has been updated from 1.25% to .75% due to the change in the City's required PEPRA member contribution rate - as provided from PERS in the Annual Valuation Report.

The current methodology within the MOU does not specify calculations for calculating the cost-sharing rate, resulting in the need to provide a Side Letter in order to provide the specific cost-sharing calculation.

ANALYSIS/DISCUSSION

To meet reporting requirements for CalPERS reporting structure, the CGMA MOU is modified by the Side Letter solely to update the specific calculating methodology and cost-sharing rates. Moving forward, should rates change, updated side letters will be required in order to reflect current reporting factions. Prior to July 1, 2020 rates had remained at 1.25% since 2016.

ENVIRONMENTAL IMPACT

The request is not a Project as defined by Section 15378 of the California Environmental Quality Act (CEQA).

GENERAL PLAN CONSISTENCY

This action is consistent with Guiding Principle 3A in the General Plan:

Our City government will lead by example, and will operate in an open, transparent, and responsible manner that meets the needs of the citizens and is a good place to do business.

LEGAL REVIEW

The City Attorney has reviewed and supports this staff report.

FINANCIAL IMPACT

Operating Budget Impact

There is no net new increased cost, as the total PEPRA employee share remains 8% of salary cost.

Capital Improvement Budget Impact

There is no impact to the Capital Improvement Budget.

Licensing

A business license is not required as part of this action.

RECOMMENDATION

Staff recommends that the City Council approve the Supplemental Agreement with CGMA related to the calculation of the PEPRA employee cost-sharing rate reducing it from 1.25% to .75% to account for the increase in the PEPRA employee normal cost from 6.75% to 7.25% with the PEPRA employee contributing 0.75% to the employer cost, maintaining a total PEPRA employee cost of 8%; and authorize the City Manager to execute the Agreement.