



# ***Agenda Report***

## ***Fullerton City Council***

**MEETING DATE:** JUNE 18, 2019

**TO:** CITY COUNCIL / SUCCESSOR AGENCY

**SUBMITTED BY:** KENNETH A. DOMER, CITY MANAGER

**PREPARED BY:** GRETCHEN BEATTY, DIRECTOR OF HUMAN RESOURCES

**SUBJECT:** UPDATED RESOLUTION SETTING CALPERS EMPLOYER PAID MEMBER CONTRIBUTIONS

---

### **SUMMARY**

An action to rescind and replace Resolution No. 2018-26 concerning Employer Paid Member Contributions (EPMC) under the California Public Employees' Retirement System (CalPERS) with an updated resolution to implement changes authorized by prior City Council action.

### **RECOMMENDATION**

Adopt Resolution No. 2019-XX

RESOLUTION 2019-XX – A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF FULLERTON, CALIFORNIA, CONCERNING PAYING AND REPORTING THE VALUE OF EMPLOYER PAID MEMBER CONTRIBUTIONS FOR CLASSIC MEMBERS AND REPEALING RESOLUTION NO. 2018-26 IN ITS ENTIRETY

### **PRIORITY POLICY STATEMENT**

This item matches the following Priority Policy Statement/s:

- Fiscal and Organizational Stability.

### **FISCAL IMPACT**

The impact of this change is a reduction of City contributions towards CalPERS retirement benefits for employees serving in Executive classifications. Benefit costs in the proposed 2019-20 Fiscal Year Budget will be based on these changes.

### **DISCUSSION**

Under California Public Employees' Retirement Law, employers may pay the employee normal cost (known as the "member contribution") and report the value to CalPERS as additional compensation for employees not excluded under the law. This benefit, known as Employer Paid Member Contribution or EPMC, was implemented for regular employees in all classifications through the collective bargaining process in the early 1990s.

With the approval of the City Manager employment agreement in mid-2017, the EPMC benefit was eliminated for the City Manager.

In October 2017, City Council adopted Resolution No. 2017-66, approving changes to the compensation packages for Executive employees, including gradual reduction of the EPMC benefit. The first reduction of 2% took place immediately upon adoption of the resolution. Thereafter, in March 2018, City Council adopted Resolution No. 2018-11, approving changes to the compensation packages for Confidential / Non-Represented employees, including a 1% reduction in the EPMC benefit.

The proposed resolution will reduce the City of Fullerton contributions towards EPMC in accordance with the previously adopted schedules. Effective July 13, 2019, the benefit for non-sworn Department Directors will be reduced from 3% of total compensation earnable to 1% of total compensation earnable and for the classification of Fire Chief from 5% of total compensation earnable to 3% of total compensation earnable. Of note, the current Fire Chief is a City of Brea employee. His benefit package at the City of Brea does not include an EPMC benefit.

The benefit for Confidential / Non-Represented employees remains at 6% of total compensation earnable.

Attachments:

- Attachment 1 – Draft Resolution No. 2019-XX Redline Version
- Attachment 2 – Draft Resolution No. 2019-XX Final Version