



Solano Local Agency Formation Commission

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Staff Report

DATE: February 9, 2015

TO: Local Agency Formation Commission

THRU: Elliot Mulberg, Executive Officer

FROM: Marc Fox, Solano County Director of Human Resources

SUBJECT: Amend the Personnel and Salary Resolution

RECOMMENDATION:

The Solano County Director of Human Resources recommends that the Commission amends the Personnel and Salary Resolution by postponing a portion of the employees' deduction toward their own retirement costs from February 15, 2015 to June 21, 2015. The actions are:

1. Approve an amendment to Personnel and Salary Resolution, Division 6, Retirement Benefits, Section 6.1, Retirement, by modifying the timeframe on when employees fully pay their share of CalPERS pension costs.
2. Adopt a Resolution of the Commission reducing the Employer Paid Member Contribution from 4% to 2% effective February 15, 2015; and
3. Adopt a Resolution of the Commission reducing the Employer Paid Member Contribution from 2% to 0% effective June 21, 2015.

BACKGROUND:

On August 11, 2014 the Commission adopted amendments to the Personnel and Salary Resolution (PSR). The amended PSR included changes to the value of the California Public Employees' Retirement System (CalPERS) Employer Paid Member Contributions (EPMC) that are reported as additional pensionable compensation, and reducing the EPMC paid by the employer. The Commission reduced the EPMC from 8% to 4% effective August 11, 2014 and

further reduced the EPMC from 4% to 0% effective February 15, 2015. If adopted, the recommended actions instead reduce the EPMC from 4% to 2% effective February 15, 2015 and further reduce the EPMC from 2% to 0% effective June 21, 2015.

DISCUSSION

The enacted PSR has Commission employees fully paying their own portion of CalPERS pension costs. The PSR amendments adopted in August 2014 increased the employee's own pension costs from 0% to 8% in two installments (August 2014 and February 2015). During closed session labor negotiations discussions, the Commission expressed an interest in having employees pay their own pension costs over three installments. Adoption of the recommended actions achieves the Commission's expressed interest.

Attachments:

1. Amendment to Personnel and Salary Resolution, Division 6, Retirement Benefits, Section 6.1, Retirement
2. Resolution of the Commission reducing the EPMC from 4% to 2% effective February 15, 2015; and
3. Resolution of the Commission reducing the EPMC from 2% to 0% effective June 21, 2015.

Personnel and Salary Resolution
 Division 6, Retirement Benefits
 Section 6.1, Retirement
 Paragraph F

Text which is ~~stricken through~~ is text which is to be deleted

Text which is underlined is text which is to be added

F. Phase Out of Employer Paid Member Contribution

LAFCo pays to PERS eight percent (8%) of the employee's pensionable pay toward the employee Member Contribution for employees that are not members of the PEPR, and reports to PERS the same as additional reportable compensation for pension calculations ("EPMC as reportable compensation").

Effective August 17, 2014 LAFCo shall no longer report the employer paid member contributions as additional reportable compensation.

Effective August 17, 2014 LAFCo payment of the employee's Member Contribution shall be reduced from eight percent (8%) to zero percent (0%) for the LAFCO Executive Officer and thereafter the LAFCO Executive Officer shall pay his/her own portion of the retirement costs. Effective August 17, 2014 LAFCo payment of the employee's Member Contribution shall be reduced from eight percent (8%) to four percent (4%) for all other employees and employees shall pay his/her own four percent (4%) of the retirement costs; ~~and~~ the LAFCO payment of the employee's Member Contribution shall be further reduced to ~~zero percent (0%)~~ two percent (2%) and each employee shall pay his/her own six percent (6%) effective February 15, 2015; and shall be further reduced to zero percent (0%) effective June 21, 2015 and thereafter each employee shall pay his/her own portion of the retirement costs.

RESOLUTION NO. 15-_____
RESOLUTION OF THE LOCAL AGENCY FORMATION COMMISSION
OF SOLANO COUNTY FOR EMPLOYER PAID MEMBER CONTRIBUTIONS

WHEREAS, the governing body of the Solano Local Agency Formation Commission has the authority to implement Government Code Section 20691; and

WHEREAS, the governing body of the Solano Local Agency Formation Commission has a written labor policy or agreement which specifically provides for the normal member contributions to be paid by the employer; and

WHEREAS, one of the steps in the procedures to implement Section 20691 is the adoption by the governing body of the Solano Local Agency Formation Commission of a Resolution to commence said Employer Paid Member Contributions (EPMC); and

WHEREAS, the governing body of the Solano Local Agency Formation Commission adopted Resolution No. 14-12 on October 20, 2014 and the Commission hereby supersedes that adopted resolution; and

WHEREAS, the governing body of the Solano Local Agency Formation Commission has identified the following conditions for the purpose of its election to pay EPMC:

- This benefit shall apply to all miscellaneous employees.
- This benefit shall consist of paying two percent (2%) of the normal member contributions as EPMC.
- The effective date of this Resolution shall be February 15, 2015.

NOW, THEREFORE, BE IT RESOLVED that the governing body of the Solano Local Agency Formation Commission elects to pay EPMC, as set forth above.

UPON MOTION of Commissioner _____ and seconded by Commissioner _____, the foregoing resolution is adopted this February 9, 2015 by the following vote:

AYES:
NOES:
ABSENT:
ABSTAIN:

John Saunderson, Chair
Local Agency Formation Commission
County of Solano, State of California

ATTEST:

Elliot Mulberg, Executive Officer

RESOLUTION NO. 15-_____
RESOLUTION OF THE LOCAL AGENCY FORMATION COMMISSION
OF SOLANO COUNTY FOR EMPLOYER PAID MEMBER CONTRIBUTIONS

WHEREAS, the governing body of the Solano Local Agency Formation Commission has the authority to implement Government Code Section 20691; and

WHEREAS, the governing body of the Solano Local Agency Formation Commission has a written labor policy or agreement which specifically provides for the normal member contributions to be paid by the employer; and

WHEREAS, one of the steps in the procedures to implement Section 20691 is the adoption by the governing body of the Solano Local Agency Formation Commission of a Resolution to commence said Employer Paid Member Contributions (EPMC); and

WHEREAS, the governing body of the Solano Local Agency Formation Commission has identified the following conditions for the purpose of its election to pay EPMC:

- This benefit shall apply to all miscellaneous employees.
- This benefit shall consist of paying zero percent (0%) of the normal member contributions as EPMC.
- The effective date of this Resolution shall be June 21, 2015.

NOW, THEREFORE, BE IT RESOLVED that the governing body of the Solano Local Agency Formation Commission elects to pay EPMC, as set forth above.

UPON MOTION of Commissioner _____ and seconded by Commissioner _____, the foregoing resolution is adopted this February 9, 2015 by the following vote:

AYES:
NOES:
ABSENT:
ABSTAIN:

John Saunderson, Chair
Local Agency Formation Commission
County of Solano, State of California

ATTEST:

Elliot Mulberg, Executive Officer