



CITY COUNCIL AGENDA STATEMENT



March 26, 2019

File ID: 19-0176

TITLE

- A. RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CHULA VISTA AMENDING EMPLOYER PAID MEMBER CONTRIBUTIONS FOR EMPLOYEES IN CLASSIFICATIONS REPRESENTED BY LOCAL 2180 INTERNATIONAL ASSOCIATION OF FIRE FIGHTERS AFL-CIO (IAFF)

- B. RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CHULA VISTA APPROVING CESSATION OF PAYMENT, ON EMPLOYER SIDE, FOR OPTIONAL BENEFITS BY EMPLOYEES IN CLASSIFICATIONS REPRESENTED BY LOCAL 2180 INTERNATIONAL ASSOCIATION OF FIRE FIGHTERS AFL-CIO (IAFF) AS A RESULT OF TERMINATION OF EMPLOYER-PAID MEMBER CONTRIBUTIONS (EPMC) FOR SAID EMPLOYEES

RECOMMENDED ACTION

Council adopt the resolutions.

SUMMARY

Pursuant to the 2014-2017 Memorandum of Understanding (MOU) between the City and Local 2180 International Association of Fire Fighters AFL-CIO (IAFF), retirement Tier 1 employees represented by IAFF currently contribute nine percent (9%) towards their pension costs, applied to the City's (employer share) contribution to CalPERS for optional benefits. In return, said Tier 1 employees receive a nine percent (9%) Employer Paid Member Contribution (EPMC) towards their CalPERS retirement. An amendment (Amendment) to the 2014-2017 MOU, Section I.6. provides that EPMC will be removed for said employees effective after the first full pay period of March 2019 unless IAFF notified the City and entered into a Letter of Understanding no later than February 15, 2019 to maintain this EPMC benefit at the employee's full cost. IAFF did not notify the City nor enter into a Letter of Understanding by February 15, 2019.

Per the provisions of the Amendment between the City of Chula Vista and IAFF, staff is requesting City Council approval for the Resolutions, effective March 15, 2019, to terminate EPMC for Tier 1 employees in classifications represented by IAFF and, in a corresponding action, approve the cessation of payment by Tier I employees in classifications represented by IAFF, on the employer side, for optional benefits as a result of the expiration of City EPMC payments. CalPERS requires a City Council-adopted resolution to change the payment and reporting of the value of EPMC.

ENVIRONMENTAL REVIEW

Environmental Notice

The activity is not a “Project” as defined under Section 15378 of the California Environmental Quality Act State Guidelines; therefore, pursuant to State Guidelines Section 15060(c)(3) no environmental review is required.

Environmental Determination

The Director of Development Services has reviewed the proposed activity for compliance with the California Environmental Quality Act (CEQA) and has determined that the activity is not a “Project” as defined under Section 15378 of the State CEQA Guidelines because it will not result in a physical change in the environment; therefore, pursuant to Section 15060(c)(3) of the State CEQA Guidelines, the activity is not subject to CEQA. Thus, no environmental review is required.

BOARD/COMMISSION/COMMITTEE RECOMMENDATION

Not applicable

DISCUSSION

Background

The City currently pays nine percent (9%), on the employee side, towards retirement Tier 1 IAFF represented employees’ CalPERS retirement benefits resulting in Employer Paid Member Contribution (EPMC) and, in return, said IAFF represented employees currently pay a nine percent (9%) contribution applied to the City’s (employer share) contribution to CalPERS under Government Code Section 20516 for optional benefits.

The Amendment to the 2014-2017 MOU, Section I.6. states that, “EPMC will be removed effective after the first full pay period in March 2019 . . . IAFF must notify the City and enter into a Letter of Understanding no later than February 15, 2019 to maintain this benefit.” Furthermore, the Amendment required that “should the IAFF wish for employees to continue with this benefit, all eligible employees must pay the full cost of this benefit as determined by the City’s Actuary.” IAFF did not notify the City nor enter into a Letter of Understanding by February 15, 2019 and, as a result, EPMC will expire on March 14, 2019.

If EPMC had continued, the cost to the City for the remainder of the fiscal year would have been \$326,386. The elimination of the EPMC was factored into the Fiscal Year 2018-2019 Budget.

Result of the Elimination of EPMC for IAFF Members

Pursuant to Government Code Section 20691, effective March 15, 2019, the City will cease to pay nine percent (9%), on the employee side, for retirement benefits of Tier I employees represented by IAFF. This would result in a 9% payment by the aforementioned employees, on the employee side, for employee contributions towards retirement benefits (which they had not been required to pay) and said action will result in the elimination of EPMC. Correspondingly, the requirement that those employees pay, on the employer side, nine percent (9%) for optional benefits will simultaneously be terminated.

CalPERS requires a City Council-adopted resolution to change the payment and reporting of the value of EPMC. Staff is requesting City Council to adopt the resolutions to amend EPMC from nine percent (9%) to zero percent (0%) for employees in classifications represented by IAFF and approve the cessation of the nine percent (9%) payment by employees in classifications represented by IAFF, on the employer side, for optional benefits as a result of the expiration of City EPMC payments.

DECISION-MAKER CONFLICT

Not Applicable - Not Site-Specific

Staff has reviewed the decision contemplated by this action and has determined that it is not site-specific and consequently, the real property holdings of the City Council members do not create a disqualifying real property-related financial conflict of interest under the Political Reform Act (Cal. Gov't Code § 87100, et seq.).

Staff is not independently aware, and has not been informed by any City Council member, of any other fact that may constitute a basis for a decisionmaker conflict of interest in this matter.

CURRENT-YEAR FISCAL IMPACT

The elimination of EPMC for IAFF represented employees was factored into the Fiscal Year 2018-2019 Budget and therefore results in no fiscal impact to the current fiscal year.

ONGOING FISCAL IMPACT

There is no ongoing fiscal impact to the elimination of EPMC for IAFF represented employees.

ATTACHMENTS

1. City of Chula Vista and IAFF Amendment (Letter of Understanding) to the 2014-2017 MOU (Contract Extension to December 31, 2019)

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