



CITY OF SANTA BARBARA

COUNCIL AGENDA REPORT

AGENDA DATE: July 16, 2013

TO: Mayor and Councilmembers

FROM: City Administrator's Office

SUBJECT: Implement Negotiated Change to Firefighters Pension Contribution Method

RECOMMENDATION:

That Council adopt, by reading of title only, A Resolution of the Council of the City of Santa Barbara for Paying and Reporting the Value of Employer Paid Member Contributions for Certain Firefighters Association Employees to the California Public Employees Retirement System, Effective June 29, 2013.

DISCUSSION:

On April 9, 2013, Council approved an extension to the term of the 2007-2013 Memorandum of Understanding (MOU) between the City and the Santa Barbara City Firefighters' Association through June 30, 2014. As part of that MOU extension, the City Firefighters who are "classic members," and not covered by the minimum contribution requirements of recent 2012 pension reform legislation, agreed to continue to make a 2.982% contribution toward retirement indefinitely, instead of having this employee contribution expire in June 2013.

Effective June 29, 2013, this contribution will also be paid toward the employee's 9% share of PERS, rather than under the cost-sharing arrangement of the previous MOU. This will reduce the City's contribution toward the employee's share, which will, in turn, reduce a pension-related benefit known as the "roll up." This change will create a cost savings for the City.

The California Public Employees Retirement System requires that a standard form resolution be adopted by the City in order to memorialize the change contained in the MOU.

PREPARED BY: Kristine Schmidt, Employee Relations Manager

SUBMITTED BY: Marcelo López, Assistant City Administrator

APPROVED BY: City Administrator's Office