



# *CITY COUNCIL AGENDA REPORT*

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**MEETING DATE:** April 3, 2012

**ITEM NUMBER:**

**SUBJECT:** ADOPT THE LETTER OF AGREEMENT FOR THE COSTA MESA DIVISION MANAGERS' ASSOCIATION AND CITY COUNCIL RESOLUTION REGARDING EMPLOYER PAID MEMBER CONTRIBUTION (EPMC).

**DATE:** MARCH 19, 2012

**FROM:** CEO's OFFICE/HUMAN RESOURCES DIVISION

**PRESENTATION BY:** LANCE M. NAKAMOTO, HUMAN RESOURCES MANAGER

**FOR FURTHER INFORMATION CONTACT:** LANCE NAKAMOTO, AT (714) 754-5172

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## **RECOMMENDATION:**

1. Staff recommends that the City Council adopt the attached Letter of Agreement (Attachment I) amending Resolution #10-73 to approve an additional 1.949% CalPERS contribution by employees represented by the Costa Mesa Division Managers' Association (CMDMA).
2. Staff recommends that the City Council adopt the attached Resolution #12-xx for paying and reporting the value of Employer Paid Member Contribution (EPMC) relating to Non Safety Executive employees (Attachment II).

## **DISCUSSION:**

At the February 7, 2012 City Council meeting, Council approved a resolution whereby at-will executives agreed to voluntarily pay the additional 1.949%. Likewise, the City and CMDMA representatives met on three occasions to discuss CMDMA members also paying an additional 1.949% towards the statutorily maximum CalPERS employee contribution amount (10.469%). Currently, CMDMA employees are paying 31.49% of their total pension costs, by agreeing to pay the statutorily maximum employee amount, this figure will increase to 39%.

Representatives of the City and CMDMA were able to come to agreement whereby CMDMA members have agreed to pay the additional 1.949%. Upon Council approval CMDMA members will begin paying the maximum amount effective April 8, 2012.

In conjunction with the agreed upon changes to employee retirement contributions, City staff was advised by CalPERS to ensure the change to EPMC amounts (now 0% for non safety executive employees) are documented.

**ALTERNATIVES CONSIDERED:**

The alternative is that the City Council could not approve the CMDMA Letter of Agreement. This would result in the division managers continuing to contribute 8.52% of their pension costs.

**FISCAL REVIEW:**

The implementation of this Agreement with CMDMA will provide an annual savings to the City of approximately \$35,000.

**LEGAL REVIEW:**

The City Attorney's Office has reviewed the attached documents and, where appropriate, approved them as to form.

**CONCLUSION:**

In order to reduce the City's employee retirement costs, the City's Division Managers' group has agreed to pay an additional 1.949% towards the statutorily maximum CalPERS employee contribution amount (10.469%).

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LANCE M. NAKAMOTO  
Human Resources Manager

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TAMARA S. LETOURNEAU  
Interim Asst. Chief Executive Officer

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BOBBY YOUNG  
Director of Finance and I.T.

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THOMAS DUARTE  
City Attorney

DISTRIBUTION: Chief Executive Officer  
City Clerk

ATTACHMENTS: I [040312 - CMDMA Letter of Agreement](#)  
II [040312 – EPMC Resolution](#)