

RESOLUTION NO. 2018-068

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF ROHNERT PARK AUTHORIZING AND APPROVING AMENDMENT TWO TO THE MEMORANDUM OF AGREEMENT BETWEEN THE CITY OF ROHNERT PARK AND THE ROHNERT PARK PUBLIC SAFETY OFFICERS' ASSOCIATION (RPPSOA)

WHEREAS, on March 28, 2017, the City Council adopted Resolution No. 2017-035 approving and adopting a Memorandum of Agreement with the Rohnert Park Public Safety Officers' Association (RPPSOA); and

WHEREAS, on April 24, 2018, the City Council adopted Resolution No. 2018-051 approving and adopting Amendment One to the Memorandum of Agreement with the Rohnert Park Public Safety Officers' Association (RPPSOA); and

WHEREAS, the RPPSOA and City staff have met and conferred in good faith to amend certain terms and conditions of the Agreement effective May 8, 2018; and

WHEREAS, staff prepared the attached Amendment Two (Side Letter Agreement dated April 30, 2018) to the Memorandum of Agreement; and

WHEREAS, the attached Amendment Two (Side Letter Agreement dated April 30, 2018) has been approved by representatives of RPPSOA.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Rohnert Park that it does hereby authorize and approve Amendment Two (Side Letter Agreement dated April 30, 2018) to the Memorandum of Agreement for the RPPSOA, effective May 8, 2018, which is attached hereto as Exhibit "A" and incorporated by this reference.

BE IT FURTHER RESOLVED that the City Manager is hereby authorized and directed to execute documents pertaining to same for and on behalf of the City of Rohnert Park.

DULY AND REGULARLY ADOPTED this 8^h day of May, 2018.

CITY OF ROHNERT PARK


Pam Stafford, Mayor

ATTEST:


Caitlin Saldanha, Assistant City Clerk

Attachment: Exhibit A

AHANOTU: Absent BELFORTE: Absent MACKENZIE: Aye CALLINAN: Aye STAFFORD: Aye
AYES: (3) NOES: (0) ABSENT: (2) ABSTAIN: (0)

**SIDE LETTER OF AGREEMENT
BETWEEN
THE CITY OF ROHNERT PARK
AND
THE ROHNERT PARK PUBLIC SAFETY OFFICERS ASSOCIATION
April 30, 2018**

WHEREAS, the City of Rohnert Park ("City") and Rohnert Park Public Safety Officers Association ("RPPSOA") are parties to a Memorandum of Agreement effective April 2, 2017 through June 30, 2021 ("MOA");

WHEREAS, MOA Section 7.23(b) establishes "cost sharing" provisions agreeing that employees in the bargaining unit will pay a portion of the City's required employer contributions to CalPERS. As currently drafted, the cost sharing provisions are implemented under Government Code Section 20516(f);

WHEREAS, the City and the RPPSOA now desire to amend the cost-sharing provisions in Section 7.23(b)(ii) and (iii) of the MOA to implement the cost-sharing provisions through CalPERS contract amendment process in order to establish the agreed upon cost sharing amounts as employee contributions for all purposes, including but not limited to Internal Revenue Code Section 414(h)(2) as permitted by law; and

WHEREAS, the City and RPPSOA desire to enter into this Side Letter of Agreement related to Section 7.23(b) of the MOA.

NOW THEREFORE, the parties hereby agree to replace Section 7.23(b) of the MOA in its entirety to read as follows:

7.23 Retirement Program

(b) The agreed upon employee cost sharing of employer costs described in this Section 7.23(b) (including all subsections), shall be implemented pursuant to Government Code Section 20516.

i. RPPSOA Safety Employee Cost Sharing of Employer Costs Through June 30, 2018

Effective April 2, 2017, and through June 30, 2018, local safety members in the bargaining unit participating in the 3% at 50 or 3% at 55 retirement plan formulas (classic members) shall pay, through payroll deduction, the originally required 9% member contribution, and an additional one percent (1%) of PERSable compensation for a total contribution of ten percent (10%) toward the cost of pension benefits. The cost sharing pursuant to this subsection (b)(i) shall be implemented pursuant to Government Code Section 20516(f).

ii. RPPSOA Safety Employee Cost Sharing of Employer Costs July 1, 2018 Through June 30, 2019

Effective the first day of the pay period that includes July 1, 2018, and through June 30, 2019, local safety members in the bargaining unit participating in the 3% at 50 or 3% at 55 retirement plan formulas (classic members) shall pay, through payroll deduction, the originally required 9% member contribution amount and an additional cost sharing amount of two percent (2%) of PERSable compensation. Pursuant to this subsection (b)(ii), employees will pay a combined total contribution amount of eleven percent (11%) of PERSable compensation toward the cost of pension benefits. The cost sharing established by this subsection (b)(ii) shall be implemented pursuant to Government Code Section 20516(f) until the date authorized through the CalPERS contract amendment process described in subsection (b)(iv) below.

iii. RPPSOA Safety Employee Cost Sharing of Employer Costs Beginning July 1, 2019, and Continuing Thereafter

Effective the first day of the pay period that includes July 1, 2019, and continuing thereafter, local safety members in the bargaining unit participating in the 3% at 50 or 3% at 55 retirement plan formulas (classic members) shall pay, through payroll deduction, all amounts described in subsection 7.23(b)(ii) above, and an additional cost sharing amount of one percent (1%) of PERSable compensation for a total cost sharing amount of three percent (3%) of PERSable compensation. Pursuant to this subsection (b)(iii), employees will pay a combined total contribution amount of twelve percent (12%) of PERSable compensation toward the cost of pension benefits (i.e. 3% cost sharing plus the originally required 9% employee contribution amount). This cost sharing arrangement whereby classic safety employees in the bargaining unit pay 12% of PERSable compensation toward the cost of pension benefits shall continue and constitute the status quo ante for all purposes and state statutes after the expiration of this Agreement on June 30, 2021.

iv. Amendment to CalPERS Contract

The parties acknowledge that CalPERS mandates an election of unit members, separate from ratification of this MOA, to provide for cost sharing by CalPERS contract amendment pursuant to Government Code Section 20516. As soon as administratively practicable, the City will initiate the CalPERS contract amendment process to include the cost sharing agreements. The City shall contact CalPERS to begin the contract amendment process for cost sharing as set forth in subsection (b)(ii) above within 10 days of the City Council's approval of the side letter establishing this subsection iv. To the extent required by law and/or CalPERS rules or regulations, a second contract amendment will be made to incorporate into the City's CalPERS contract the additional cost sharing arrangement set forth in subsection (b)(iii).

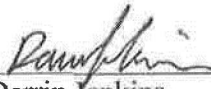
After approval and agreement from the bargaining unit and completion of the City's amendment(s) to the CalPERS contract, employee contributions to the employer's portion will be made and credited to each employee's account, pursuant to law and any related CalPERS regulations. Prior to the completion of the City's amendment(s) to the CalPERS contract incorporating the cost sharing arrangements described in subsections (b)(ii) and/or (b)(iii), or if any such CalPERS contract amendment(s) is not approved, the agreed upon cost sharing shall be implemented outside of a CalPERS contract amendment as authorized by Government Code Section 20516(f). The cost sharing described in Section 7.23(b)(iii) shall extend beyond the expiration of this MOA and constitute the status quo for all purposes until changed by mutual agreement of the parties or as allowed by law. The Association and the City will take all actions necessary to implement the pension cost sharing agreement described in this subsection.

v. IRC Section 414(h)(2) Application to Cost Sharing By CalPERS Contract


As permitted by Internal Revenue Code Section 414(h)(2) and Government Code Section 20516, unit members' CalPERS contributions established pursuant to the City's CalPERS contract shall be paid with state and federal income taxes deferred to the extent permitted by the Internal Revenue Code 26 U.S.C. Section 414(h)(2) and associated City resolutions.

This Agreement is contingent upon approval by the City Council.

**For the City of Rohnert
Park:**


Darrin Jenkins,
City Manager

**For the Rohnert Park Public
Safety Officers Association:**


Rick Bates,
RPPSOA President