

RESOLUTION NO. 4787

A RESOLUTION OF THE MAYOR AND CITY COUNCIL OF
THE CITY OF WESTMINSTER UPDATING THE
MEMORANDUM OF UNDERSTANDING BETWEEN THE
CITY OF WESTMINSTER AND THE WESTMINSTER
MUNICIPAL EMPLOYEES' ASSOCIATION TO COMPLY
WITH CALPERS REGULATIONS

WHEREAS, the City met its obligation to meet and confer pursuant to the Meyers-Milias-Brown Act (California Government Code Sections 3500-3511) and the City of Westminster Employer-Employee Relations Resolution No. 1131; and

WHEREAS, the City Council approved a Memorandum of Understanding (MOU) on February 11, 2015, with a contract effective date of July 1, 2014, between the City and the Westminster Municipal Employees' Association; and

WHEREAS, since approval of the MOU, the California Public Employees' Retirement System (i.e., "CalPERS") conducted an audit of City pay and benefit reporting practices and submitted their final audit report to the City on March 30, 2016; and

WHEREAS, one of the WMEA MOU provisions noted in the CalPERS audit regarding "Continuous Meritorious Service Pay" (i.e., "CMS Pay") contradicted the CalPERS Regulations regarding "pensionable compensation;" and

WHEREAS, Section 571(a)(1) of the CalPERS Regulations allows for "Longevity Pay" to be factored into a retired annuitant's pensionable compensation; and

WHEREAS, CalPERS has suggested the parties change the MOU language to re-define "CMS Pay" as "Longevity Pay" to remain pension reportable; and

WHEREAS, the parties have always treated this "CMS Pay" as a form of "Longevity Pay" and therefore reportable compensation pursuant to CalPERS Regulations; and

WHEREAS, per CalPERS Regulations, "Longevity Pay" cannot have an employee-based performance aspect to become pensionable compensation; and

WHEREAS, the current "CMS Pay" language suggests an employee must demonstrate satisfactory performance to qualify for this benefit; and

WHEREAS, in practice, no City employee has been denied eligibility for this benefit historically, regardless of performance; and

WHEREAS, the City provides Longevity Pay to retain qualified, experienced personnel and prevent turnover of seasoned City employees; and

WHEREAS, the City has always paid a PERS 'tax' on this "CMS Pay" and reported this "CMS Pay" as pensionable compensation, consistent with the elements of "Longevity Pay;" and

WHEREAS, there is no additional cost to the City and no increased benefits for City employees by taking this action;

NOW, THEREFORE, BE IT RESOLVED AS FOLLOWS:

The Memorandum of Understanding between the Westminster Municipal Employees' Association and the City of Westminster (Resolution No. 4521) is hereby updated to amend and clarify the existing MOU language regarding "Continuous Meritorious Service Pay" to comply with Section 571(a)(1) of the CalPERS Regulations, without any additional cost to the City or any increased benefits to the employees, as follows:

- Upon Council adoption of this Resolution, Article III, Section 3. "Continuous Meritorious Service (CMS) Pay" of the WMEA Memorandum of Understanding shall now read:

Section 3. Longevity Pay. Tier 1: Represented employees hired prior to July 28, 2011 shall be eligible to receive longevity pay at the *beginning* of the following years of service:

21 years of service: 2.0% of base salary
22 years of service: 4.0% of base salary
23 years of service: 6.0% of base salary
24 years of service: 8.0% of base salary
25 years of service: 10.0% of base salary

An employee who qualifies shall be eligible for only one of the levels of longevity pay noted above. Longevity Pay shall continue to be reported to CalPERS as special compensation and therefore compensation earnable pursuant to California Public Employees' Retirement System (PERS) Regulations, Section 571(a)(1).

Longevity Pay. Tier 2: Represented employees hired on or after July 28, 2011 shall be eligible to receive longevity pay at the *completion* of the following years of service:

21 years of service: 2.0% of base salary
22 years of service: 4.0% of base salary
23 years of service: 6.0% of base salary
24 years of service: 8.0% of base salary
25 years of service: 10.0% of base salary

An employee who qualifies shall be eligible for only one of the levels of longevity pay noted above. Longevity Pay shall continue to be reported to CalPERS as special compensation and therefore compensation earnable pursuant to California Public Employees' Retirement System (PERS) Regulations, Section 571(a)(1).

PASSED, APPROVED, and ADOPTED this 25th day of May 2016, by the following vote:

AYES:	COUNCIL MEMBERS:	TA, CONTRERAS, CAREY, RICE
NOES:	COUNCIL MEMBERS:	NONE
ABSENT:	COUNCIL MEMBERS:	DIEP



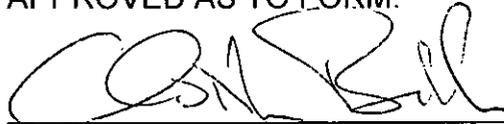
 TRI TA, MAYOR

ATTEST:



 for AMANDA JENSEN, CITY CLERK

APPROVED AS TO FORM:



 for RICHARD D. JONES, CITY ATTORNEY

STATE OF CALIFORNIA)
 COUNTY OF ORANGE) SS.
 CITY OF WESTMINSTER)

I, Amanda Jensen, hereby certify that I am the duly appointed Clerk of the City of Westminster, and that the foregoing resolution was duly adopted at a regular meeting of the City Council of the City of Westminster held on the 25th day of May 2016.



 for Amanda Jensen
 City Clerk