

RESOLUTION NO. 4788

A RESOLUTION OF THE MAYOR AND CITY COUNCIL OF  
THE CITY OF WESTMINSTER UPDATING RESOLUTION  
NO. 4520 COVERING THE CITY'S ADMINISTRATIVE,  
MANAGEMENT, AND CONFIDENTIAL EMPLOYEES TO  
COMPLY WITH CALPERS REGULATIONS

WHEREAS, the City Council approved a Resolution (hereinafter "Salary Resolution") on January 28, 2015, with an effective date of July 1, 2014 with the City's unrepresented Administrative, Management, and Confidential Employees; and

WHEREAS, since approval of the Salary Resolution, 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 provisions contained in the Salary Resolution regarding "Continuous Meritorious Service Pay" (i.e., "CMS Pay") was noted in the CalPERS audit and 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 City change the Salary Resolution language to re-define "CMS Pay" as "Longevity Pay" to remain pension reportable; and

WHEREAS, the City has 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 Resolution covering the City's Administrative, Management, and Confidential Employees (Resolution No. 4520) is hereby updated to amend and clarify the existing 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, Section 8. "Continuous Meritorious Service (CMS) Pay" of the Salary Resolution covering the City's Administrative, Management, and Confidential Employees shall now read:

SECTION 8. LONGEVITY PAY. Employees 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).

Employees transitioning into the Management/Administrative/Confidential employee group from any of the represented employee organizations within the City of Westminster shall retain all earned Longevity Pay and continue to accrue any remaining Longevity Pay under the terms of the Memorandum of Understanding or Resolution such employee left, not to exceed a maximum of ten percent (10%). In the event the employee's former employee organization negotiates a change in Longevity Pay, the employee shall retain the earned Longevity pay or receive such compensation under the terms of this resolution, whichever is greater.

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

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

TRIMUTA  
TRI TA, MAYOR

ATTEST:

Cheryl  
for AMANDA JENSEN, CITY CLERK

APPROVED AS TO FORM:

Richard D. Jones  
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 25<sup>th</sup> day of May 2016.

Cheryl  
for Amanda Jensen  
City Clerk