



City of Culver City

Staff Report

File #: 22-415, **Version:** 1

Item #: C-10.

CC - Adoption of a Resolution Allowing the City to Continue Paying and Reporting the Value of Employer Paid Member Contributions in Accordance with Government Code Section 20636(c)(4) and pursuant to Government Code Section 20691.

Meeting Date: October 25, 2021

Contact Person/Dept: Serena Wright-Black/Administrative Services

Phone Number: (310) 253-5640

Fiscal Impact: Yes No

General Fund: Yes No

Public Hearing: **Action Item:** **Attachments:**

Commission Action Required: Yes No

Public Notification: (E-Mail) Meetings and Agendas - City Council (10/20/2021); (Email) - Culver City Fire Management Group (10/20/2021); Culver City Police Management Group (10/20/2021)

Department Approval: John M. Nachbar, City Manager (10/20/2021)

RECOMMENDATION

Staff recommends the City Council adopt a resolution allowing the City to continue paying and reporting the value of Employer Paid Member Contributions (EPMC) in accordance with Government Code Section 20636(c)(4) and pursuant to Government Code Section 20691.

BACKGROUND / DISCUSSION

During contract negotiations in 2015, the City and labor representatives from Culver City Fire Management Group (CCFMG) and Culver City Police Management Group (CCPMG) negotiated the terms for successor Memoranda of Understanding (MOU). One aspect of the agreement was for classic members of CCFMG and CCPMG to begin paying 9% of the employer contribution rate to the California Public Employees' Retirement System (CalPERS) as well as up to an additional 5% cost sharing in the event that the City's employer rate exceeded 50%. The agreement also provided for the City to pay and report as compensation the 9% employee contribution rate as provided in

California Government Code Section 20636(c)(4) pursuant to Section 20691. This was approved and adopted via resolution by City Council for CCFMG and CCPMG on February 23, 2015 and June 22, 2015, respectively.

In March 2021, the City was contacted by CalPERS' Office of Audit Services that they would be conducting a comprehensive audit of 60 public employers, including Culver City, to determine whether employers are in compliance with Government Code Section 20636 and Title 2 of the California Code of Regulations Section 571 when reporting the value of Employer Paid Member Contributions (EPMC). The audit findings concluded that 42% of the audited employers, including Culver City, did not have a resolution on file with CalPERS to report the value of EPMC.

City staff has since worked with CalPERS to correct the audit finding. The resolution included for Council's consideration is retroactive back to 2015 and has been reviewed and approved by CalPERS. After it is adopted, the resolution as well as the previous MOU will be provided to CalPERS to ensure that the City is in full compliance.

FISCAL ANALYSIS

The action being recommended is in response to a directive from CalPERS and does not change the manner in which the City has paid and reported contributions to the pension system on behalf of members of CCFMG and CCPMG since at least 2015. There are no additional fiscal impacts as a result of adopting this resolution.

ATTACHMENTS

1. Proposed Resolution for Paying and Reporting the Value of Employer Paid Member Contributions

MOTION

That the City Council:

Adopt a resolution allowing the City to continue paying and reporting the value of Employer Paid Member Contributions (EPMC) in accordance with Government Code Section 20636(c)(4) and pursuant to Government Code Section 20691.