



Strategic Planning Committee

Item #12-6-11
Action

June 5, 2012

Approve Reporting and Paying the Value of Employer Paid Member Contributions for FY 2012/13

Issue: Should the Strategic Planning Committee, with its delegated authority from the Board of Directors, approve a resolution for reporting and paying the value of employer paid member contributions (EPMC) for FY 2012/13?

Recommendation: That the Strategic Planning Committee approve the resolution for reporting and paying the value of employer paid member contributions for FY 2012/13, for both retirement tiers.

Discussion: During the development of the FY 2010/11 budget, SACOG's Employees Association (EA) agreed to a number of cost saving measures to address the financial challenges facing SACOG. One of the cost saving measures was an agreement to participate in increasing CalPERS retirement costs.

Under the amended Memorandum of Understanding (MOU), for FY 12/13 the employees will be required to pay 100 percent of the annual increase in SACOG's employer contributions to CalPERS, which is 0.84 percent. (The employees' increase is capped at 1 percent, but the annual increase is below that amount. Management and the Employees Association have identified the need to clarify the MOU language relating to changes in the CalPERS contribution rates and the operation of the cap; of course, any clarifications would be subject to Board approval.) Therefore, effective July 1, 2012, SACOG's employer paid member contributions will be reduced to 5.16 percent for Tier I employees and 4.16 percent for Tier II employees.

Pursuant to California Code of Regulations section 571(a)(1), SACOG is required to adopt a resolution or ordinance when the EPMC rate changes. The attached resolution fulfills the regulatory requirement.

Approved by:

Mike McKeever
Chief Executive Officer

MM:RS:gg
Attachment

Key Staff: Kirk Trost, Chief Operating Officer/General Counsel, (916) 340-6210
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SACRAMENTO AREA COUNCIL OF GOVERNMENTS

RESOLUTION NO. 45 - 2012

**RESOLUTION FOR PAYING AND REPORTING THE
VALUE OF EMPLOYER PAID MEMBER CONTRIBUTIONS**

WHEREAS, the governing body of the Sacramento Area Council of Governments (SACOG) has the authority to implement Government Code Section 20636(c)(4) pursuant to Section 20691; and

WHEREAS, the governing body of SACOG has a written labor policy of agreement which specifically provides for the normal member contributions to be paid by the employer and reported as additional compensation; and

WHEREAS, one of the steps in the procedures to implement Section 20691 is the adoption of the governing body of SACOG of a Resolution to commence paying and reporting the value of said Employer Paid Member Contributions (EPMC); and

WHEREAS, the governing body of SACOG has identified the following conditions for the purpose of its election to pay EPMC:

TIER I:

- This benefit shall apply to all employees hired prior to November 1, 2011.
- This benefit shall consist of paying 5.16 percent of the normal contributions as EPMC, and reporting the same percent of compensation earnable (excluding Government Code Section 20636(c)(4)) as additional compensation.

TIER II:

- This benefit shall apply to all employees hired on or after November 1, 2011.
- This benefit shall consist of paying 4.16 percent of the normal contributions as EPMC, and reporting the same percent of compensation earnable (excluding Government Code Section 20636(c)(4)) as additional compensation

WHEREAS, by action at its May 17, 2012, Special Meeting, the SACOG Board of Directors delegated authority to the SACOG Strategic Planning Committee to take final action on Paying and Reporting the Value of Employer Paid Member Contributions for FY 2012/13 at its June 2012 meeting.

NOW, THEREFORE, BE IT RESOLVED, that the governing body of SACOG elects to pay and report the value of EPMC, as set forth above effective July 1, 2012.

PASSED AND ADOPTED, this 7th day of June 2012, by the following vote of the SACOG Strategic Planning Committee:

AYES:

NOES:

ABSTAIN:

ABSENT:

Peter Hill
Chair

Mike McKeever
Chief Executive Officer