

**MEMORANDUM OF UNDERSTANDING (UMBRELLA AGREEMENT)
SETTING THE TERMS AND CONDITIONS OF
CALIFORNIA PUBLIC EMPLOYEES' RETIREMENT PLAN (CALPERS)
FOR MISCELLANEOUS CITY EMPLOYEES
BETWEEN CITY OF SANTA MONICA AND
THE COALITION OF SANTA MONICA CITY EMPLOYEES ON BEHALF OF
MANAGEMENT TEAM ASSOCIATES, SUPERVISORY TEAM ASSOCIATES,
ADMINISTRATIVE TEAM ASSOCIATES, MUNICIPAL EMPLOYEES ASSOCIATION,
INTERNATIONAL BROTHERHOOD OF TEAMSTERS LOCAL 911,
PUBLIC ATTORNEY'S UNION, PUBLIC ATTORNEY'S LEGAL SUPPORT STAFF,
UNION, UNITED TRANSPORTATION UNION (LOCAL 1785)-INTERNATIONAL
ASSOCIATION OF SHEET METAL, AIR, RAIL AND TRANSPORTATION WORKERS
(SMART), EXECUTIVE PAY PLAN PARTICIPANTS, AND CERTAIN
UNREPRESENTED CLASSIFICATIONS**

ARTICLE I. GENERAL PROVISIONS

- 1.01 This Memorandum of Understanding ("Agreement") between the City of Santa Monica and the Coalition of Santa Monica City Employees sets forth the terms and conditions pertaining to the California Public Employees' Retirement Plan for non-sworn miscellaneous City employees, and all members of the Executive Pay Plan. This agreement shall incorporate all the provisions of all prior memoranda of understanding between the parties unless otherwise modified by this agreement.
- 1.02 Employees covered hereunder shall be all permanent non-sworn City employees represented by and/or receiving the benefits of the following City bargaining units or their respective successors: Administrative Team Associates (ATA), International Brotherhood of Teamsters Local 911 (IBT), Management Team Associates (MTA), Municipal Employees Association (MEA), Public Attorneys Union (PAU), Public Attorneys' Legal Support Staff Union (PALSSU), Supervisory Team Associates (STA), and United Transportation Union, Local 1785 (UTU)-International Association of Sheet Metal, Air, Rail, and Transportation Workers (SMART). This Agreement shall also cover members of the Executive Pay Plan (EPP). This Agreement does not apply to sworn safety employees represented by the Fire Executive Management Association (FEMA), Santa Monica Firefighters, Local 1109, IAFF (Local 1109) or the Santa Monica Police Officers Association (SMPOA).
- 1.03 This Agreement shall be effective January 1, 2019 and shall remain in full force and effect until December 31, 2025. Negotiations to extend this Agreement or enter into a new agreement will commence upon a date mutually agreed upon by the City and Coalition with said negotiations to commence no later than July 1, 2025.

- 1.04 The parties agree that each has had full and unrestricted right and opportunity to make, advance, and discuss all matters properly within the scope of representation. This Agreement constitutes the full and complete agreement of the parties and there are no others, oral or written, except as specified in this Agreement. Parties are not bound by any past practices or understandings of either party that are inconsistent with the express terms of this agreement.
- 1.05 Except as provided in Section 1.06, neither the City nor the Coalition (individually or represented employees covered by this agreement) may seek to modify or change the provisions of this agreement during its term unless mutually agreed upon.
- 1.06 Should any change be made in any Federal or State law, or in any rules and regulations implementing such legislation, which would be contrary to any provision of this agreement, then such provision will be subject to reopening, but the remainder of this MOU shall remain in full force and effect. In addition, in the event of impending changes in the law, the parties shall immediately commence to negotiate for the purpose of replacing any provision which may be changed or rendered invalid or illegal.

ARTICLE II. RETIREMENT

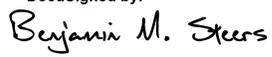
- 2.01 The City is a contract member of the Public Employees' Retirement System, and it is understood and agreed that such membership will be maintained and that employee eligibility, classification, contribution, and benefits are as prescribed in the contract between the City and the Public Employees' Retirement System heretofore approved by the City Council .
- 2.02 TIER 1 EMPLOYEES (employees hired prior to July 1, 2012) shall continue to be covered by the optional CalPERS benefit set forth in Section 21354.5 of the California Government Code, which establishes a 2.7% @ 55 full formula for local miscellaneous members. When calculating retirement benefits for TIER 1 EMPLOYEES, the period used to determine the average monthly pay rate shall be the 12 highest paid consecutive months, pursuant to California Government Code section 20042.
- A. Effective July 1, 2020, the Employer Paid Member Contribution (EPMC) benefits provided under Government Code section 20691 shall be discontinued; the City shall no longer pay any portion of the required normal member contribution equal to 8% of pensionable income. The entire 8% member contribution shall be paid by each affected employee. Effective July 1, 2020, each affected employee shall no longer reimburse the City for any payment for the cost of retirement benefits as previously provided in MOU Contract No. 9495, paragraph 1.c. On said date, the City shall reduce the retirement contribution for affected employees from 9.23% to 8%.

- B. The City will reimburse TIER 1 EMPLOYEES, on an individually calculated basis, for all payments made toward the additional cost of EPMC in the employee's paycheck, unless the employee directs the payment into a deferred compensation account. Additionally, the City will pay a \$3 million signing bonus in the second full pay period of fiscal year 2022-2023, to be evenly distributed among TIER 1 EMPLOYEES. The schedule for the EPMC repayments and the signing bonus shall be as follows:
1. Year 1 (2020): Effective the second full pay period of July 2020, TIER 1 EMPLOYEES will receive a \$500 payment or the remaining balance of EPMC contributions, whichever is less.
 2. Year 2 (2021): Effective the second full pay period of July 2021, TIER 1 EMPLOYEES will receive a \$500 payment or the remaining balance of EPMC contributions, whichever is less.
 3. Year 3 (2022): Effective the second full pay period of July 2022, the City will pay TIER 1 EMPLOYEES a \$3 million signing bonus to be evenly distributed among TIER 1 EMPLOYEES.
 4. Year 4 (2023): Effective the second full pay period of July 2023, TIER 1 EMPLOYEES will receive a payment for the value of 55% of the remaining EPMC repayment balance.
 5. Year 5 (2024): Effective the second full pay period of July 2024, TIER 1 EMPLOYEES will receive a payment for the value of 80% of the remaining EPMC repayment balance.
 6. Year 6 (2025): Effective the second full pay period of July 2025, TIER 1 EMPLOYEES will receive a payment for the value of 100% of the remaining EPMC repayment balance.
- C. TIER 1 EMPLOYEES must be employed by the City on July 1 of each payment year in order to receive the EPMC repayments and/or the signing bonus.
- D. TIER 1 EMPLOYEES who choose to have the EPMC repayment and signing bonus deposited into a 457 deferred compensation account shall be subject to the contribution limits established by the Internal Revenue Service.
- E. The 8% employee-paid contribution shall be made through payroll deductions on a pre-tax basis.
- 2.03 The terms and conditions for eligible Tier 2 employees shall be pursuant to previously executed MOUs between the parties.

- 2.04 The terms and conditions for employees hired on or after January 1, 2013, who are “New Members” as defined in the Public Employees’ Pension Reform Act of 2013 (Government Code Section 7522.04(f)), shall be governed by applicable law.
- 2.05 Employees with CalPERS membership who leave City employment under the TIER 1 2.7% @ 55 full retirement formula and return to City employment on or after July 1, 2012 will be re-enrolled, if eligible, under the appropriate formula as determined by CalPERS regulations at the time of rehire.
- 2.06 The terms and conditions pertaining to other optional CalPERS benefits, including but not limited to Fourth Level of 1959 Survivor Benefit as set forth in Section 21574 of the California Code and the Pre-Retirement Optional Settlement 2 Death Benefit as set forth in Section 21548 of the California Code, will apply to all TIER 1 EMPLOYEES and TIER 2 EMPLOYEES.

IN WITNESS WHEREOF, the parties hereto have caused this Memorandum of Understanding to be executed June ____, 2020.

COALITION OF SANTA MONICA CITY EMPLOYEES

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 Benjamin Steers, President

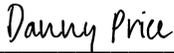
NON-SWORN CITY EMPLOYEE BARGAINING UNITS:

MANAGEMENT TEAM ASSOCIATES

DocuSigned by:

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 Gary Carter, President

SUPERVISORY TEAM ASSOCIATES

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 Danny Price, President

ADMINISTRATIVE TEAM ASSOCIATES

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 Benjamin Steers, President

PUBLIC ATTORNEYS UNION

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 Gary Rhoades, PAU Representative

MUNICIPAL EMPLOYEES ASSOCIATION

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 Sheri Batalla, President

EXECUTIVE PAY PLAN

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 Patty Wong, EPP Representative

**PUBLIC ATTORNEYS'
LEGAL SUPPORT STAFF UNION**

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Bradley C. Michaud
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Bradley Michaud, PALSSU Representative

**UNITED TRANSPORTATION UNION
(SMART-TD) LOCAL 1785**

DocuSigned by:
Erskins Robinson
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Erskins Robinson, General Chairman

TEAMSTERS

Carlos Rubio, Business Representative

**CITY OF SANTA MONICA
a municipal corporation**

DocuSigned by:
[Signature]
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Lane Dilg
Interim City Manager

APPROVED AS TO FORM:

DocuSigned by:
George S. Cardona
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George S. Cardona
Interim City Attorney

ATTEST:

DocuSigned by:
Denise Anderson-Warren
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Denise Anderson-Warren
City Clerk