

**CITY OF TEMECULA
AGENDA REPORT**

TO: City Manager/City Council

FROM: Isaac Garibay, Director of Human Resources & Risk Management

DATE: March 11, 2025

SUBJECT: Approve the Amended and Restated Management Compensation Plan at the Request of CalPERS

PREPARED BY: Nicole Collins, Senior Human Resources Analyst

RECOMMENDATION: That the City Council approve the Amended and Restated Management Compensation Plan at the request of CalPERS.

BACKGROUND: Under prior Council action, the City implemented Government Code Section 20636(c)(4) pursuant to Section 20691 which authorized the City to pay the normal member contributions on behalf of employees as Employer Paid Member Contributions (EPMC) and report the same percent (value) as additional compensation. This benefit applies to all Confidential, Management and Executive Management employees in the first-tier retirement formula 2.7@55 (Tier 1) and in the second-tier retirement formula 2@60 (Tier 2). Effective September 2, 2017, this benefit consisted of paying 8% of the normal contributions as EPMC for Tier 1 and 7% of the normal contributions as EPMC for Tier 2.

Consistent with this action and the existing Management Compensation Plan (MCP), the City has been paying and reporting the value of EPMC as additional compensation to CalPERS for confidential, management, and executive management employees. However, CalPERS recently advised that the written labor policy or agreement must be inclusive of the specific percentage of EPMC for the value of those contributions to be recognized as additional compensation. Staff's recommendation to the City Council is at the request of CalPERS, and is intended to align the language of the MCP to be consistent with the City's existing practice and contract with CalPERS. No salary or benefit adjustments are being recommended for any regular, benefited employees, including Executive staff, Mid Management staff, or staff represented by Teamsters Local 911.

FISCAL IMPACT: None

ATTACHMENTS: Amended and Restated Management Compensation Plan (March 11, 2025)