



Approve Amendment to CalPERS Contract

Action

Prepared by: Erik Johnson

Attachments: Yes

Approved by: James Corless

Referring Committee: Policy & Innovation

1. Issue:

SACOG is required to amend its contract with the California Public Employees' Retirement System (CalPERS) to comply with how to treat temporary employees.

2. Recommendation:

The Policy and Innovation Committee unanimously recommends that the board approve an amendment to SACOG's contract with CalPERS and authorize the executive director to take any necessary steps to execute the amendment.

3. Background/Analysis:

SACOG contracts with CalPERS to provide retirement benefits for its employees. SACOG's contract with CalPERS dates back to SACOG as a successor to the Sacramento Regional Area Planning Commission in 1981, and excludes all temporary or hourly employees from receiving CalPERS retirement benefits. Earlier this year, CalPERS reviewed SACOG's contract with CalPERS to see whether it properly handles how temporary or seasonal employees are handled by the contract. This contract exclusion is not permitted by California Government Code Section 20305(b), which supersedes any contract agreements between employers such as SACOG and CalPERS.

CalPERS requires a two-step action by the SACOG Board of Directors in order to amend the contract, even for a minor issue such as this. On August 18, 2022, the board approved a resolution of intent to amend SACOG's contract with CalPERS. Second, the actual approval of the contract amendment must take place 20 days later.

4. Discussion/Analysis:

After consulting with SACOG's labor and employment attorney, staff accepts the contract amendment proposed by CalPERS. This amendment has minimal impact on SACOG for two reasons: (1) we only hire a few employees annually on a temporary or hourly basis; and (2) it is only applicable to those individuals who work more than 1,000 hours in a year. Of those staff who are hired on a temporary or hourly basis, most would not work more than 1,000 hours. This amendment would apply only to those individuals hired after the contract amendment effective date, which is proposed as October 1, 2022.

5. Fiscal Impact/Grant Information:

There is no anticipated fiscal impact. SACOG typically does not hire temporary or hourly employees for more than 1,000 hours. If such a position is anticipated in the future, the position cost would reflect the additional CalPERS costs at the time the budget is developed.

6. This staff report aligns with the following SACOG Work Plan Objectives: