



Legislation Details (With Text)

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Title: Staff Report for the City Council for the City of San Leandro to Adopt an Ordinance and an Urgency Ordinance Authorizing an Amendment to the Contract between the Board of Administration of the California Public Employees' Retirement System and the City of San Leandro to Provide Section 20516 (1% employee cost sharing) for Local Police Members in Accordance with the San Leandro Police Officers' Association Memorandum of Understanding

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Staff Report for the City Council for the City of San Leandro to Adopt an Ordinance and an Urgency Ordinance Authorizing an Amendment to the Contract between the Board of Administration of the California Public Employees' Retirement System and the City of San Leandro to Provide Section 20516 (1% employee cost sharing) for Local Police Members in Accordance with the San Leandro Police Officers' Association Memorandum of Understanding

SUMMARY AND RECOMMENDATIONS

Staff recommends that the City Council adopt an ordinance and an urgency ordinance authorizing an amendment to the contract between the Board of Administration of the California Public Employees' Retirement System (CalPERS) and the City of San Leandro as allowed in Section 20516 of the Public Employees' Retirement Law (Employees Sharing Additional Cost).

BACKGROUND

On May 7, 2018, the City Council adopted a Resolution of Intention to approve an amendment to the contract between CalPERS and the City of San Leandro. The City Council also conducted a first reading of an ordinance authorizing the amendment to the contract to provide Section 20516 (1% employee cost sharing) for Local Police Members in accordance with the San Leandro Police Officers' Association (SLPOA) Memorandum of Understanding. The change will result in the employee paying an additional 1% of the employer contribution for a total employee contribution of 11%.

DISCUSSION

In order to implement the cost sharing provision of the adopted SLPOA MOU, the City's contract with CalPERS must be amended by July 1, 2018. The contract amendment process requires specific procedures, which include:

1. A Resolution of Intention to amend the contract must be adopted by the City Council.
(Completed on May 7, 2018)
2. An election among the employees affected must be held. (Completed on May 8, 2018)
3. An Ordinance to amend the contract must be adopted by the City Council authorizing a contract amendment.

The first reading of the Ordinance was presented and approved by the City Council on May 7, 2018. California Government Code Section 20471 requires that an ordinance implementing a CalPERS contract amendment cannot be approved until at least 20 days after adoption of the Resolution of Intention. Because the second reading of the Ordinance will not occur until June 4, 2018, the effective date will not occur until 30 days following adoption, which is later than July 1, 2018. As the SLPOA MOU requires that the amendment to the contract with CalPERS occur by July 1, 2018, staff recommends that the City Council concurrently adopt an Urgency Ordinance to take effect immediately.

Approval of the Urgency Ordinance requires a 4/5 vote and specific findings pursuant to State Law and the City's Municipal Code. Staff recommends that the City Council adopt the Urgency Ordinance based upon the following findings and declarations: 1) It is necessary for the immediate preservation of the public peace, health, and safety; 2) It implements the provisions of the SLPOA MOU negotiated in good faith and entered into between the City and the SLPOA; 3) Failure to provide for an effective date of July 1, 2018 would constitute a breach of the MOU and complying with the MOU is vital to the public peace, health, and safety of the City of San Leandro.

Fiscal Impacts

There is no fiscal impact with the approval of the Ordinance and Urgency Ordinance. The fiscal impact of the cost sharing was presented when the SLPOA MOU was approved.

Previous Actions

- Resolution of Intention to approve an amendment to contract between the Board of Administration of the California Public Employee's Retirement System and the City Council for the City of San Leandro.
- Resolution 2016-648 Approving the Memorandum of Understanding between the City of San Leandro and the San Leandro Police Officers' Association (SLPOA) for the period January 1, 2016 through December 31, 2019.
- First Reading of an Ordinance Authorizing an Amendment to the Contract with the Board of Administration of CalPERS to Provide Section 20516 (1% employee cost sharing) for Local Police Members in Accordance with the Memorandum of Understanding.

Attachments:

- Draft Amendment to CalPERS contract

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