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Staff Report for a Resolution Approving the San Leandro City Employees' Association (SLCEA) Memorandum of Understanding and a Resolution Approving the Conditions of Employer Paid Member Contributions for the San Leandro City Employees' Association (SLCEA)

**SUMMARY AND RECOMMENDATIONS**

The City Manager recommends that the City Council approve a resolution ratifying the Memorandum of Understanding (MOU) between the City of San Leandro and the San Leandro City Employees' Association (SLCEA) covering the period of January 1, 2013 through December 31, 2015.

In addition, the City Manager recommends that the City Council approve a separate resolution specifying the conditions of Employer Paid Member Contributions (EPMC) for the SLCEA. This resolution is required by the California Public Employees' Retirement System (CalPERS) in order to implement the EPMC.

**BACKGROUND**

The SLCEA represents approximately 256 full-time employees. The City's and SLCEA's negotiators reached a tentative agreement that was ratified by the employees on August 30, 2013 and is presented to the City Council for its approval.

**Analysis**

The major elements of the tentative agreement include the following:

**Duration:** Three years, starting January 1, 2013 and ending December 31, 2015.

**Wages:** A three and one-half (3.5%) percent across the salary schedule adjustment effective October 1, 2013.  
A three and one-half (3.5%) percent across the salary schedule adjustment effective July 1, 2014.

A three (3%) percent across the salary schedule adjustment effective July 1, 2015.

**PERS:**

For employees in Tier One:

- Effective October 1, 2013, employees shall commence paying 3% of the employee contribution and the City shall contribute 5%. Effective July 1, 2014, employees shall commence paying 6% of the employee contribution and the City shall contribute 2%. Effective July 1, 2015, employees shall commence paying 8% of the employee contribution and the City shall contribute 0%.

For employees in Tier Two:

- Effective October 1, 2013, employees shall commence paying 3% of the employee contribution and the City shall contribute 4%. Effective July 1, 2014, employees shall commence paying 6% of the employee contribution and the City shall contribute 1%. Effective July 1, 2015, employees shall commence paying 7% of the employee contribution and the City shall contribute 0%.

For employees in Tier Three:

- Pursuant to the Public Employees' Pension Reform Act of 2013, employees hired after January 1, 2013 depending on previous California public agency employment are subject to specific pension formulas and employee contributions.

**Benefits:**

The City's contributions to the medical plans in 2013, based on the 2012 Kaiser medical insurance premium, are as follows:

<u>Level</u>	<u>City Cost</u>
Employee	\$ 610.44
2-party	\$1,220.88
Family	\$1,587.14

Employees will pay 50% of premium increases in 2014 and 2015. For the term of this agreement Opt-out premiums remain unchanged from previous MOU.

**Previous Action**

- On December 20, 2010, by Resolution No. 2010-158, the City Council approved the last MOU, for the period January 1, 2011 through December 31, 2012.

**Fiscal Impacts**

The agreement is effective January 1, 2013 and will cost the City of San Leandro approximately \$146,478 in the first year (2013-14) with a 3.5% wage increase and 3% employee contribution towards PERS. It will cost approximately \$241,869 in the second year (2014-15) with a 3.5% wage increase and 3% employee contribution towards PERS. Although the agreement expires on December 31, 2015, the projected cost in year 2015-16 is approximately \$367,231 with a 3% wage increase and 2% employee contribution towards PERS. The total cost over three fiscal years is approximately \$755,578.

**ATTACHMENTS**

- Memorandum of Understanding (MOU)

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