



Legislation Details (With Text)

File #: 17-177 **Version:** 1 **Name:** Request to amend CalPERS contract
Type: Staff Report **Status:** Filed
In control: City Council
On agenda: 4/17/2017 **Final action:** 4/17/2017
Enactment date: **Enactment #:**

Title: Staff Report for a Resolution of Intention to Approve an Amendment to the Contract between the Board of Administration of the California Public Employees’ Retirement System and the City of San Leandro to Include Provisions Pursuant to Government Code Section 20516 “Cost Sharing” for Local Police Members in Accordance with the San Leandro Police Officers Association (SLPOA) Memorandum of Understanding

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Date	Ver.	Action By	Action	Result
4/17/2017	1	City Council	Received and Filed	Pass

Staff Report for a Resolution of Intention to Approve an Amendment to the Contract between the Board of Administration of the California Public Employees’ Retirement System and the City of San Leandro to Include Provisions Pursuant to Government Code Section 20516 “Cost Sharing” for Local Police Members in Accordance with the San Leandro Police Officers Association (SLPOA) Memorandum of Understanding

SUMMARY AND RECOMMENDATIONS

Staff recommends that the City Council adopt a resolution of intention to approve an amendment to the City’s contract with the California Public Employees’ Retirement System (CalPERS) to allow employee cost sharing of the employer contribution rate.

BACKGROUND

At the City Council meeting on December 6, 2016, the City Council approved the San Leandro Police Officers’ Association (SLPOA) Memorandum of Understanding (MOU) for the period of January 1, 2016 through December 31, 2019. As permitted by California Government Code Section 20516, SLPOA members agreed to pay a portion of the employer’s CalPERS contribution.

In order to formalize this MOU provision with CalPERS, the City Council must first adopt a Resolution of Intention to approve an amendment to the CalPERS contract and introduce an Ordinance authorizing an amendment to the contract. Thereafter, the City Council will consider adoption of the Ordinance authorizing an amendment to the contract, which is tentatively planned for presentation at the May 15, 2017 City Council meeting.

DISCUSSION

In accordance with the MOU between SLPOA and the City of San Leandro, the employees agreed to the following cost-sharing schedule:

- Effective July 1, 2017, employees will pay an additional one percent (1%) towards the employer's pension contribution rate for a total employee contribution of 10%.
- Effective July 1, 2018, employees will pay an additional one percent (1%) towards the employer's pension contribution rate for a total employee contribution of 11%.
- Effective July 1, 2019, employees will pay an additional one percent (1%) towards the employer's pension contribution rate for a total employee contribution of 12%.

CalPERS requires that specific procedures be followed in order to amend an agency's contract. The following steps must be taken in order to complete the contract amendment process:

1. The City Council must adopt a Resolution of Intention to amend the contract.
2. A secret ballot election among the employees affected must be held.
3. The Ordinance will be presented to the City Council for adoption, tentatively scheduled for May 15, 2017.

This process must be repeated each year the contribution rate changes.

Fiscal Impacts

There is no fiscal impact with the approval of this resolution. The fiscal impacts of the MOU were addressed concurrent with its adoption in December 2016.

Previous Action

- Resolution 16-648 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.

Attachments:

- Amendment to CalPERS contract

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