



Legislation Details (With Text)

<b>File #:</b>	18-464	<b>Version:</b>	1	<b>Name:</b>	Staff report to Create Executive Mgmt Group and to Amend CalPERS contract
<b>Type:</b>	Staff Report	<b>Status:</b>		<b>In control:</b>	Filed
<b>On agenda:</b>	10/1/2018	<b>Final action:</b>			City Council
<b>Enactment date:</b>		<b>Enactment #:</b>			10/1/2018

**Title:** Staff Report for 1) a Resolution to Approve an Agreement Between the Executive Management Group (Consisting of the City Manager) and the City of San Leandro to Share the Costs of the Employer Contribution Pursuant to Government Code Section 20516, 2) a Resolution of Intention to Approve an Amendment to the Contract Between the Board of Administration of the California Public Employees' Retirement System (CalPERS) and the City of San Leandro to Include Provisions Pursuant to Government Code 20516 "Cost Sharing" for the Executive Management Group in Accordance with the Approved City Manager Employment Agreement, and 3) First Reading of an Ordinance Authorizing an Amendment to the Contract Between the City of San Leandro and the Board of Administration of the California Public Employees' Retirement System (CalPERS) to Provide Section 20516 (2% Employee Cost Sharing) for Executive Management Group in Accordance with the Approved City Manager Employment Agreement.

**Sponsors:** Jeff Kay

**Indexes:**

**Code sections:**

**Attachments:** 1. Amendment to CalPERS Contract

Date	Ver.	Action By	Action	Result
10/1/2018	1	City Council	Received and Filed	Pass

Staff Report for 1) a Resolution to Approve an Agreement Between the Executive Management Group (Consisting of the City Manager) and the City of San Leandro to Share the Costs of the Employer Contribution Pursuant to Government Code Section 20516, 2) a Resolution of Intention to Approve an Amendment to the Contract Between the Board of Administration of the California Public Employees' Retirement System (CalPERS) and the City of San Leandro to Include Provisions Pursuant to Government Code 20516 "Cost Sharing" for the Executive Management Group in Accordance with the Approved City Manager Employment Agreement, and 3) First Reading of an Ordinance Authorizing an Amendment to the Contract Between the City of San Leandro and the Board of Administration of the California Public Employees' Retirement System (CalPERS) to Provide Section 20516 (2% Employee Cost Sharing) for Executive Management Group in Accordance with the Approved City Manager Employment Agreement.

**SUMMARY AND RECOMMENDATIONS**

Staff recommends that the City Council adopt a Resolution to approve an agreement between the City of San Leandro Executive Management Group and the City of San Leandro to share the costs of the City's retirement contribution with the members of the Executive Management Group pursuant to California Government Code section 20516, and the Resolution of intention and first reading of an Ordinance 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 for the Executive Management Group.

## **BACKGROUND**

On September 4, 2018, the City of San Leandro approved an employment agreement between the City of San Leandro and Jeffrey Kay to serve as City Manager. A provision of this employment agreement was a 2% employee contribution towards the City's CalPERS retirement costs for a total employee contribution of 10% in the first year and 3% employee contribution towards the City's CalPERS retirement costs for a total employee contribution of 11%, effective July 1, 2019.

## **DISCUSSION**

Government Code Section 20516 requires that cost sharing be established for a group of employees. To comply with this requirement for the purposes of cost sharing, CalPERS requires the City Council to adopt a Resolution forming a separate Executive Management Group with the City Manager designated as an "Executive Management member". While the City Manager's employment agreement specifies the employee cost-share contribution, CalPERS requires a Resolution specifically identifying information that is applicable to the Executive Management Group.

In addition, the City must amend its contract with CalPERS each time a new cost sharing provision is effective. The process to amend the CalPERS contract requires the City Council to adopt a Resolution of Intention to approve an amendment to the contract and to introduce an Ordinance authorizing an amendment to the contract. The second reading of the Ordinance will be presented to the City Council for adoption on November 5, 2018.

## **Fiscal Impacts**

There is no fiscal impact with the approval of this resolution. The fiscal impact of the cost sharing was presented when the employment agreement was approved.

## **Previous Action**

- Approved Employment Agreement with Jeffrey Kay to Serve as the City Manager.

## **Attachments:**

- Amendment to CalPERS contract

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