



Legislation Details (With Text)

File #: 23-040 **Version:** 1 **Name:** Reso of Intent to Amend the CalPERS contract
Type: Staff Report **Status:** Filed
In control: City Council
On agenda: 2/21/2023 **Final action:** 2/21/2023
Enactment date: **Enactment #:**

Title: Adopt a Resolution of Intention and Introduce for First Reading an Ordinance 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 Section 20516 "Cost Sharing" for Local Police Management Members in Accordance with the San Leandro Police Management Association (SLPMA) Memorandum of Understanding

Sponsors: Fran Robustelli

Indexes:

Code sections:

Attachments: 1. Att A - Resolution of Intention, 2. Att B - Ordinance CalPERS Cost Sharing, 3. Att C - CalPERS Contract Exhibit

Date	Ver.	Action By	Action	Result
2/21/2023	1	City Council	Approved	Pass

Adopt a Resolution of Intention and Introduce for First Reading an Ordinance 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 Section 20516 "Cost Sharing" for Local Police Management Members in Accordance with the San Leandro Police Management Association (SLPMA) Memorandum of Understanding

COUNCIL PRIORITY

- Infrastructure

SUMMARY

At the City Council meeting on December 19, 2022, the City Council approved the San Leandro Police Management Association (SLPMA) Memorandum of Understanding (MOU) for the period of January 1, 2023 through June 30, 2028. As permitted by Government Code Section 20516, SLPMA employees 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 on March 20, 2023 as instructed in the CalPERS-approved timelines.

RECOMMENDATIONS

Staff recommends that the City Council adopt a resolution of intention and introduce a 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.

DISCUSSION

SLPMA employees who are classic CalPERS members currently contribute 9% towards their pension. In accordance with the MOU between the SLPMA and the City, employees have agreed to cost share a portion of the employer contribution according to the following schedule:

- Effective May 1, 2023 employees will contribute one percent (1%) towards the employer's pension contribution rate for a total employee contribution of 10%.
- Effective July 1, 2024, employees will contribute an additional half-of-a-percent (0.5%) for a total employee contribution of 10.5%.
- Effective July 1, 2025, employees will contribute an additional half-of-a-percent (0.5%) for a total employee contribution of 11%.

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

1. The City Council must adopt a Resolution of Intention and introduce for First Reading an Ordinance to amend the contract.
2. A secret ballot election among the affected employees must be held.
3. The Ordinance will be presented to the City Council for adoption on March 20, 2023.

Previous Action

On December 19, 2022, Resolution No. 2022-215, the City Council approved the Memorandum of Understanding between the City of San Leandro and the San Leandro Police Management Association (SLPMA) for the period January 1, 2023 through June 30, 2028.

Fiscal Impacts

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

ATTACHMENTS

Attachment A: Resolution

Attachment B: Ordinance

Attachment C: Amendment to CalPERS contract

PREPARED BY: Yana Taran, Sr. Human Resources Analyst, Human Resources Department