



Legislation Text

File #: 13-324, **Version:** 1

Staff Report for Resolution Approving the Conditions of Employer Paid Member Contributions for San Leandro Police Officers' Association (SLPOA) Members to Reach the Full 9% of the Employee Share over the Contract Term

SUMMARY AND RECOMMENDATIONS

It is recommended that the City Council approve a resolution specifying the conditions of Employer Paid Member Contributions (EPMC) for San Leandro Police Officers' Association (SLPOA) sworn members. This resolution is required by the California Public Employees' Retirement System (CalPERS) in order to implement the EPMC.

BACKGROUND

At its March 18, 2013 meeting, the City Council adopted Resolution No. 2013-042 approving the Memorandum of Understanding (MOU) between the City of San Leandro and the San Leandro Police Officers' Association (SLPOA) for the period January 1, 2013 through December 31, 2015. In Section 25 and Appendix A of the MOU, the parties agreed that the City would contribute to CalPERS each pay period a portion of the employee contribution rate as established by law equal to nine percent (9%) for sworn employees represented by SLPOA. Effective April 1, 2013, the following conditions were established for the EPMC:

- Effective April 1, 2013, employees will commence paying 3% of the employee contribution and the City will contribute 6%.
- Effective January 1, 2014, employees must commence paying 6% of the employee contribution and the City will contribute 3%.
- Effective January 1, 2015, employees must commence paying 9% of the employee contribution and the City will contribute 0%.
- 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.

In order to implement these contribution changes, CalPERS requires a separate resolution defining the amount or percentage of the EPMC.

Fiscal Impacts

The savings associated with the implementation of the EPMC changes were presented to the City Council with the MOU on March 18, 2013. They are as follows: The MOU is effective January 1, 2013

and will save the City of San Leandro approximately \$153,924 in the first year with no wage increase and 3% employee contribution towards the employee's retirement held by CalPERS. It will save approximately \$102,939 in the second year (2014) with a 4% wage increase and 6% employee contribution towards the employee's retirement held by CalPERS. It will cost approximately \$304,519 in the final 2015 year with a 3% wage increase, addition of 6th step and 9% employee contribution towards the employee's retirement held by CalPERS. The total cost over the three-year agreement is approximately \$47,655.

ATTACHMENTS

- Memorandum of Understanding
- Resolution No. 2013-042 approving MOU

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