



Legislation Text

File #: 13-439, **Version:** 2

Staff Report for a Resolution Approving the Confidential Employees Compensation Plan and a Resolution Approving the Conditions of Employer Paid Member Contributions for the Confidential Employees Group

SUMMARY AND RECOMMENDATIONS

The City Manager recommends that the City Council approve a resolution ratifying the Compensation Plan between the City of San Leandro and the Confidential Employees Group covering the period of October 1, 2013 through June 30, 2015.

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

BACKGROUND

The Confidential Employees Group represents eight (8) confidential employees from the City Manager's Office, City Clerk's Office and Human Resources departments. Employees in this group are designated as such by virtue of the fact that they are privy to information used in the conduct of employer/employee relations. Confidential employees are not represented by a bargaining unit, but historically, they have followed the terms of the San Leandro City Employees' Association (SLCEA) Memorandum of Understanding (MOU) and received the same benefits. The City of San Leandro recognizes the special responsibilities and demands placed upon its confidential employees, and recommends there be a distinct and separate procedure for establishing the compensation of these employees.

A salary schedule was first established for confidential employees by Resolution 2000-132 on September 5, 2000. The City and the Confidential Employees have now agreed to create a compensation plan specifically for their group for the period October 1, 2013 through June 30, 2015. The tentative compensation plan was ratified by the confidential employees and is presented to the City Council for approval.

Analysis

The major elements of the tentative agreement include the following:

Duration: One and three-quarters years, starting October 1, 2013 and ending June 30, 2015.

Wages: A two and one-half (2.5%) 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 four (4%) percent across the salary schedule adjustment effective June 1, 2015.

PERS: For employees in Tier One: Effective October 1, 2013, employees shall commence paying 2% of the employee contribution and the City shall contribute 6%. Effective July 1, 2014, employees shall commence paying 5% of the employee contribution and the City shall contribute 3%. Effective June 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 2% of the employee contribution and the City shall contribute 5%. Effective July 1, 2014, employees shall commence paying 5% of the employee contribution and the City shall contribute 2%. Effective June 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 Employee's 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. These employees are responsible for paying one-half of the normal cost of this retirement plan, which is currently approximately 6.5% of their salary.

Benefits: The City's contributions to the medical plans in 2013, based on the total 2012 Kaiser medical insurance premium cost, 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.

Fiscal Impacts

The agreement is effective October 1, 2013 and will cost the City of San Leandro approximately \$5,047 in the first year (2013-14) with a 2.5% wage increase and 2% employee contribution towards PERS. It will cost approximately \$9,555 in the second year (2014-15) with a 3.5% wage increase and 3% employee contribution towards PERS. Although the agreement expires on June 30, 2015, the projected cost in year 2015-16 is approximately \$13,623 with a 4% wage increase and 3% employee contribution towards PERS. The total cost over a three-year period is approximately \$28,225.

ATTACHMENTS

- Compensation Plan

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