



## Legislation Text

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**File #:** 19-105, **Version:** 1

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Staff Report for (1) a City of San Leandro City Council 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 section 20516 "Cost Sharing" for the Executive Management Group in Accordance with the Approved City Manager Employment Agreement and the Local Police Members in Accordance with the San Leandro Police Officers' Association (SLPOA) Memorandum of Understanding; (2) 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 (1% Employee Cost Sharing) for Executive Management Group in Accordance with the Approved City Manager Employment Agreement and 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 and first reading of an Ordinance to approve an amendment to the City's contract with the California Public Employees' Retirement System (CalPERS) to increase the employee cost sharing of the employer contribution rate for the Executive Management Group and the San Leandro Police Officers Association (SLPOA).

### **BACKGROUND**

Per the San Leandro Police Officers' Association (SLPOA) Memorandum of Understanding (MOU) for the period of January 1, 2016 through December 31, 2019, SLPOA Classic 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%.

As we move into the third year of SLPOA's contract implementation, the City must again amend its contract with CalPERS to include an additional one percent (1%) towards the employer's pension contribution rate.

On September 4, 2018, the City Council approved an employment agreement between the City of San Leandro and Jeff Kay to serve as City Manager. A provision of the 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, which was implemented on January 1, 2019. Effective July 1,

2019, the City Manager will pay an additional 1% of employee contribution towards the City's CalPERS retirement costs for a total employee contribution of 11%.

## **DISCUSSION**

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 April 1, 2019.

## **Fiscal Impacts**

There is no fiscal impact with the approval of this resolution. The fiscal impact of the cost sharing was presented when the City Manager's employment agreement and the SLPOA MOU was approved.

## **Previous Action**

- Resolution 2018-017 Approving an Employment Agreement with Jeff Kay to Serve as the City Manager.
- Resolution 2016-648 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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