



City of San Leandro

Meeting Date: December 7, 2015

Staff Report

File Number: 15-637 **Agenda Section:** CONSENT CALENDAR

Agenda Number: 8.I.

TO: City Council

FROM: Chris Zapata
City Manager

BY: Rich Pio Roda
City Attorney

FINANCE REVIEW: David Baum
Finance Director

TITLE: Staff Report for Resolutions Specifying the Conditions to Pay and Report the Value of Employer Paid Member Contributions for Non-Represented Executive Management Employees and the San Leandro Police Officers' Association (SLPOA)

SUMMARY AND RECOMMENDATIONS

It is recommended that the City Council approve two resolutions specifying the conditions to pay and report the value of Employer Paid Member Contributions (EPMC) for non-represented executive management employees and the San Leandro Police Officers' Association (SLPOA). These resolutions are required by the California Public Employees Retirement System (CalPERS).

BACKGROUND

In September 2014, CalPERS issued an audit report completed on the City of San Leandro. The CalPERS audit report found that the City did not have a resolution to pay and report the value of EPMC for non-represented executive management employees. In addition, the City had a resolution to pay EPMC for the San Leandro Police Officer Association (SLPOA) but it did not specify to report the value as special compensation.

To resolve this audit finding, CalPERS requires two resolutions approved by the City Council:

- 1) A new resolution for a Non-Represented Executive Management Group to include the City Manager and Assistant City Manager, specifying the conditions of EPMC and conveying the City's agreement to pay and report the value of EPMC. This resolution is to be retroactive to January 1, 2013 which is the effective date of the Assistant City Manager's employment agreement.
- 2) A revised resolution with new wording for the San Leandro Police Officers' Association (SLPOA), specifying the conditions of the EPMC and conveying the City's agreement to

pay and report the value of EPMC. This resolution is to be retroactive to April 1, 2013 which is the commencement date of the SLPOA Memorandum of Understanding.

Approval of these two resolutions will comply with the CalPERS requirement to convey the City's intention to pay and report the value of EPMC.

Previous Action

- Resolution No. 2013-099 Resolution approving the conditions of Employer Paid Member Contributions for San Leandro Police Officers' Association (SLPOA) members

Fiscal Impacts

There is no fiscal impact with the approval of these resolutions.

PREPARED BY: Emily Hung, Human Resources Manager, City Manager's Office

IN THE CITY COUNCIL OF THE CITY OF SAN LEANDRO

RESOLUTION NO. 2013-099

RESOLUTION APPROVING THE CONDITIONS OF EMPLOYER PAID MEMBER CONTRIBUTIONS FOR SAN LEANDRO POLICE OFFICERS' ASSOCIATION (SLPOA) MEMBERS

WHEREAS, the City Council of the City of San Leandro has elected to pay all or a part of the normal member contributions to the California Public Employees' Retirement System (CalPERS) pursuant to California Government Code Section 20691 - Employer Paid Member Contributions (EPMC);

WHEREAS, the City Council of the City of San Leandro approved a Memorandum of Understanding with the San Leandro Police Officers Association (SLPOA) on March 18, 2013 for the period January 1, 2013 through December 31, 2015, which identifies the following conditions for member contributions to be paid by the employer;

- Effective April 1, 2013, employees must 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.

NOW, THEREFORE, the City Council of the City of San Leandro does RESOLVE that the conditions of Employer Paid Member Contributions for sworn employees of the San Leandro Police Officers' Association shall be as set forth above.

Introduced by Councilmember Prola and passed and adopted this 1st day of July, 2013, by the following vote:

Members of the Council:

AYES: Councilmembers Cutter, Gregory, Lee, Prola, Reed, Souza; Mayor Cassidy (7)

NOES: None (0)

ABSENT: None (0)

ATTEST: Marian Handa
Marian Handa, City Clerk

SUPPLEMENTAL MEMORANDUM OF UNDERSTANDING
BETWEEN
THE CITY OF SAN LEANDRO
AND
THE SAN LEANDRO POLICE OFFICER'S ASSOCIATION

This Supplemental Memorandum of Understanding incorporates the Agreement between the City of San Leandro and the San Leandro Police Officer's Association regarding payment of the employee retirement contribution pending completion of a comprehensive new Memorandum of Understanding.

The City shall contribute to the Public Employees' Retirement System (PERS) each pay period a portion of the employee contribution rate as established by law equal to nine percent (9%) for sworn employees represented by the Association of the employee's "compensation" as that term is administered by the Board of Administration of PERS as of the above date for employees hired prior to January 1, 2013. Effective April 1, 2013, employees shall commence paying 3% of the employee contribution and the City shall contribute 6%. Effective January 1, 2014, employees shall commence paying 6% of the employee contribution and the City shall contribute 3%. Effective January 1, 2015, employees shall commence paying 9% of the employee contribution and the City shall contribute 0%.

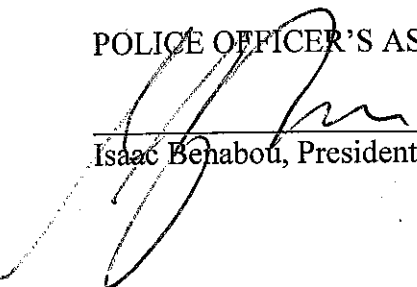
Contributions made pursuant to this section shall be reported to PERS as "employee contributions being made by the contracting agency. They shall be reported as compensation for retirement purposes. The City will not treat these contributions as compensation subject to income tax withholding unless the Internal Revenue Service or Franchise Tax Board determines that such contributions are taxable income subject to withholding.

This Supplemental Memorandum of Understanding shall be incorporated into the comprehensive Memorandum of Understanding between the City and Association for the contract period beginning January 1, 2013.

FOR THE CITY OF SAN LEANDRO


Chris Zapata, City Manager 6/19/13 Date

POLICE OFFICER'S ASSOCIATION


Isaac Benabou, President 6-17-2013 Date



City of San Leandro

Meeting Date: December 7, 2015

Resolution - Council

File Number: 15-638

Agenda Section: CONSENT CALENDAR

Agenda Number:

TO: City Council

FROM: Chris Zapata
City Manager

BY: Lianne Marshall
Assistant City Manager

FINANCE REVIEW: David Baum
Finance Director

TITLE: RESOLUTION for Paying and Reporting the Value of Employer Paid Member Contributions for San Leandro Police Officers Association (SLPOA)

WHEREAS, the City Council of the City of San Leandro has elected to pay all or part of the normal member contributions to the California Public Employees' Retirement System (CalPERS) pursuant to Section 20691 and applicable labor agreements;

WHEREAS, the City Council of the City of San Leandro has a written labor policy or agreement which specifically provides for the normal member contributions to be paid by the employer, and reported as additional compensation;

WHEREAS, one of the steps in the procedures to implement Section 20691 is the adoption by the City Council of the City of San Leandro of a Resolution to commence paying and reporting the value of said Employer Paid Member Contributions (EPMC);

WHEREAS, the City Council of the City of San Leandro has identified the following conditions for the purpose of its election to pay EPMC:

- This benefit shall apply to all employees of the San Leandro Police Officers Association (SLPOA);
- This benefit shall consist of the City paying a percentage of normal contributions as EPMC, and reporting the same percent (value) of compensation earnable;
- Effective April 1, 2013, City shall pay 6% of the normal member contributions as EPMC;
- Effective January 1, 2014, City shall pay 3% the normal member contributions as EPMC;
- Effective January 1, 2015, City shall pay 0% of the normal member contributions as EPMC.
- The effective date of this Resolution shall be retroactive to April 1, 2013, when the Memorandum of Understanding was ratified.

NOW, THEREFORE, BE IT RESOLVED that the City Council of the City of San Leandro elects to pay and report the value of EPMC for San Leandro Police Officers' Association, as set forth above.



City of San Leandro

Meeting Date: December 7, 2015

Resolution - Council

File Number: 15-639

Agenda Section: CONSENT CALENDAR

Agenda Number:

TO: City Council

FROM: Chris Zapata
City Manager

BY: Rich Pio Roda
City Attorney

FINANCE REVIEW: David Baum
Finance Director

TITLE: RESOLUTION for Paying and Reporting the Value of Employer Paid Member Contributions for Non-Represented Executive Management Group

WHEREAS, the City Council of the City of San Leandro has elected to pay all or part of the normal member contributions to the California Public Employees' Retirement System (CalPERS) pursuant to Section 20691 and applicable employment agreements;

WHEREAS, the City Council of the City of San Leandro has a written labor policy or agreement which specifically provides for the normal member contributions to be paid by the employer, and reported as additional compensation;

WHEREAS, one of the steps in the procedures to implement Section 20691 is the adoption by the City Council of the City of San Leandro of a Resolution to commence paying and reporting the value of said Employer Paid Member Contributions (EPMC);

WHEREAS, the City Council of the City of San Leandro has identified the following conditions for the purpose of its election to pay EPMC:

- This benefit shall apply to non-represented employees of the Executive Management Group, which includes the City Manager and Assistant City Manager.
- This benefit shall consist of the City paying a percentage of normal contributions as EPMC, and reporting the same percent (value) of compensation earnable;
- Effective January 1, 2013, the City shall pay 7% of the normal member contributions as EPMC;
- Effective January 1, 2014, the City shall pay 6% of the normal member contributions as EPMC;
- Effective January 1, 2015, the City shall pay 4% of the normal member contributions as EPMC;
- Effective January 1, 2016, the City shall pay 2% of the normal member contributions as EPMC;

- Effective January 1, 2017, the City shall pay 0% of the normal member contributions as EPMC.
- The effective date of this Resolution shall be retroactive to January 1, 2013.

NOW, THEREFORE, BE IT RESOLVED that the City Council of the City of San Leandro elects to pay and report the value of EPMC for non-represented Executive Management Group, as set forth above.