



CITY OF SANTA BARBARA

COUNCIL AGENDA REPORT

AGENDA DATE: May 20, 2014

TO: Mayor and Councilmembers

FROM: City Administrator's Office

SUBJECT: Introduction Of The Ordinance For 2014-2016 Police Management Association Memorandum Of Understanding

RECOMMENDATION: That Council:

- A. Ratify the Memorandum of Understanding between the City of Santa Barbara and the Santa Barbara Police Management Association for the period of January 1, 2014, through December 31, 2016, by introduction and subsequent adoption of, by reading of title only, An Ordinance of the Council of the City of Santa Barbara Adopting the 2014-2016 Memorandum of Understanding Between the City of Santa Barbara and the Santa Barbara Police Management Association; and
- B. Adopt, by reading of title only, A Resolution of the Council of the City of Santa Barbara For Paying and Reporting the Value of Employer-Paid Member Contributions for Certain Police Management Association Employees effective May 31, 2014.

DISCUSSION:

Negotiators from the City and the Santa Barbara Police Management Association (PMA) have reached a tentative agreement for a new Memorandum of Understanding covering the 36 month period of January 1, 2014 through December 31, 2016. The agreement was ratified by the membership of the bargaining unit, which comprises just nine employees.

Increased Employee Pension Contributions

Employees who were in a public retirement system prior to January 1, 2013, are referred to as "classic employees" and were not subject to many of the requirements of the California Public Employees' Pension Reform Act of 2013. Pension increases were left to negotiation between these employees and the City. Under the new agreement, the classic employee contribution to the California Public Employees Retirement System (PERS) will increase from 2.88% to 9% of salary effective May 31,

2014. The Employer Paid Member Contributions (EPMC) that the City currently pays and reports to PERS as additional compensation will be reduced from 6.12% to zero. The City will still be responsible for paying the full Employer Contribution to PERS, which is expected to increase steadily, at least until Fiscal Year 2020.

Salary Increases

Under this agreement, employees will receive the following salary increases:

Effective 1/11/2014	1.0% (retroactive)
Effective 5/31/2014	6.0% (offsetting employees' PERS increases)
Effective 10/14/2016	2.0%

Other Changes

The City's contribution toward benefits under the cafeteria plan will increase by \$35 per month effective June 1, 2014 and then increase by another \$35 per month effective January 1, 2016. This increase will also be offset by the increased employee PERS contributions.

The City will implement a 2080 hours maximum paid sick leave accrual for all employees. Employees whose accrual balances already exceed the cap on that date will not be subject to this new maximum sick accrual.

BUDGET/FINANCIAL INFORMATION:

As with recent agreements reached with other safety group employees who have the 3% at 50 pension plan, salary and benefit increases provided earlier in this agreement will be partially offset by the increased employee contributions toward pensions. The net cost of this agreement will be weighted toward the end of the agreement term as follows:

Fiscal Year	Cost
2014	\$ 7,952
2015	\$ 19,002
2016	\$ 20,892
2017	\$ 49,045
Ongoing thereafter	\$ 63,950 (3.21%)

No additional Fiscal Year 2014 appropriations are necessary.

PREPARED BY: Kristy Schmidt, Acting Administrative Services Director

APPROVED BY: City Administrator's Office