



City of Sunnyvale

Agenda Item-No Attachments (PDF)

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REPORT TO COUNCIL

SUBJECT

Adopt Memorandum of Understanding between the City of Sunnyvale and the Sunnyvale Managers Association (SMA) and the corresponding Resolution to Amend the City's Salary Resolution and the Resolution for Paying and Reporting the Value of Employer Paid Member Contributions for CalPERS Retirement

BACKGROUND

A Tentative Agreement has been reached between the City of Sunnyvale (City) and the Sunnyvale Managers Association (SMA) on a successor Memorandum of Understanding (MOU). SMA represents approximately 65 managers in many City departments. This report recommends adoption of the provisions of the 2014-2015 MOU. This agreement, if approved by the City Council, will be effective July 1, 2014 through and including June 30, 2015.

The MOU between the City and SMA expired on June 30, 2014. Negotiators for the City and SMA began the meet and confer process in March 2014 and met seven times, in addition to numerous exchanges by telephone and email, in an effort to reach an agreement. A Tentative Agreement was reached on November 13, 2014, and the City has been notified that the SMA membership ratified this agreement on November 13, 2014.

EXISTING POLICY

Council Policy 7.3.1 Legislative Management - Goals and Policies, Goal 7.3D: Maintain a quality work force, Consistent with state and federal laws, City Charter, and adopted policies in order to assure that City services are provided in an effective, efficient, and high quality manner.

ENVIRONMENTAL REVIEW

N/A

DISCUSSION

The significant provisions of the proposed amendments are as follows:

Wages

Salary adjustments during the term of the agreement:

- Effective August 31, 2014, a 2% across the board salary adjustment
- Effective the first full pay period following membership ratification and City Council approval, a 1% of current salary, pensionable for CalPERS classic members, lump sum payment

Retirement

Tier 1

Effective August 31, 2014, employees represented by SMA shall pay an additional 1% of the employee contribution. The City shall contribute 4% of the 8% employee contribution.

Tier 2

Effective August 31, 2014, employees represented by SMA shall pay an additional 1% of the employee contribution. The City shall contribute 4% of the 7% employee contribution.

FISCAL IMPACT

The 2% salary increase for one year and increasing the employees' contribution for retirement costs by 1% year is consistent with the Fiscal Year 2014/2015 Adopted Budget and the City's 20-year financial plan.

The fiscal impact of the 1% pensionable, lump sum payment for 1 year will be approximately \$79,000. As this is a one-time cost, there will be no long-term impact over the 20-year financial plan. The fiscal impact can be absorbed in the current budget.

PUBLIC CONTACT

Public contact was made by posting the Council agenda on the City's official-notice bulletin board outside City Hall, at the Sunnyvale Senior Center, Community Center and Department of Public Safety; and by making the agenda and report available at the Sunnyvale Public Library, the Office of the City Clerk and on the City's website.

ALTERNATIVES

1. Adopt the Memorandum of Understanding between the City of Sunnyvale and the Sunnyvale Managers Association, presented as Attachment 3, and the corresponding Resolution amending the City's Salary Resolution, presented as Attachment 4, and the Resolution for Paying and Reporting the Value of Employer Paid Member Contributions, presented as Attachment 5.
2. Do not adopt the Memorandum of Understanding between the City of Sunnyvale and the Sunnyvale Managers Association and the corresponding Resolutions.

STAFF RECOMMENDATION

Alternative 1: Adopt the Memorandum of Understanding between the City of Sunnyvale and the Sunnyvale Managers Association, presented as Attachment 3, and the corresponding Resolution amending the City's Salary Resolution, presented as Attachment 4, and the Resolution for Paying and Reporting the Value of Employer Paid Member Contributions, presented as Attachment 5.

Prepared by: Allison Suggs, Human Resources Manager

Reviewed by: Teri Silva, Director of Human Resources

Reviewed by: Grace K. Leung, Director of Finance

Reviewed by: Robert A. Walker, Assistant City Manager

Approved by: Deanna J. Santana, City Manager

ATTACHMENTS

1. Tentative Agreement between the City of Sunnyvale and the Sunnyvale Managers Association
2. 2014-2015 MOU with Track Changes
3. 2014-2015 MOU
4. Resolution Amending Resolution No. 190-05, the City's Salary Resolution, by Amending the

Schedule of Pay for Pay Plan Category D/E (SMA)

5. Resolution for Paying and Reporting the Value of Employer Paid Member Contributions