

**CITY OF ALBANY  
CITY COUNCIL AGENDA  
STAFF REPORT**

Agenda Date: 7/18/2011  
Reviewed by: BP

**SUBJECT:** Memorandum of Understanding between City of Albany and Service Employees International Union (SEIU), Local 1021

**REPORT BY:** Beth Pollard, City Manager  
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**STAFF RECOMMENDATION**

Approve Resolution No. 2011-40 – A Resolution of the City Council of City of Albany Approving the Memorandum of Understanding between City of Albany and Service Employees International Union (SEIU), Local 1021.

**BACKGROUND**

SEIU represents the “miscellaneous” employees in most every department of the City of Albany. This includes accounting technicians, planning technician, building inspector, secretaries, maintenance workers, recreation coordinators, clerk typist, and crossing guards.

The City of Albany and representatives of SEIU have met and conferred in good faith over the past 4 months, and have reached agreement on a Memorandum of Understanding for the period April 1, 2011 through March 31, 2014.

The Memorandum of Understanding is the collective bargaining agreement between City of Albany and SEIU and includes benefit modifications, salary increases, and other changes to the terms and conditions of employment.

**DISCUSSION**

The changes incorporated into the new Memorandum of Understanding include:

- Effective July 2011, employees covered by this agreement will pay 4% of wages as a contribution to the California Public Employees’ Retirement System (CalPERS). Effective July 2012, employees will pay an additional 3% of wages as a contribution to the CalPERS. Effective July 2013, employees will pay an additional 1% of wages as a contribution to the CalPERS.

- Effective July 2012, employees will receive a salary increase of 4%. Effective July 2013, employees will receive a salary increase equal to the increase in the Consumer Price Index (CPI), with a minimum of 2% and a maximum of 4%.
- Create a lowered CalPERS tier for future hires, who would participate in the 2% @60 plan rather than the 2.5% @55 plan.

### **ANALYSIS**

Over the past 4 months, the City and SEIU worked very hard on negotiating an agreement that tried to address both the declining economy and equitable wages and benefits for the miscellaneous employees of the City.

Among the issues incorporated into the negotiations and agreement is pension reform in order to set the stage for reductions in the City's retirement costs. These changes take the form of the employees paying a set percentage of their salary towards the pension cost going forward, and a lower tier formula for how the pension benefit is calculated for future hires. The lower tier pension formula will also apply to police non-safety employees.

### **SUSTAINABILITY IMPACT**

None.

### **FINANCIAL IMPACT**

The net annual savings over the life of this agreement is expected to be approximately \$57,000. This includes savings in year one of the agreement of approximately \$37,000.

#### **Attachments:**

1. Resolution No. 2011-40
2. Attachment A – MOU Changes
3. To view SEIU 4/1/09 – 3/31/11 contract on City website:  
<http://www.albanyca.org/index.aspx?page=922>