

# Agenda Report

**DATE:** December 16, 2013

**TO:** Honorable Mayor and City Council  
**FROM:** Human Resources Department  
**RE:** APPROVAL OF A MEMORANDUM OF UNDERSTANDING BETWEEN THE CITY OF PASADENA AND THE SERVICE EMPLOYEES INTERNATIONAL UNION FOR THE TERM OF APRIL 27, 2013 - JUNE 30, 2015

**RECOMMENDATION:**

It is recommended that the City Council

1. Approve a successor Memorandum of Understanding (MOU) between the City of Pasadena (City) and the Service Employees International Union, Local 721 (SEIU) for the term of April 27, 2013 through June 30, 2015;
2. Adopt a resolution of the City Council of the City of Pasadena to authorize tax deferral of member paid contributions to the California Public Employees' Retirement System for the miscellaneous employees in the bargaining unit represented by SEIU; and
3. Adopt a resolution of the City Council of the City of Pasadena to report the value of employer paid member contributions (EPMC) for the miscellaneous employees represented by SEIU and supersede resolution No. 8773 insofar as it applies to the miscellaneous employees represented by SEIU.

**BACKGROUND:**

The City and representatives of SEIU have met and conferred in good faith and have reached agreement on a successor MOU, which provides for the following:

1. Salaries: Effective the pay period following approval of the MOU, employees receive a 2% salary increase. Effective the beginning of the pay period that includes July 1, 2014, employees receive a 1% salary increase.
2. Retirement: Effective the pay period following approval of the MOU, employees will contribute to retirement an additional 3.4% of member contributions, for a total of 8% member contribution. Member contributions will be deducted on a pre-tax basis. Employer Paid Member Contribution (EPMC) and the reported value of PERS on PERS will be reduced to 0% following adoption of the MOU. Retirement provisions for new members, as defined by the Pension Reform Act of 2013, have been incorporated into the SEIU MOU.
3. Short-Term Disability: Effective January 1, 2014, the City will provide a short term disability plan that has a thirty day elimination period, provides 50% of the employee's salary up to a maximum of \$1,750 per week for a maximum of twenty-two weeks. The plan premium will be paid by the City and the benefit will be taxable to the employee. The addition of the short-term disability plan results in a modification to the long term disability plan elimination period which will increase from sixty days to one hundred eighty days.
4. Contract language: The MOU has been re-written and reorganized for clarity, legal compliance, and organizational effectiveness. These changes do not directly reflect monetary impacts; rather, they correct the contract to the law, department procedures, and best practices.

**COUNCIL POLICY CONSIDERATION:**

The adoption of the Memorandum of Understanding between the City of Pasadena and the Service Employees International Union supports the City Council's strategic goal of maintaining fiscal responsibility and stability.

**FISCAL IMPACT:**

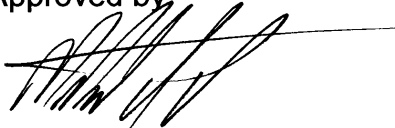
The recommended MOU changes will result in a savings of \$22,422.

Respectfully Submitted,



Kristi Recchia  
Director of Human Resources

Approved by:



Michael J. Beck  
City Manager

Attachments:

1. A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF PASADENA MODIFYING THE PERCENTAGE OF EMPLOYER PAID MEMBER CONTRIBUTIONS FOR THE MISCELLEANOUS EMPLOYEES IN THE BARGAINING UNIT REPRESENTED BY SERVICE EMPLOYEES INTERNATIONAL UNION, LOCAL 721 (SEIU)
2. A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF PASADENA TO AUTHORIZE TAX DEFERRAL OF MEMBER PAID CONTRIBUTIONS TO THE CALIFORNIA PUBLIC EMPLOYEES' RETIREMENT SYSTEM FOR THE MISCELLEANOUS EMPLOYEES IN THE BARGAINING UNIT REPRESENTED BY SERVICE EMPLOYEES INTERNATIONAL UNION, LOCAL 721 (SEIU)
3. MEMORANDUM OF UNDERSTANDING BETWEEN THE CITY OF PASADENA AND THE SERVICE EMPLOYEES INTERNATIONAL ASSOCIATION UNION, LOCAL 721 (SEIU)