



TO: TOWN COUNCIL

FROM: Roger Carroll, Finance Director

RE: CONSENT ITEM  
RESOLUTION APPROVING PERSONNEL WAGE INCREASES FOR  
THE TOWN OF LOOMIS DIVERSIFIED EMPLOYEES GROUP AND  
THE LOOMIS PUBLIC WORKS EMPLOYEE'S BARGAINING UNIT  
(OPERATING ENGINEERS, STATIONARY LOCAL NO. 39)

#### **ISSUE**

Approve a resolution confirming actions recommended in discussions in labor negotiations to make changes in personnel wages that were budgeted in the 2015/16 fiscal year and for the subsequent two years.

#### **RECOMMENDATION**

Approve resolution regarding wage and benefit changes for the fiscal years ending June 30, 2016; June 30, 2017; and June 30, 2018.

#### **MONEY**

The cost of the wage change is estimated to add \$15,000 to \$20,000 dollars to current yearly payroll costs, in total. These costs include payroll, payroll taxes, retirement benefits and workers compensation costs.

#### **CEQA**

There are no CEQA issues associated with changes in personnel wages and benefits.

#### **DISCUSSION**

The attached resolution relates to all permanent full-time employees of the Town of Loomis.

The employees for the Town of Loomis, in addition to receiving regular wages, are enrolled in the CalPERS retirement system. As with most retirement systems, there is an employer contribution and an employee contribution. Years ago, when the Town incorporated, it was common for cities to pay both the employer and the employee contributions, without withholding from the employees. The employee share is 7% of wages.

As times have changed, staff has realized that we need to be responsible for our fair share. In order to convert the system to an employee paid share, many cities in California have done similar to what is proposed below.

For each of the above mentioned fiscal years, beginning with the first day of the first complete pay period:

- Each of the permanent full-time employees of the Town of Loomis, who was hired on or before June 30, 2015, will receive a cost of living allowance (COLA) equal to the March 31<sup>st</sup> year-over-year change in the Western States Small and Medium size Cities Consumer Price Index.
- In the first and second years, those employees will receive an additional 2% pay increase. In the third year, they will receive an additional 3% pay increase.
- In the first year, those employees will assume 2 of the 7% Employee Share of the CalPERS retirement. In the second year, the employees will assume an additional 2 of the 7%. In the third year, the employees will assume the final 3 of the 7%. Thereafter, the employees will be responsible for the full 7%.
- Employees hired on or after July 1, 2015, will be responsible for the full 7% employee share and will not be entitled to anything other than the COLA.

The Council approved the 2015/2016 operating budget, which included funding for up to a 5% cost of living adjustment. The current year's 2.1% COLA increase will fall well within the adopted budget. Giving the 2% additional raise, then taking back the 2% employee share has an almost zero net cost to the Town.

**TOWN OF LOOMIS**  
**RESOLUTION NO. 15 -**

**A RESOLUTION OF THE TOWN COUNCIL OF THE TOWN OF LOOMIS  
APPROVING WAGE CHANGES  
WITH THE LOOMIS DIVERSIFIED EMPLOYEES GROUP  
AND  
WITH THE LOOMIS PUBLIC WORKS EMPLOYEE'S BARGAINING UNIT  
(OPERATING ENGINEERS, STATIONARY LOCAL NO. 39)**

WHEREAS, the Town Council has adopted the 2015-2016 budget; and

WHEREAS, Council desires to retain employees with skills appropriate to the needs of Loomis; and

WHEREAS, management has met and conferred on the wage changes herein noted with the employees; and

WHEREAS, Staff and Council agree that it is appropriate that Staff take on the responsibility for their share of retirement costs; and

WHEREAS, the changes noted have been accounted for in the adopted budget.

NOW, THEREFORE, IT IS HEREBY DETERMINED that the Town Council of the Town of Loomis approves wage changes for the Loomis Diversified Employees Group and the Loomis Public Works Employee's Bargaining Unit as follows:

- Effective July 3, 2015, the employees shall receive a 4.1% (2.1% cost of living, plus 2%) raise and assume responsibility for 2 of the 7% employee share of CalPERS retirement.
- Effective July 1, 2016, the employees shall receive a cost of living allowance equal to the March 31<sup>st</sup> year-over-year change in the Western States Small and Medium Cities Consumer Price Index, plus 2%. The Employees will be responsible for 4 of the 7% employee share of CalPERS retirement.
- Effective July 14, 2017, the employees shall receive a cost of living allowance equal to the March 31<sup>st</sup> year-over-year change in the Western States Small and Medium Cities Consumer Price Index, plus 3%. The Employees will be responsible for the entire 7% employee share of CalPERS retirement.

- The above is effective for employees hired on or before June 30, 2015. Any employee hire on or after July 1, 2015 will be responsible for the full 7% employee share of CalPERS retirement and entitled to only the cost of living allowances above.

PASSED AND ADOPTED this 14th day of July, 2015, by the following vote:

AYES:  
NOES:  
ABSENT:

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Mayor

ATTEST:

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Town Clerk