



STAFF REPORT

TO: THE HONORABLE MAYOR AND MEMBERS OF THE CITY COUNCIL
MEETING DATE: January 20, 2026
FROM: CITY MANAGER DUBOIS
SUBJECT: ALIGNMENT OF EMPLOYEE CONTRIBUTIONS TO CalPERS

RECOMMENDATION:

I recommend Council pass the resolution changing the “Classic” unrepresented employee contributions to CalPERS to match the SEIU contributions.

BACKGROUND:

During our recent MOU negotiations both unions agreed to increase the employee contribution to CalPERS for “Classic” employees, who get richer retirement benefits than newer employees in the PEPR plan. PEPR employees split pension costs with the employer, each paying 50%.

The City has for a long time (and this is common practice in most cities), given unrepresented and management employees the same salary and benefit changes as SEIU employees.

DISCUSSION:

To continue that, staff is proposing to increase the unrepresented employee contribution along with the increases by SEIU Classic employees.

This is to the city’s benefit to help rein in increasing pension costs.

BUDGET IMPACT:

This will decrease the City’s payment for pension benefits for Classic unrepresented employees, now and in the future, by 1% in 2026 and an additional; 1% in 2027 of that employee's salary.

ATTACHMENT:

Resolution to Make the Change