

City of Sacramento

Legislation Text

File #: 2019-01701, **Version:** 1

Title:

Multiple Successor Labor Agreements / Memorandums of Understanding; Unrepresented Resolution; and Salary Schedule (Published for 10-Day Review 11/27/2019)

File ID: 2019-01701

Location: Citywide

Recommendation:

Adopt a Resolution: 1) approving the Memorandum of Understanding (MOU) between the City of Sacramento (City) and International Association of Machinists and Aerospace Workers (IAMAW); 2) approving the MOU between the City and Plumbers and Pipefitters, Local 447 (Local 447); 3) approving the MOU between the City and Stationary Engineers, Local 39 Plant Operators; 4) approving the MOU between the City and Sacramento Police Officers Association (SPOA); 5) approving the MOU between the City and Sacramento Area Firefighters, Local 522 (Local 522); 6) approving the Personnel Resolution Covering Unrepresented Officers and Employees (Unrep Reso); 7) approving the citywide salary schedule; 8) authorizing the City Manager to transfer \$23,700,117 in available fund balance in the General Fund (Fund 1001) and \$947,098 in available fund balance in the appropriate Enterprise Funds as necessary to implement the terms of the negotiated MOUs and Unrep Reso referenced in items 1-6; 9) authorizing the City Manager to amend the FY2019/20 department operating budgets as necessary to fund the MOUs; and 10) authorizing the City Manager to make minor changes or adjustments to exhibits in order to correct omissions and errors in the MOUs, Unrep Reso, and salary schedule.

Contact: Aaron Donato, Labor Relations Manager, (916) 808-5816, Department of Human Resources

Presenter: None

Attachments:

- 01-Description/Analysis
- 02-IAMAW MOU Redline
- 03-Local 447 MOU Redline
- 04-Local 39 Plant Operators MOU Redline
- 05-SPOA MOU Redline
- 06-Local 522 MOU Redline

07-Unrep Reso Redline
08-Salary Schedule Redline
09-IAMAW Labor Agreement Costing
10-Local 447 Labor Agreement Costing
11-Local 39 Plant Operators Labor Agreement Costing
12-SPOA Labor Agreement Costing
13-Local 522 Labor Agreement Costing
14-Resolution
15-Exhibit A - IAMAW MOU
16-Exhibit B - Local 447 MOU
17-Exhibit C - Local 39 Plant Operators MOU
18-Exhibit D - SPOA MOU
19-Exhibit E - Local 522 MOU
20-Exhibit F - Unrep Reso
21-Exhibit G - Salary Schedule Final

Description/Analysis

Issue Detail:

International Association of Machinists and Aerospace Workers (IAMAW)

The 2017-2019 labor agreement between the City and IAMAW expired on June 21, 2019. The City and IAMAW negotiated a successor MOU which includes the following major new contract terms:

- New term expires June 19, 2021.
- Effective December 7, 2019, salary ranges will be increased by three percent (3%).
- Effective June 20, 2020, salary ranges will be increased by two and one-half percent (2.5%).
- One-time cash payment of \$750 to career employees on December 17, 2019.
- Effective June 20, 2020, Classic members shall contribute an additional one percent (1%), for a total of eight percent (8%), toward the member contribution to the PERS retirement plan.
- Standby Pay: Increased from \$210 to \$245 per week.
- Automotive Service Excellence (ASE) Incentive - Employees shall receive monthly incentives based on the following:
 - 2 ASE Certs: \$25;
 - 4 ASE Certs: \$50;
 - 6 ASE Certs: \$75; and
 - Master Cert: \$150.
- Establishes the City's ability to place safety stickers on City vehicles which read "How's My Driving? Dial 311."

Stationary Engineers, Local 39 Plant Operators

The 2017-2019 MOU between the City and Local 39 Plant Operators expired on June 21, 2019. The City and Local 39 Plant Operators have negotiated a successor MOU which includes the following major new contract terms:

- New term expires June 18, 2021.
- Effective December 21, 2019, salary ranges will be increased by three percent (3%).
 - Eligible employees shall receive retroactive payment to June 21, 2019, within forty-five (45) days of adoption by the Council. Retroactive payment shall be prorated based on date of hire.
- One-time cash payment of \$600 to career employees on December 31, 2019.
- Effective June 20, 2020, salary ranges will be increased by three percent (3%).
- Standby Pay increased from thirty-five dollars (\$35.00) per day to forty dollars (\$40.00) per day.
- All Local 39 Plant Operator Unit classifications with a six (6) month probationary period are increased to a twelve (12) month probationary period.
- Establishes the City's ability to place safety stickers on City vehicles which read "How's My Driving? Dial 311."

Plumbers and Pipefitters, Local 447 (Local 447)

The 2017-2019 labor agreement between the City and Local 447 expired on June 21, 2019. The City and Local 447 negotiated a successor MOU which includes the following major new contract terms:

- New term expires June 18, 2021.
- Effective December 7, 2019, salary ranges will be increased by three percent (3%).
- Effective June 20, 2020, salary ranges will be increased by three percent (3%).
- One-time cash payment of \$500 to career employees on January 14, 2020.
- Standby Pay: Increased from \$210 to \$245 per week.
- Establishes the City's ability to place safety stickers on City vehicles which read "How's My Driving? Dial 311."

Sacramento Police Officer Association (SPOA)

The 2017-2019 labor agreement between the City and SPOA expired on June 21, 2019. The City and SPOA negotiated a successor MOU which includes the following major new contract terms:

- New term expires September 25, 2021.
- Effective December 21, 2019, the top step for the Police Sergeant classification will be benchmarked at twenty-one percent (21%) above the top step of the Police Officer

classification.

- Effective December 21, 2019, salary ranges will be increased by two and one-half percent (2.5%) for the Dispatcher I and II, and Community Service Officer III classifications.
- Effective December 21, 2019, salary ranges will be increased by three and one-half percent (3.5%) for the Police Officer, Park Safety Ranger Assistant, Park Safety Ranger and Park Safety Supervisor classifications.
- Effective December 19, 2020, salary ranges will be increased by two and one-half percent (2.5%) for the Dispatcher I and II, and Community Service Officer III classifications.
- Effective December 19, 2020, salary ranges will be increased by three and one-half percent (3.5%) for the Police Officer, Park Safety Ranger Assistant, Park Safety Ranger and Park Safety Supervisor classifications.
- Effective December 21, 2019, the Advance P.O.S.T incentive shall be increased from five percent (5%) to eight percent (8%) above the employee's base rate of pay.
- City Residency: Effective December 21, 2019, incentive increased from \$5,000 to \$10,000 for the purchase of a new home.
- Holiday Incentive: Effective June 20, 2020, in-lieu of receiving holiday time off employees shall receive Holiday Pay at five and a quarter percent (5.25%) above their base rate of pay.
- On-Call Pay: Effective December 21, 2019, increase from \$30 to \$35 per day.

Sacramento Area Firefighters, Local 522 (Local 522)

The 2014-2018 labor agreement between the City and Local 522 expired on December 21, 2018. The City and Local 522 negotiated a successor MOU which includes the following major new contract terms:

- New term expires December 18, 2020.
- Effective December 22, 2018, salary ranges will be increased by five percent (5%).
- Effective December 21, 2019, salary ranges will be increased by five percent (5%).
- Retiree Medical:
 - Current Retirees: Agree to vested rights or contractual rights language for existing retirees using formula in the 2015 Letter of Understanding between the City and Local 522 titled *Agreement Regarding Retiree Insurance Contribution*.
 - Active Employees: Agree to vested rights language for all current employees (*including the post January 14, 2015 employees*). This vesting would be tied to 100% of the low cost \$25 copay healthcare and 100% of the low-cost dental PPO plan for a single person. Included in the formula is the \$25 monthly stipend, however the additional 5.28% is removed.
 - Benefits Schedule: Eligible current and active employees are still subject to the same

weighted benefit based on years of service (e.g. 10, 15, 20+).

- New Hires: No employee hired on or after January 1, 2020, are eligible for any City-paid retiree healthcare contributions.
- Employees who have completed seventeen (17) years of City service shall receive longevity pay in the amount of three percent (3%) above their base rate of pay.
- Increase Bilingual Pay from \$20/bi-weekly to two percent (2%) of the employee's base rate of pay.
- HazMat Certification Incentive Pay of one and three-quarter percent (1.75%) of base rate of pay for Battalion Chiefs who possess a California state Hazardous materials incident command certificate.
- Fire Educational Incentive Program - eliminate Years of Fire Department Seniority Requirement, no retroactivity:
 - Fire Science Certificate - remove three and one half (3 ½) year requirement.
 - Fire Technology Certificate - remove three and one half (3 ½) year requirement.
 - Associate Degree - remove seven (7) year requirement.
- City Residency Incentive - employees shall receive a one-time incentive pay of \$10,000 following the purchase of a primary residence inside the boundaries of the City of Sacramento.

Personnel Resolution Covering Unrepresented Officers and Employees

Each year, the Department of Human Resources recommends revisions to the Personnel Resolution Covering Unrepresented Officers and Employees (Personnel Resolution). The provisions of the Personnel Resolution apply to Executive Management, Mayor/Council Support staff, Executive Management Support staff, and non-career staff. The proposed Personnel Resolution updates the Health and Welfare Contributions effective December 21, 2019 (full details below in the Health and Welfare Contribution section).

Health and Welfare Contributions

- 2020 Calendar Year Health Changes, effective December 21, 2019, for IAMAW, Local 447, Local 39 Plant Operators, SPOA, Local 522, and the Personnel Resolution Covering Unrepresented Officers and Employees:
 - Employee Only - City contribution of \$829.46 per month;
 - Employee Plus One Dependent - City contribution of \$1,318.38 per month; and
 - Employee Plus Two or More Dependents - City contribution of \$1,758.00 per month.
- 2021 Calendar Year Health Changes, effective December 19, 2020, for IAMAW, Local 447, Local 39 Plant Operators, SPOA and Local 522:
 - City will increase its contribution by fifty percent (50%) of the first fifty dollars (\$50) of premium increases from plan year 2020, for a not to exceed contribution increase of twenty-five dollars (\$25) per month. The method of calculating the actual increase is set out in the MOUs.

Based upon language previously approved by the City Council in its MOU with the Sacramento City Exempt Employees Association (SCXEA), the increased health and welfare contributions for the SPOA and Local 522 will also be received by SCXEA members.

Policy Considerations: Approval of this action by the City Council is consistent with the City's legal obligations under the Meyers-Milias-Brown Act, adheres to the City's positive labor management relations concept, and provides labor stability.

The Sacramento City Code Section 4.04.020 and Council Rules of Procedure (Chapter 7, Section E.2.d) mandate that unless waived by a 2/3 vote of the City Council, all labor agreements and all agreements greater than \$1,000,000 shall be made available to the public at least ten (10) days prior to council action. This item was published for 10-day review on November 11, 2019 as required.

Economic Impacts: None.

Environmental Considerations:

California Environmental Quality Act (CEQA): This report concerns administrative activities that will not have a significant effect on the environment and that do not constitute a "project" as defined by the CEQA Guidelines Sections 15061(b)(3) and 15378(b)(2).

Sustainability: Not Applicable.

Commission/Committee Action: Not Applicable.

Rationale for Recommendation: Approval of this action will:

- Establish a new MOU between the City and IAMAW through June 19, 2021;
- Establish a new MOU between the City and Local 447 through June 18, 2021;
- Establish a new MOU between the City and Local 39 General Supervisors through June 18, 2021;
- Establish a new MOU between the City and SPOA through September 25, 2021;
- Establish a new MOU between the City and Local 522 through December 18, 2020; and
- Establish a new Personnel Resolution Covering Unrepresented Officers and Employees.

Financial Considerations: The two-year cost of the MOUs is \$50,418,963 (\$47,245,048 in the General Fund), as reflected on Attachments 9-13. The increase in department budgets in FY2019/20 will be \$24,647,215 (\$23,700,117 in the General Fund). Funding for the FY2019/20 budget adjustments will come from available fund balance in the General Fund and associated Enterprise

Funds. Labor agreement costs are summarized below:

| Employee Organization | Contract Term (months) | FY2019/20 | | | Total Contract Cost | | |
|--|------------------------|-------------------|----------------|-------------------|---------------------|------------------|-------------------|
| | | General Fund | Other Funds | Total | General Fund | Other Funds | Total |
| International Association of M and Aerospace Workers | 24 | 12,056 | 176,630 | 188,686 | 35,906 | 539,116 | 575,022 |
| Plumbers and Pipefitters, Local 447 | 24 | 0 | 488,685 | 488,685 | 0 | 1,845,749 | 1,845,749 |
| Sacramento Area Firefighters 522 | 24 | 15,674,736 | 0 | 15,674,736 | 24,250,616 | 0 | 24,250,616 |
| Sacramento Police Officers Association | 27 | 7,964,978 | 0 | 7,964,978 | 22,822,472 | 0 | 22,822,472 |
| Stationary Engineers, Local 39 | 24 | 48,347 | 281,783 | 330,130 | 136,054 | 789,050 | 925,104 |
| Total: | | 23,700,117 | 947,098 | 24,647,215 | 47,245,048 | 3,173,915 | 50,418,963 |

Local Business Enterprise (LBE): Not Applicable.