

CITY COUNCIL

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APPROVED

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DENIED

Reso No. _____

File No. _____

Ord No. _____

Agenda Item No.: 10

Date: July 25, 2012

TO: Honorable Mayor and Members of the City Council

FROM: Sheryl Bennett, Human Resources Director

SUBJECT: Memorandum of Understanding between the City of Escondido and the Police Officers' Association – Non-Sworn Bargaining Unit.

RECOMMENDATION:

City Council adopt Resolution No. 2012-125, approving a Memorandum of Understanding between the City of Escondido and the Police Officers' Association Non-Sworn Bargaining Unit for a two-year term commencing July 1, 2012 through June 30, 2014. Approve a budget adjustment appropriating \$25,775 to cover contract costs for Fiscal Year 2012-13.

As a result of approving a new Memorandum of Understanding, adopt Resolution No. 2012-128 pertaining to paying and reporting the value of the seven percent (7%) Employer Paid Member Contribution.

FISCAL ANALYSIS:

Cost to the General Fund for Fiscal Year 2012-13 and Fiscal Year 2013-14 is \$111,080. Funds for this expense have been set aside in the General Fund Operating Budget.

PREVIOUS ACTION:

On August 18, 2010, the City Council voted to adopt the Memorandum of Understanding between the Escondido Police Officers' Association Non-Sworn Bargaining Unit and the City of Escondido, for a two-year term that expired on June 30, 2012.

BACKGROUND:

City staff has met with the Escondido Police Officers' Association Non-Sworn Bargaining Unit, regarding terms and conditions of Employment that expired on June 30, 2012. The attached resolution outlines changes to working conditions and compensation that have been agreed to during this negotiation process.

Tentative agreement on issues before the negotiating group was reached on July 2, 2012. Members of the Bargaining Unit have voted in support of the agreement.

Respectfully submitted,



Sheryl Bennett
Director of Human Resources

RESOLUTION NO. 2012-125

A RESOLUTION OF THE CITY COUNCIL OF
THE CITY OF ESCONDIDO, CALIFORNIA,
APPROVING THE MEMORANDUM OF
UNDERSTANDING WITH THE ESCONDIDO
POLICE OFFICERS' ASSOCIATION, NON-
SWORN BARGAINING UNIT

JULY 1, 2012 – JUNE 30, 2014

WHEREAS, negotiating teams from the City of Escondido and the Escondido Police Officers' Association, Non-Sworn Bargaining Unit have been duly appointed and have been conducting meet-and-confer sessions with respect to matters affecting both parties; and

WHEREAS, a successor Memorandum of Understanding ("MOU") by the City of Escondido ("City") and the Escondido Police Officers' Association, Non-Sworn Bargaining Unit ("Association") is necessary as a result of meeting and conferring in good faith concerning wages, hours, and other terms and conditions of employment; and

WHEREAS, it is the intent of the underlying MOU to provide for continuation of the harmonious relationship between the City and the Association; and

WHEREAS, this City Council desires at this time and deems it to be in the best public interest to approve a successor MOU and certain other modifications.

NOW, THEREFORE BE IT RESOLVED by the City Council of the City of Escondido, California, as follows:

1. That the above recitations are true.
2. The City's negotiating team is authorized to execute, on behalf of the City,

a successor MOU extending the term of the MOU through June 30, 2014, and also including terms as set forth in Exhibit "A" attached to this resolution and incorporated by this reference.

**City of Escondido
Escondido Police Officers' Association, Non-Sworn Bargaining Unit
Successor Memorandum of Understanding
July 1, 2012 – June 30, 2014**

1. **Term:** July 1, 2012 – June 30, 2014. None of the terms are retroactive. All changes take effect upon the agreed effective date after City Council adoption of the Memorandum of Understanding (MOU).

2. **Article 2, Salaries and Compensation, Section 2.02, Salary:**

Effective pay period beginning July 22, 2012, suspended salary step increases 1 through 5 as stated within Exhibit A, Salary Ranges, of the MOU will be unsuspended and reinstated. Employees who missed one or more salary step between August 18, 2010 and July 22, 2012, will advance to the salary step they would have been at but for the suspension of step increases effective August 18, 2010.

3. **Article 2, Salaries and Compensation, Section 2.02, Salary:**

Effective pay period beginning July 22, 2012, the base salary range for all represented classifications shall be increased by four percent (4.0%). This salary increase is concurrent with the employee payment of the remaining seven percent (7.0%) of the entire eight percent (8.0%) normal member contribution required to be paid by a CalPERS member on a pre-tax basis.

4. **Article 2, Salaries and Compensation, Section 2.04, P.O.S.T. Incentive Pay/Certification Pay:**

Effective pay period beginning December 23, 2012, P.O.S.T. Incentive Pay will be unsuspended and reinstated.

5. **Article 2, Salaries and Compensation, Section 2.05, Uniform Allowance:**

Effective upon Council adoption of this successor MOU, reinstate uniform deferrals for Fiscal Year 2012/13. There shall be no uniform allowance distribution (\$350 per employee) in January 2013. Uniform allowance deferrals shall sunset (terminate) effective pay period ending June 22, 2013. Once the uniform allowance deferral is terminated, the uniform allowance will be an annual allowance of \$700, paid on pay dates closest to July 1 and January 1 of each year, as it was prior to the reduction in the amount of uniform allowance.

6. **Article 4, Benefit Package, Section 4.00, CalPERS Benefits (New Employees):**

Implement a second tier retirement system under Government Code Section 20475, for newly hired employees. This second tier will be activated as soon as administratively possible. The following will be applicable to the second tier:

- 2% at age 60 CalPERS retirement calculation, (Government Code Section 21353).
- Employees make 100% of the statutory employee contribution to CalPERS, currently 7.0% of salary. These contributions will be on a pre-tax basis.
- There will be no final-year concession of said payments to compensation for CalPERS benefit calculation purposes ("EPMC").

- The final compensation calculation shall be based on the highest average 36 consecutive months. (Government Code Section 20037).

7. Article 4, Benefit Package, Section 4. 00, CalPERS Benefits (Current Employees):

CalPERS 3% at age 60 Retirement Formula Employees:

- Effective the pay period beginning July 22, 2012, all current NSP Bargaining Unit employees will pay 100% of the statutory employee contribution to CalPERS, which will be applied to the Employees' Contribution and is currently 8.0%. These contributions will be on a pre-tax basis.
- Effective the pay period beginning July 22, 2012, the City will cease paying and reporting the value of the seven percent (7.0%) Employer paid Member Contribution (EPMC).

8. Article 5, Paid Leave, Section 5.01, Holidays:

The following concessions in the MOU that previously sunset on June 30, 2012, will be reinstated immediately upon City Council adoption of a successor MOU (i.e., the concessions that sunset shall become operative again as they were in 2010 and 2011). This includes:

- Reinstatement of Holiday Pay to Furlough Holiday Bank for seven of ten paid holidays for Fiscal Year 2012/13, which includes:

2012 – Labor Day, Veteran's Day, and Day after Thanksgiving

2013 – New Year's Day, Martin Luther King Day, President's Day, Memorial Day

The City will compensate each employee with a furlough leave bank in the same manner as the July 1, 2010 – June 30, 2012 MOU.

Community Service Officer and Senior Community Service Officer classifications will not participate in the deferral of Holiday Pay to Furlough Holiday Bank.

The holiday furlough will sunset (terminate) effective pay period ending June 22, 2013.

- Industrial Disability Exception – Any employee who is on leave due to an industrial illness/injury and separates City service due to the industrial disability during the term of this MOU, shall be entitled to cash-out his/her Holiday Furlough Bank upon separating from employment with the City.

9. Article 12, Work Schedule

The alternate work schedule described in the MOU side letter dated May 1, 2012, will be incorporated into the MOU as requested by NSP. Language will include that Police Management can change to a different staffing model if necessary. Police Management will provide adequate notice to POA if such change is necessary.

10. New Article 13, Personnel Rules and Regulations Review Committee:

The City has drafted an updated Personnel Rules and Regulations document from the Human Resources Department, the City Attorney's Office, and two each employee group shall meet on a regular basis to finalize and implement the updated Personnel Rules and Regulations. NSP agrees to participate in this process, but does not waive its right to meet and confer with the City on changes that are subject to the meet and confer process.

11. New Article 14, MOU Reopener – Healthcare Reform:

At such time as regulations are issued implementing the Affordable Care Act (ACA), the City and NSP will meet and confer to review the impact of such regulations on the benefits plans then in force. If modifications to the benefits, eligibility for coverage, employer or employee contribution to the cost of insurance or any other provisions of the benefit plans covered by this MOU will be modified by the ACA during the term of this agreement, it is agreed that the City and NSP will reopen the contract to meet and confer and determine how such mandated changes will be implemented.

RESOLUTION NO. 2012-128

A RESOLUTION OF THE CITY COUNCIL OF
THE CITY OF ESCONDIDO, CALIFORNIA,
FOR PAYING AND REPORTING THE VALUE
OF EMPLOYER PAID MEMBER
CONTRIBUTIONS (GOVERNMENT CODE
SECTION 20636(c)(4)) FOR ESCONDIDO
POLICE OFFICERS' ASSOCIATION, NON-
SWORN BARGAINING UNIT

WHEREAS, the Escondido City Council has the authority to implement Government Code Section 20636(c)(4) pursuant to Section 20691; and

WHEREAS, the City of Escondido ("City") previously had a written labor policy or agreement which specifically provided for the inclusion of normal member contributions paid by the employer on behalf of the members as special compensation; and

WHEREAS, effective July 23, 2000, the City Council approved Resolution No. 2000-178 to elect to pay seven percent (7%) of employees' compensation Earnable as Employer Paid Member Contributions and report the same Percent (value) of compensation earnable as special compensation for all Escondido Police Officers' Association, Non-Sworn Bargaining Unit employees; and

WHEREAS, the City Council now desires to reduce the payment and reporting value of employees' compensation Earnable as Employer Paid Member Contributions from seven percent (7%) to zero percent (0%); and

WHEREAS, a required step in the procedure to change the paying and reporting of Employer Paid Member Contributions is the adoption by the City Council of a Resolution to reduce paying and reporting the value of seven percent (7%) Employer Paid Member Contributions (EPMC); and

WHEREAS, the following is a statement of the proposed change in reporting compensation to PERS:

This change shall apply as follows:

The City of Escondido elects to pay zero percent (0%) of employee's compensation Earnable as Employer Paid Member Contributions and report the same Percent (value) of compensation earnable as special compensation. This shall apply to all employees of the Escondido Police Officers' Association, Non-Sworn Bargaining Unit.

The effective date of this Resolution shall be July 25, 2012.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Escondido, California:

1. That the above recitations are true.
2. The City Council elects to pay zero percent (0%) of employee's compensation Earnable as Employer Paid Member Contributions and report the same Percent (value) of compensation earnable as special compensation for all employees of the Escondido Police Officers' Association, Non-Sworn Bargaining Unit.