



CITY OF SANTA BARBARA

COUNCIL AGENDA REPORT

AGENDA DATE: September 18, 2012

TO: Mayor and Councilmembers

FROM: City Administrator's Office

SUBJECT: Introduction of Ordinance Adopting The 2012-2013 General Unit Memorandum of Understanding

RECOMMENDATION: That Council:

- A. Ratify the Memorandum of Understanding between the City and the Santa Barbara City Employees' Association, Local 620, Service Employees' International Union, for the period of July 1, 2012 through September 30, 2013 and provide for certain compensation and benefit adjustments for Confidential employees, by introduction and subsequent adoption of, by reading of title only, An Ordinance of the Council of the City of Santa Barbara Adopting the 2012-2013 Memorandum of Understanding Between the City of Santa Barbara and the Santa Barbara City Employees' Association (General Unit) and Providing for Compensation Changes for Confidential Employees; and
- B. Adopt, by reading of title only, A Resolution of the Council of the City Of Santa Barbara Amending Resolution No. 12-042, the Position and Salary Control Resolution for Fiscal Year 2013, Affecting the Public Works Department Effective September 18, 2012.

DISCUSSION:

General Unit Changes

Negotiators from the City and the City's General Employees bargaining unit have resolved a prior impasse and tentatively reached a new fifteen month labor agreement in accordance with City Council negotiation parameters. The agreement was ratified by the bargaining unit membership.

The tentative agreement eliminates the unpaid furlough and the suspension of the annual vacation cash-out option, cost-saving labor concessions that were in place for the three prior fiscal years. The agreement does not include increases to salaries and benefits. It provides for a one-time lump sum payment to each employee of \$383.44 in Fiscal Year 2013.

The new M.O.U. includes an agreement on how employees will be paid during a planned holiday office closure from December 24, 2012 through January 1, 2012. This will allow the closure of non-essential offices and operations during this period, as a productivity management measure, when demand for City services typically drops dramatically. Employees who do not work during the holiday closure will have the option to use their own accrued leave balances, or to take unpaid time off, with the salary reduction impacts of that time off “smoothed” over the remainder of the fiscal year.

Other provisions of the new General Unit MOU include a re-opener clause, at the City’s option, on a second tier of retirement and other salary and benefits for new hires. The City may or may not need to exercise this reopener, given recent state legislation mandating a second tier for all public agencies under the PERS system. There are also other miscellaneous agreement terms that include the following: clarifying procedures for the use of standby and call-back pay and the application of compensatory time; allowing a limited carry-over of existing union business attendance time; providing for discounted waterfront parking passes for waterfront employees; clarifying vacation and leave of absence request procedures; and providing for a market compensation survey for use during the next round of negotiations.

As a “sideletter” agreement, the City and SEIU agreed to a methodology to reclassify water meter readers to a new hybrid “meter reader/wastewater distribution operator-in-training” classification and a “lead meter reader/wastewater distribution operator-in-training” classification in order to provide cross-training and advancement opportunities within the wastewater distribution division. The current meter reader positions are budgeted at the higher Water Distribution Operator II classification, and employees placed in the new classification will continue to underfill the higher level job, so no budget adjustment is necessary. These new hybrid classes will be adopted as a “closed classes”. Any new employees will be appointed into the meter reading function as regular qualified Water Distribution Operators.

Confidential Employee Compensation and Benefit Changes

Staff is recommending a slightly different plan for Confidential employees. Eliminating the vacation cash-out option has been a negotiations priority for the City. In exchange for permanently eliminating this cash-out, the City had offered a package to the General Unit that would have increased the annual medical insurance contribution by \$65 per month (the equivalent historical value of the vacation cash-out for that group) and provided a one-time final cash-out of 40 hours per employee. These terms were similar terms to those that were provided to supervisor and managers. However, this offer was rejected by S.E.I.U. negotiators.

When Employee Relations staff met informally with a group of Confidential employees, they indicated a preference for the City’s offer over the package ultimately agreed to with the General Unit. Since this aligns with City Administration preferences as well, we

are recommending that the alternate terms be provided to the Confidential employee group.

BUDGET/FINANCIAL INFORMATION:

The Fiscal Year 2013 operating budget included an estimate amount to account for pending negotiations of \$200,000 Citywide, with \$100,000 of that in the General Fund. Budget costs will fall within that estimated amount. The Fiscal Year 2012-2013 budget impact for the General Unit will be \$84,510 City-wide, with \$36,996 of that to the General Fund. The Fiscal Year 2012-2013 budget impact for the Confidential employees will be \$10,920 Citywide, with \$7,020 of that to the General Fund.

The cost of the vacation cash-outs was not included in the budget, as that expense is generally not budgeted. The cost of the cash-out for General Unit employees will depend on the number of employees electing to exercise this option, but historically this cost has been about \$183,271 Citywide, with half of that expense attributable to the General Fund. The final cash-out for Confidential employees is expected to cost \$42,450 Citywide, with \$31,142 of that attributable to the General Fund. Staff will attempt to absorb the cost of the vacation cash-out within the normal budget variance; however additional appropriations will be requested if necessary.

PREPARED BY: Kristine Schmidt, Employee Relations Manager

SUBMITTED BY: Marcelo Lopez, Assistant City Administrator

APPROVED BY: City Administrator's Office