



CITY OF SANTA BARBARA

COUNCIL AGENDA REPORT

AGENDA DATE: December 11, 2012

TO: Mayor and Councilmembers

FROM: City Administrator's Office

SUBJECT: Introduction Of Ordinance For 2012-2013 Police Management Memorandum Of Understanding

RECOMMENDATION:

That Council ratify the Memorandum of Understanding between the City of Santa Barbara and the Santa Barbara Police Management Association for the period of July 1, 2012, through December 31, 2013, 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 Police Management Association.

DISCUSSION:

The Memorandum of Understanding (MOU) between the City and the Police Management Association ("Association"), covering nine management employees, expired on June 30, 2012. Negotiators from the City and the Association have been meeting regularly to negotiate a successor agreement, and have reached a tentative agreement through December 31, 2013. The membership of the Association has ratified the agreement.

Under the Agreement:

- Beginning in January 2013, employees will begin to pay 2.88% of their total PERS-able compensation to PERS, and the City will provide a 3% base salary increase which will fully offset this contribution.
- The annual vacation cash-out benefit, which has not occurred for the last few years, will be permanently discontinued; a final one-time vacation cash-out of 80 hours will be offered; and the maximum vacation accrual will be raised by 40 hours.
- The cafeteria plan allowance (for the purchase of health insurance) will be increased by \$116 per month effective January 1, 2013.

- Employees who are newly hired or promoted into the bargaining unit will have a 120 hour cap on holiday accruals, similar to that applicable to other police employees.

Because managers' use of the vacation cash-out exceeds the new cost for the health benefit being provided as part of this MOU, the City will actually achieve ongoing net labor cost savings of approximately 1.5% from this plan. This is similar to the overall reduction that the unrepresented City managers took under the salary plans applicable to them this fiscal year.

BUDGET/FINANCIAL INFORMATION:

This package will increase General Fund costs in Fiscal Year 2013 by approximately \$37,817, and will decrease ongoing costs in Fiscal Year 2014 and thereafter by \$37,461.

However, since the agreement discontinues an unbudgeted labor cost (vacation cash-out) in favor of a budgeted labor cost (health benefit increases), the budgetary impact will be different than the net cost of the agreements as shown above. Budget costs will increase by \$6,264 in Fiscal year 2013 and by \$12,528 on an ongoing basis thereafter.

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SUBMITTED BY: Marcelo López, Assistant City Administrator

APPROVED BY: City Administrator's Office