



CITY OF SANTA BARBARA

COUNCIL AGENDA REPORT

AGENDA DATE: October 21, 2014

TO: Mayor and Councilmembers

FROM: City Administrator's Office

SUBJECT: Introduction Of Ordinance For 2014-2017 Treatment And Patrol (TAP) Memorandum Of Understanding (MOU)

RECOMMENDATION: That Council

- A. Ratify the Memorandum of Understanding between the City and the Service Employees' International Union, Local 620, Airport and Harbor Patrol Officers' and Treatment Plants' Bargaining Units, for the period of January 1, 2014 through September 30, 2017, by introduction and subsequent adoption of, by reading of title only, An Ordinance of the Council of the City of Santa Barbara Adopting the 2014-2017 Memorandum of Understanding Between the City of Santa Barbara and the Patrol Officers' and Treatment Plants' Bargaining Units (TAP Units);
- B. Adopt, by reading of title only, A Resolution of the Council of the City of Santa Barbara For Paying and Reporting the Value of Employer Paid Member Contributions for Sworn Harbor Patrol Employees in the Treatment and Patrol Bargaining Units effective January 10, 2015; and
- C. Adopt, by reading of title only, A Resolution of the Council of the City of Santa Barbara For Paying and Reporting the Value of Employer Paid Member Contributions for Sworn Harbor Patrol Employees in the Treatment and Patrol Bargaining Unit effective July 11, 2015.

DISCUSSION:

Negotiators have reached a new three-year and nine-month labor agreement with the Treatment and Patrol (TAP) bargaining units in accordance with parameters set by Council. The agreement covers the period from January 1, 2014 through September 30, 2017. The Treatment and Patrol Units encompass 120 budgeted positions, including water and wastewater workers, airport and harbor patrol officers, airport operations staff, and park rangers. The agreement has been ratified by the Union membership.

Salaries

Employees will receive the following negotiated salary increases:

	10/4/14	1/10/15	7/11/15	10/3/15	10/1/16
Water Meter Readers	1.0%	-----	-----	1.5%	3.0%
Harbor Patrol Officers	-----	3.0%	3.0%	2.5%	3.0%
All Others	2.0%	-----	-----	2.0%	3.0%

In addition, as explained below, employees have elected to receive an additional 0.5% salary increase effective December 27, 2014 in exchange for the permanent relinquishment of the vacation cash-out benefit. The City has also agreed to up to 0.5% in salary inequity adjustments that may be determined necessary by an ongoing labor market compensation survey.

Harbor Patrol PERS Contribution

The first two salary increases for Harbor Patrol employees listed in the section above will be completely offset by increased employee pension contributions. Increasing City pension costs have been a key concern for the City in recent years. It has been a goal to have all safety employees paying at least the full required 9.0% member contribution toward their pensions. During the economic decline, harbor patrol officers agreed to temporarily pay a 3.0% contribution to the City to offset the cost to the City of their pensions under the California Public Employees Retirement System (PERS). As part of the new agreement, the employee contribution will permanently increase to 6.0% of salary in January 2015, and it will be paid directly to PERS instead. In July of 2015 employees will begin paying the full 9.0% member contribution on their own behalf. For ease of administration, the remaining roll-up benefit will be discontinued at that time, instead of the initially agreed upon January 2015, with those minimal contributions benefitting the pension plan's funded status.

Vacation Cash-Out Suspended

After a final vacation cash out of 100 hours (140 hours for meter readers) in December 2014, the annual cash-out benefit will be eliminated permanently, as it has been for other labor groups. The vacation accrual cap will be increased by 40 hours for non-shift employees and 60 hours for shift workers. As mentioned above, the value of this benefit will be reallocated to a 0.5% salary increase, effective December 27, 2014.

Miscellaneous

The City agreed to begin making a \$50 per month match to the Health Savings Account (HSA) for any employee enrolled in the HSA-coordinated PPO health plan effective in

January 2015, increasing to \$75 per month in January 2016. Other agreements include: small increases to the shift differential pay, a change to employees' ability to accrue compensatory time on a trial basis, a change to the dress code provision, clarification about negotiating over contracting work, and other minor and administrative agreements.

BUDGET/FINANCIAL INFORMATION:

The cost of the TAP Units agreement in Fiscal Year 2015 is estimated to be \$438,565 Citywide, with only about \$7,850 (1.8%) of that to the General Fund. The Fiscal Year 2015 operating budget already included the October 2015 increase. It is anticipated that departments will be able to absorb the 0.5% December 2014 increase in their existing budgets, which will be offset by elimination of the cash out benefit in Fiscal Year 2016 and thereafter. Any special salary adjustments to select positions following the market survey will also likely be absorbed by departments. Staff will return later in the year if any related adjustments need to be made to the Fiscal Year 2015 budget.

The ongoing cost of the three-year and nine-month agreement, net of savings due to the elimination of the unbudgeted vacation cash out benefit, will be \$ 797,884 Citywide, with only about \$14,282 of that to the General Fund.

SUBMITTED BY: Kristine Schmidt, Administrative Services Director

APPROVED BY: City Administrator's Office