



CITY OF SANTA BARBARA

COUNCIL AGENDA REPORT

AGENDA DATE: June 14, 2011

TO: Mayor and Councilmembers

FROM: City Administrator's Office

SUBJECT: Introduction Of Ordinance For Extension To Supervisors
Memorandum Of Understanding

RECOMMENDATION:

That Council introduce and subsequently adopt, by reading of title only, An Ordinance of the Council of the City of Santa Barbara Amending Ordinance No. 5484, the 2009-2011 Memorandum of Understanding between the City of Santa Barbara and the Santa Barbara City Supervisory Employees' Bargaining Unit (Supervisors' Unit) to Include a Supplemental Agreement.

DISCUSSION:

For the past several years, the Supervisors Bargaining Unit, which represents 81 first and second line supervisors throughout the City, has negotiated cooperatively with management on labor concessions in order to avoid layoffs and service cuts. City negotiators have again reached a tentative agreement with this group to extend their existing Memorandum of Understanding (MOU) by one additional year, through June 30, 2012, and to provide up to 6% in labor concessions. Members are expected to ratify this agreement prior to Council consideration of this action.

The agreement provides for concessions as follows:

- Harbor Patrol Supervisor contributions to PERS,
- A unpaid furlough in Fiscal Year 2012, and
- Suspension of the vacation cash out benefit in Fiscal Year 2012, and

Most employees in this bargaining unit are part of the PERS Miscellaneous Plan and have paid into the PERS pension plan for a number of years. However, the sworn Harbor Patrol Supervisor is included under the PERS Police Safety Plan and did not previously make a contribution. He will begin making a 3% contribution toward pension benefits, similar to that recently negotiated with the Police Officers Association.

Most employees will take 101 hours of furlough in Fiscal Year 2012. The Harbor Patrol Supervisor will take a lesser furlough of 48 hours, in recognition of the new PERS contribution.

The vacation cash out benefit is valued at the actual usage of this benefit in 2008, the last year it was available.

To ease the administrative burden of the unpaid furlough, time limits to take certain paid leave banks have been extended into Fiscal Year 2013, when it is anticipated fewer furlough hours will be necessary. As with the previous agreement, employees will have two years to use their annual allotment of personal leave, rather than the usual one year, and there is a limited provision to balance lost vacation accruals with personal leave.

Other miscellaneous agreements include a reopener on non-economic issues in September 2011 and the completion of a salary survey for use in the next negotiation period.

The agreement contains an equity clause which reduces the required labor concessions retroactively if the City ultimately agrees to a significantly lesser percent of labor concessions with the General bargaining unit. Fairness is a consistent theme in concession negotiations. The equity clause contained in this agreement allowed the Association to offer significant concessions, while still ensuring that its membership would not ultimately be asked to do more than the General Unit employees.

Agreeing to lesser concessions with the SEIU union would impact budget savings achieved under this agreement, but it is still an option. Under the equity clause, if the City agrees to lesser concessions in Fiscal Year 2012 with the General Unit, concessions for Supervisors will be reduced retroactively. Differences of less than a half percent will not trigger an adjustment.

BUDGET/FINANCIAL INFORMATION:

This agreement is expected to generate \$517,313 in labor savings in Fiscal Year 2013, with \$252,312 of that to the General Fund. These savings are consistent with what was included in the proposed FY 2012 budget.

PREPARED BY: Kristine Schmidt, Employee Relations Manager

SUBMITTED BY: Marcelo Lopez, Assistant City Administrator

APPROVED BY: City Administrator's Office