

April 11, 2017

Dear City Employee and SEA Member,

In February 2017, the City and Sunnyvale Employee Association (SEA) began a Fact-Finding process pursuant to the Myers Milias Brown Act regarding the inability to reach agreement on a successor Memorandum of Understanding (MOU). Throughout the Fact-Finding process, the City Council has remained silent, with our bargaining position and direction conveyed through our negotiating team. The City Council has had access to all materials produced by SEA and the City during the fact-finding process and we continue to uphold our bargaining position and direction.

At the March 28 City Council meeting, SEA made a public presentation on the status of bargaining, including a handout entitled, "Myth & Facts About City's Final Brief to Factfinder." To avoid any appearance of direct dealing, the City Council did not address SEA's statements, choosing instead to do so in this written form, and to use this letter to address misinformation about the Council approved Last, Best, and Final Offer (LBFO).

To be clear, the City Council has directed a LBFO with a 10% wage increase (including a 5.5% raise upon City Council adoption) with **no change** in the amount members pay towards their pensions.¹ Assertions that the City's 10% wage proposal is reduced by a 4% additional pension contribution, resulting in a net 6% wage increase are not true.

Additionally, the LBFO provides for:

- Medical Insurance – Status Quo
- Schedule C Employees are exempt and would no longer receive overtime but receive 40 hours of Administrative Leave annually
- 5% compensation for Working Out of Class – Special Assignment (new premium pay)
- 5% compensation for working a shift for swing, rotating or graveyard (new premium pay)
- Elimination of the Medical Cash-In-Lieu benefit (recent court decision)
- Standby Duty for less than 8 hours worked is pro-rated
- HRIS/Pay Date reopener language to address new HRIS system implementation

¹ You can find the parties' proposals and other documents related to the fact-finding process on the City's Human Resources website (click on Labor Agreements).

ATTACHMENT 2

The City and SEA have also agreed to 21 Tentative Agreements (TA). Some of these TA's include: a reduction in the waiting period to qualify for Paid Medical Leave (PML), a reduction in the waiting period to dental insurance, enhancements to safety footwear, tool allowance, hazardous duty pay and a new trainer compensation.

The City Council publicly affirms our LBFO. This LBFO provides competitive compensation, adheres to the City's fiscal management principles, and takes into consideration the significant investment in additional pension costs that have surfaced in the past 12 months (e.g., approximately \$300M new costs or equivalent to an additional investment of \$335K/staff position over 20 years).

The City Council values the service that our employees provide to the community. As a service-oriented agency, we recognize and appreciate the commitment staff has shown to the City organization. Balancing sustainable wages, benefits and the other needs of our budget with service delivery to residents is our top priority. We believe our offer to SEA is a fair offer and retains our employees at a rate that is competitive overall in total compensation. Indeed, as shown in the City's brief, the City's offer will place employees at or above market average (considering both compensation and pension) in all 13 classifications studied by either the City or the SEA.

The City Council stands by our LBFO, as we feel that as an employer we offer a fair and competitive total compensation package to our employees.

In appreciation of your service to our residents,

Glenn Hendricks
Mayor

Gustav Larsson
Vice-Mayor

Jim Griffith
Councilmember

Larry Klein
Councilmember

Nancy Smith
Councilmember

Russ Melton
Councilmember

Michael S. Goldman
Councilmember