



City of Sunnyvale

Agenda Item-No Attachments (PDF)

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REPORT TO COUNCIL

SUBJECT

Adopt Memorandum of Understanding between the City of Sunnyvale and the Communication Officers Association and the Corresponding Resolution to Amend the City's Salary Resolution and the Resolution for Paying and Reporting the Value of Employer Paid Member Contributions for CalPERS Retirement

BACKGROUND

A tentative agreement (Attachment 1) has been reached between the City of Sunnyvale (City) and the Communication Officers Association (COA) on a successor Memorandum of Understanding (MOU) (Attachments 2 and 3). COA represents 19 dispatchers in the Department of Public Safety. This report recommends adoption of the provisions of the 2015 - 2017 MOU. This agreement, if approved by the City Council, will be effective January 1, 2015 through and including December 31, 2017.

The MOU between the City and COA expired on December 31, 2014. Negotiators for the City and COA began the meet and confer process in December 2014 and met nine times, in addition to numerous exchanges by telephone and email, in an effort to reach an agreement. On March 10, 2015, COA declared impasse and invoked the impasse procedures.

The Municipal Employee Relations Officer (MERO) held two impasse meetings on March 18, 2015 and April 3, 2015 with City and COA representatives in an effort to reach agreement on the unresolved issues. A tentative agreement was reached on April 3, 2015. On May 1, 2015, the City was notified that the COA membership rejected the tentative agreement.

On August 7, 2015, the City and COA met with a mediator assigned by the State Mediation and Conciliation Service. A mediated tentative agreement was reached on the same day, and the City was notified on August 11, 2015 that the COA membership ratified that agreement.

EXISTING POLICY

Council Policy 7.3.1 Legislative Management - Goals and Policies, Goal 7.3D: Maintain a quality work force, consistent with state and federal laws, City Charter, and adopted policies in order to assure that City services are provided in an effective, efficient, and high quality manner.

ENVIRONMENTAL REVIEW

N/A

DISCUSSION

The significant provisions of the proposed amendments to the MOU and Resolutions (Attachment 3 and 4) are as follows:

Wages

Salary adjustments during the term of the agreement:

- Year 1 -
 - Effective the first full pay period following membership ratification and City Council approval: a 3% general wage increase; and
 - A lump sum one-time payment for the value of retroactivity from January 1, 2015 to July 20, 2015.
- Year 2 - Effective January 3, 2016: a 3.5% general wage increase.
- Year 3 -
 - Revert to salary survey of 12 comparable agencies with some modifications to the existing methodology.
 - Employees will receive 5% more than the total compensation average (reduced from 9.5%).
 - Implementation date of salary adjustment is changed from the first full pay period in February to the first full pay period following Council adoption of a Resolution amending the salary schedules in the Salary Resolution.

Retirement

Increase employee contributions for CalPERS classic members:

- Effective the first full pay period following membership ratification and City Council approval, employees shall pay an additional 1% of the employee contribution that is currently paid by the City for a total 3 or 4% contribution, depending on retirement formula.
- Effective January 3, 2016, employees shall pay an additional 1% of the employee contribution that is currently paid by the City for a total 4 or 5% employee contribution, depending on retirement formula.
- Effective January 1, 2017, employees shall pay an additional 1% of the employee contribution that is currently paid by the City for a total 5 or 6% employee contribution, depending on retirement formula.

CalPERS allows the value of City-paid member contributions to be reported as compensation. The City has reported its contributions this way for several years and the attached Resolution adjusting the value of these employer-paid member contributions is required by CalPERS to reflect the revisions described above.

Insurance

City Medical and Cafeteria Plan Contributions

Increase the City contribution to the medical and cafeteria plans from the existing combined contribution of \$515 per month.

- Effective the first full pay period following membership ratification and City Council approval: \$615 per month
- Calendar year 2016: \$715 per month
- Calendar year 2017: \$815 per month

Cash In-Lieu of Medical Coverage

The existing cash in-lieu of medical coverage program affords COA represented employees to receive a payment of \$20 to \$125 per month by reducing their medical coverage. The existing program does not require employees to waive medical coverage entirely. Effective the first full pay period in the second month following membership ratification and City Council approval, this program is modified so that employees are eligible for payment only by opting out of medical coverage entirely. The payment amount shall be \$48.75 to \$213.42 per month, depending on the number of dependents eligible to enroll.

Paid Leave

Paid Time Off (PTO)

The Paid Time Off program shall replace the vacation program, emergency family leave, and medical appointment leave. Under the PTO program, employees will accrue leave that may be used for vacation, medical appointments, illness/injury, emergencies, or personal business such as care of a sick family member or school visits. Highlights of the PTO program are as follows:

- Employee's accrued vacation hours shall be converted to PTO hours on a one-for-one basis.
- Each full-time employee shall receive a one-time, 60 hours credit for PTO.
- Maximum PTO accrual is 885 hours.
- PTO accrual rate shall phase-in in two stages.

January 1, 2015 to June 30, 2016 (pay period inclusive of June 30, 2016):

<u>Service Period (pay periods)</u>	<u>Years</u>	<u>Accrual Hours (per pay period)</u>
1 - 26.99	0 to 1	5.0
27 - 130.99	1+ to 5	7.0
131 - 260.99	5+ to 10	8.5
261 - 442.99	10+ to 17	10.0
443 - 650.99	17+ to 25	10.5
651 or more	25 or more	11.5

Effective July 1, 2016:

<u>Service Period (pay periods)</u>	<u>Years</u>	<u>Accrual Hours (per pay period)</u>
1 - 26.99	0 to 1	5.5
27 - 130.99	1+ to 5	6.5
131 - 260.99	5+ to 10	8.0
261 - 442.99	10+ to 17	9.5
443 - 650.99	17+ to 25	10.5
651 or more	25 or more	11.0

Paid Medical Leave (PML)

The existing Paid Medical Leave (PML) program affords COA represented employees with 90 days of paid leave per illness or injury. PML is not an accrued benefit and is afforded to all COA represented employees who have completed 26 consecutive pay periods of service. The PML program is modified with the implementation of the PTO program and now requires employees to use PTO for the first 120 hours of absence for the illness or injury. The City shall provide paid leave from the 121st hour through the 90th day for the same illness or injury.

Workers' Compensation

COA represented employees are eligible for Workers' Compensation benefits as provided by state law during the first 26 pay periods of service. After 26 pay periods of service, the City shall provide full pay for a medically certified work-related (same occurrence) disability during the first 60 calendar days of disability. Employees are currently provided with full pay for 90 calendar days of disability.

Premium and Allowance

In-Lieu of Holiday Pay

20 hours of floating holiday leave per year will be converted to the equivalent number of hours as in-lieu holiday pay.

Bilingual Pay

Payment for eligible COA represented employees shall be increased from \$25 per month to \$50 per month for intermediate proficiency, and increased from \$50 per month to \$85 per month for advanced proficiency.

Boot Allowance

City shall provide a boot allowance of \$100 per fiscal year.

Minor Changes and Updates to MOU for Clarification

The MOU contains several minor changes and language clarifications.

Salary Resolution

Provisions of the Salary Resolution that will be affected by the adoption of the 2015 - 2017 COA MOU are updated, including the salary table.

FISCAL IMPACT

The FY 2015/16 Budget assumes a 2% per year increase in salary for employees in COA, along with an annual 1% additional contribution to the employer paid, employee portion of retirement cost.

This MOU provides a salary adjustment that is larger than budgeted by 1% in the first year, and 1.5% in the second year. Including the effect of the increased salaries on retirement costs, the total cost over the budget for these two years is estimated to be \$85,000. For year three, it is estimated by City staff that with the changes to the survey methodology, the increase will be just over 2%, closely aligning with the budgeted increase. The estimated twenty-year impact of these changes is \$1.5 million. Along with the retroactive payment, estimated to cost approximately \$26,500, the total cost for FY 2015/16 is \$50,500, which can be absorbed in the Department of Public Safety operating budget.

The transition from the current PML program to a PTO program is expected to be cost neutral on an

ongoing basis. The provision of a one-time PTO credit will cost the City approximately \$55,000, which can be absorbed in the current budget for employee leaves.

Other compensation increases included in this MOU are not included in the current budget but can be absorbed in FY 2015/16 and adjusted for future years. Of note is the medical contribution, which ranges from an additional \$22,800 in the first year to approximately \$68,400 per year in the third year. With Council's approval, these MOU terms will be incorporated into the FY 2016/2017 Recommended Budget.

Funding Source

All of the costs associated with the COA MOU are contained within the General Fund.

PUBLIC CONTACT

Public contact was made by posting the Council agenda on the City's official-notice bulletin board outside City Hall, at the Sunnyvale Senior Center, Community Center and Department of Public Safety; and by making the agenda and report available at the Sunnyvale Public Library, the Office of the City Clerk and on the City's website.

ALTERNATIVES

1. Adopt the Memorandum of Understanding between the City of Sunnyvale and the Communication Officers Association, presented as Attachment 3, and the corresponding Resolution amending the City's Salary Resolution, presented as Attachment 4, and the Resolution for Paying and Reporting the Value of Employer Paid Member Contributions, presented as Attachment 5.
2. Do not adopt the Memorandum of Understanding between the City of Sunnyvale and the Communication Officers Association and the corresponding Resolutions and continue negotiations for a subsequent MOU.

STAFF RECOMMENDATION

Alternative 1: Adopt the Memorandum of Understanding between the City of Sunnyvale and the Communication Officers Association, and the corresponding Resolution amending the City's Salary Resolution and the Resolution for Paying and Reporting the Value of CalPERS Employer Paid Member Contributions.

Prepared by: Vienne Choi, Principal Human Resources Analyst

Reviewed by: Teri Silva, Director, Human Resources

Reviewed by: Kent Steffens, Assistant City Manager

Approved by: Deanna J. Santana, City Manager

ATTACHMENTS

1. Tentative Agreement between the City of Sunnyvale and the Communication Officers Association
2. 2015 - 2017 MOU with Track Changes
3. 2015 - 2017 MOU
4. Resolution Amending Resolution No. 190-05, the City's Salary Resolution, by Amending the Salary Resolution and Schedule of Pay for Pay Plan Category A (COA)
5. Resolution for Paying and Reporting the Value of Employer Paid Member Contributions for the

Communication Officers Association