

REPORT TO COUNCIL

SUBJECT

Approve Memorandum of Understanding between the City of Sunnyvale and the Service Employees International Union Local 521 2017-2021 and Adopt Resolution to Amend the Schedule of Pay in the City's Salary Resolution to Increase Salaries for Pay Plan Category L (Classified Regular Part-Time Employees)

BACKGROUND

A Tentative Agreement has been reached between the City of Sunnyvale (City) and the Service Employees International Union Local 521 (SEIU) on a successor Memorandum of Understanding (MOU). SEIU represents classified regular part-time employees. This report recommends approval of the MOU, which, if approved by the City Council, will be in effect from July 1, 2017 through and including June 30, 2021.

The MOU between the City and SEIU expires on June 30, 2017. Negotiators for the City and SEIU began the meet and confer process in March 2017 and met 5 times before reaching an agreement. A Tentative Agreement was signed on May 1, 2017, and on May 17, 2017, the City was notified that the SEIU membership ratified this 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

The action being considered does not constitute a "project" with the meaning of the California Environmental Quality Act ("CEQA") pursuant to CEQA Guidelines section 15378 (b) (5) in that it is a governmental organizational or administrative activity that will not result in direct or indirect changes in the environment.

DISCUSSION

The significant provisions of the new MOU are as follows:

Wages

- 5.5% general wage increase retroactive to the first full pay period in July 2016, effective the pay period inclusive of Council approval
- 4% general wage increase effective the first full pay period of July 2017
- 2% general wage increase effective the first full pay period of July 2018
- 2% general wage increase effective the first full pay period of July 2019

- 2% general wage increase effective the first full pay period of July 2020
- If the Sunnyvale Employees Association (SEA) enters into a memorandum of understanding with the City that includes salary adjustments different from those listed above, SEIU will receive the same salary adjustment as SEA (maintaining existing “me too” language).

Out of Class Pay for Special Assignment Work

5% increase in pay for working on special assignments approved by the City Manager or designee.

Retirement

The total employee share of retirement required by CalPERS is 8% for Tier 1 miscellaneous employees and 7% for Tier 2 miscellaneous employees. The City will continue to pay 4% of this cost. Tier 1 employees will continue to pay 4%, and Tier 2 employees will continue to pay 3%. The City’s payment of the portion of the CalPERS employee share is commonly called the Employer Paid Member Contribution (EPMC).

If SEA enters into a memorandum of understanding with the City that includes changes to the City’s contribution to the employee’s share of PERS, SEIU will be subject to the same change (maintaining existing “me too” language).

Cash In-Lieu of Medical Coverage

Eliminate the cash in-lieu of medical benefit and provide a one-time payment of \$600 to employees who currently receive the benefit.

Paid Time Off (PTO)

Accrual table modeled after SEA with prorated hours based on part-time status.

Bereavement Leave

- Step-parents will be added as eligible relationships for bereavement leave.
- Bereavement leave must be used within six months of the eligible incident.
- Eligible for one week of leave based on regularly scheduled hours.

Holidays

Change holiday benefit from an accrual bank to paid time off from work on holidays based on the employee’s regularly scheduled hours.

FISCAL IMPACT

For the current fiscal year, some costs are budgeted with the remainder being absorbed through expenditure savings primarily due to vacancies. The cost of the salary increases is included in the FY 2017/18 Recommended Budget and totals approximately \$4 million over twenty years over the current budget.

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.

STAFF RECOMMENDATION

Approve and Authorize the City Manager to Execute the Memorandum of Understanding between the City of Sunnyvale and the Service Employees International Union Local 521 2017-2021, and adopt the Resolution amending the Schedule of Pay in the City's Salary Resolution to Increase Salaries for Pay Plan Category L (Classified Regular Part-Time Employees).

Prepared by: Anthony Giles, Human Resources Manager

Reviewed by: Teri Silva, Director, Department of Human Resources

Reviewed by: Walter C. Rossmann, Assistant City Manager

Approved by: Deanna J. Santana, City Manager

ATTACHMENTS

1. Memorandum of Understanding between the City of Sunnyvale and the Service Employees International Union Local 521 (SEIU) 2017 - 2021 with no markup
2. Memorandum of Understanding between the City of Sunnyvale and the Service Employees International Union Local 521 (SEIU) 2017 - 2021 - redlined version
3. Revised Salary Table
4. Resolution Amending the Schedule of Pay in the City's Salary Resolution to Increase Salaries for Pay Plan Category L (Classified Regular Part-Time Employees)