



STAFF REPORT TO THE CITY COUNCIL

DATE: Regular Meeting of September 10, 2019

TO: Members of the City Council

SUBMITTED BY: David Biggs, City Manager
Lori Martin, Director of Administrative Services

SUBJECT: Approve Memorandum of Understandings with the Teamsters Local 315 Full-Time and Part-Time Units and Updated Unrepresented Part-Time Salary Schedule for FY 2019-20 and Approve Updated FY 2019-20 and 2020-21 Salary Schedules for HPOA, Executive Level, Mid-Management and Non-Represented Employees

RECOMMENDED ACTION: Adopt a Resolution Approving Memorandum of Understandings with Teamster Local 315 Full-Time and Part-Time Units and Updating the Non-Represented Salary Schedule for FY 2019-20, and adopt the updated FY 2019-20 and 2020-21 salary schedules for HPOA, Executive Level, Mid-Management and Non-Represented Employees.

FISCAL IMPACT OF RECOMMENDATION: Approval of these new labor related items will result in costs, both on-going and one time in nature. The proposed MOUs and updated Non-Represented Salary Schedule will be effective through June 30, 2020. The on-going costs for the employees covered through these approvals are illustrated below. The table below breaks out the costs by employee group:

<u>2019/20</u>		
Group	Annualized On-Going Costs	One-Time Costs
Teamsters Full-Time	\$49,067	\$13,657
Teamsters Part-Time	\$25,797	\$7,368
Non-Represented Part-Time	\$48,802	
Total	\$123,666	\$21,025

The adopted FY 2019/20 Budget provides an amount for both on-going and one-time costs as outlined in Decision Package #20-3 and the costs identified above can be accommodated within the total amounts, although on-going costs are higher than the placeholder, while one-time costs are lower. With all labor agreements now in place for FY 2019/20, anticipated total on-going costs will exceed what is budgeted on an on-going basis for FY 2019/20 by just over \$100,000. As anticipated in the budget, these costs would be funded from available fund balance as the net difference in one-time costs is greater than the higher on-going costs.

DISCUSSION: Existing Memorandums of Understanding (MOU) and agreements with employees have terms which ended June 30, 2019. The City has been engaged in the meet and confer process as required by law with the represented employees and in a consultation process with non-represented employees. The City Council has been providing the City's labor negotiator with direction in closed sessions over the past few months. A two-year Memorandum of Understanding with the Hercules Police Officers Association and updated Unrepresented Full-Time Pay Plans were approved by the City Council on July 23, 2019. Negotiations have now been completed with the two Teamsters units and with that agreement, it is also timely to update the unrepresented part-time salary schedule. A summary of the changes proposed by the employee groups is set forth below:

Group							
<p>Teamster Full-Time</p> <p>MOU Term to June, 30, 2020 (one year)</p>	<p style="text-align: center;">2019/20</p> <p>3.50% COLA effective September 8, 2019</p> <p>One-time 1% non-PERSable retention payment with employees able to elect to direct payment to deferred comp</p> <p>Additional one-time .67% non-PERSable amount in-lieu of retroactivity to July 14, 2019.</p> <p>Health care contributions rates for 2020 set at the Kaiser rates as follows:</p> <table data-bbox="516 976 1166 1087"> <tr> <td>Employee Only</td><td>\$768.49</td></tr> <tr> <td>Employee & 1 Dependent</td><td>\$1,536.98</td></tr> <tr> <td>Employee & 2+ Dependents</td><td>\$1,998.07</td></tr> </table> <p>Union Membership & Dues Collection Language updates</p>	Employee Only	\$768.49	Employee & 1 Dependent	\$1,536.98	Employee & 2+ Dependents	\$1,998.07
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<p>Teamster Part-Time</p> <p>MOU Term to June, 30, 2020 (one year)</p>	<p>3.50% COLA effective September 8, 2019</p> <p>One-time 1% non-PERSable retention payment with employees able to elect to direct payment to deferred comp</p> <p>Additional one-time .67% non-PERSable amount in-lieu of retroactivity to July 14, 2019.</p> <p>Health care contributions rates for 2020 set at the Kaiser rates as follows:</p> <table data-bbox="516 1528 1166 1640"> <tr> <td>Employee Only</td><td>\$768.49</td></tr> <tr> <td>Employee & 1 Dependent</td><td>\$1,536.98</td></tr> <tr> <td>Employee & 2+ Dependents</td><td>\$1,998.07</td></tr> </table> <p>Union Membership & Dues Collection Language updates</p>	Employee Only	\$768.49	Employee & 1 Dependent	\$1,536.98	Employee & 2+ Dependents	\$1,998.07
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The part-time unrepresented salary schedule will be increased by 3.5%. In addition, the resolution also approves all of the remaining updated salary schedules as already modified by the updated MOU's and Pay Plans as required by State Law.

In addition, pursuant to the recent adoption of the HPOA MOU and pay and benefit plans for Executive Level, Mid-Management and Non-Represented employees the FY 2019-20 and 2020-21 salary schedules have been updated and are attached for adoption. All of the attached updated salary schedules meet the requirements of California Code of Regulations section 570.5 to ensure the City remains in compliance with CalPERS regulations.

ATTACHMENTS:

1. Resolution
2. Memorandum of Understanding with Teamsters Full-Time
3. Memorandum of Understanding with Teamsters Part-Time
4. FY 19-20 - Un-Represented Part Time Salary Schedule
5. FY 19-20 - Updated Salary Schedules – all groups
6. FY 20-21 – Salary Schedules for HPOA, Sr. Management & Unrepresented, Executive Management with Assistant City Manager Title and Mid-Management