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Agenda Item: ID#15-470

Date: 6/25/15

2015 JUN 22 AM 10 21

FRESNO CITY COUNCIL

CITY CLERK, FRESNO CA



Supplemental Information Packet

Agenda Related Items – ID#15-470

Contents of Supplement: Updated Staff Report

Item(s)

- 1.***Adopt a Memorandum of Understanding between the City of Fresno and City of Fresno Professional Employees Association (CFPEA) (Management Non-Confidential and Non-Management Confidential)
- 2.***Adopt a Side Letter of Agreement between the City of Fresno and CFPEA (Management Non-Confidential and Non-Management Confidential – Unit 13A and 13B) on pensions for new employees
- 3.***RESOLUTION – 5th amendment to Salary Resolution No. 2014-108, Amending Salaries in Exhibit 13-1, Management Non-Confidential (CFPEA), and Exhibit 13-2, Non-Management Confidential (CFPEA)

Supplemental Information:

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Legislation Text

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CITY CLERK, FRESNO CA

REPORT TO THE CITY COUNCIL

June 25, 2015

FROM: JEFF CARDELL, Director
Personnel Services Department

BY: KEN PHILLIPS, Labor Relations Manager
Personnel Services Department

SUBJECT

- 1.***Adopt a Memorandum of Understanding between the City of Fresno and City of Fresno Professional Employees Association (CFPEA) (Management Non-Confidential and Non-Management Confidential)
- 2.***Adopt a Side Letter of Agreement between the City of Fresno and CFPEA (Management Non-Confidential and Non-Management Confidential - Unit 13A and 13B) on pensions for new employees
- 3.***RESOLUTION - 5th amendment to Salary Resolution No. 2014-108, Amending Salaries in Exhibit 13-1, Management Non-Confidential (CFPEA), and Exhibit 13-2, Non-Management Confidential (CFPEA)

RECOMMENDATIONS

It is recommended that Council: 1) approve the attached Memorandum of Understanding (MOU) to implement changes in wages, hours and other terms and conditions of employment for City employees in Unit 13A and 13B, represented by CFPEA; 2) approve a Side Letter of Agreement on Pensions for New Employees in Unit 13A and 13B; and 3) approve the Fifth Amendment to the Salary Resolution No. 2014-108, amending salaries in Exhibit 13-1 and Exhibit 13-2.

EXECUTIVE SUMMARY

The City has been in MOU negotiations with CFPEA since May 2013. The parties were able to reach a tentative agreement on a successor MOU on May 21, 2015, which replaces the MOU that expired on June 30, 2013. CFPEA members ratified the tentative agreement on June 17, 2015. Highlights of the agreement include a 2% wage increase on June 29, 2015, a 2.5% wage increase on July 1, 2016, equity adjustments for certain classes in Water and Wastewater and for Legal Secretaries, increased pension contributions for new employees, changes in health care premiums reflecting what other bargaining units have accepted, and changes to leave accruals to be effective through June 30, 2017. This unit has participated in furloughs and last received a wage increase of 2% on July 1,

2008.

Agreement was also reached on a reopener relative to pensions for new employees. Council is asked to approve the new MOU, the Side Letter of Agreement and the Salary Resolution Amendment implementing the salary increases. The Legal Secretary equity adjustments effective July 1, 2015, will be implemented with the Fiscal Year 2016 budget salary resolution, and the general wage increases effective July 1, 2016, will be implemented with the Fiscal Year 2017 budget salary resolution.

BACKGROUND

The City and CFPEA have been in negotiations since May 2013. A tentative agreement was reached on May 21, 2015 and CFPEA members ratified the agreement on June 17, 2015. Employees in this bargaining unit last received a wage increase on July 1, 2008 and have participated in furloughs and other reductions. The successor MOU includes the following, along with other updates as identified in the attached document.

- Term: Through June 30, 2017.
- Wages and Pension.
 - 2% general wage increase effective June 29, 2015.
 - 5% equity adjustment for Water System Supervisors and Wastewater Treatment Maintenance Supervisors effective June 29, 2015 in addition to the 2% increase noted above.
 - New employees hired on or after June 15, 2015 to pay an additional 1.5% towards their pension.
 - 3% equity adjustment for Legal Secretaries effective July 1, 2015.
 - A 2.5% general wage effective July 1, 2016.
- Health Care Premiums.
 - Employees to pay an amount equal to 75% of the premium currently in place, along with 50% of the increase effective July 1, 2015.
 - Employees to pay 50% of any future increases in health care premiums except that the employee share of premiums is limited to a maximum of 30%, with the City paying 70%.
 - Reopener language if other units negotiate better terms on payment of premiums.
- Annual Leave.
 - New employees have lower accruals of annual leave.
 - Caps on accrual of annual leave reduced on a sliding scale, depending on the amount of leave currently accrued.
 - Cash out of annual leave limited to 10% in first half of fiscal year and 5% from January 1st and March 31st.
- Holidays:
 - Holidays reduced by one personal holiday.
 - Cash out of holiday leave limited to 10% in first half of fiscal year and 5% from January 1st and March 31st.
- Administrative Leave.
 - Cash out limited to 48 hours of the 60 hours provided. Currently can cash out all 60 hours.

- Supplemental administrative leave of up to 32 hours due on July 1, 2015, suspended while the City and CFPEA attempt to negotiate an alternate performance incentive. If a new performance incentive plan is not negotiated by April 30, 2016, employees to receive supplemental administrative leave they would have received on July 1, 2015, and would have until October 31, 2016 to use the leave..
- Supplemental Sick Leave: Those employees who have not yet accrued 80 hours can accrue up to 80 hours. Once 80 hours has been accrued, no new accrual.
- Workers' Compensation: Reduce from 76% of base pay to 66.66% of earnings to match State mandated rate.
- Association Release Time: Added new language designating appropriate amounts of time for release time for representation of members.
- Meal and Rest Breaks: Added new language indicating that employees can have rest and meal breaks as appropriate.
- Uniforms: Added new language that the City would provide notice and the parties would meet and confer if a department creates new standards for uniforms.
- Future MOU Negotiations: Either side can open negotiations within five months of the expiration of the MOU.
- Zipper Clause: Amended language that allows subject to be opened during the term of the MOU.
- Other language clean-up.
- Agreed to a side letter on a pension reopener to discuss pension benefits for new employees.

The City Attorney's Office has approved the new MOU, the new side letter of agreement on Pensions, and the 5th Amendment to Salary Resolution No. 2014-108 as to form.

ENVIRONMENTAL FINDINGS

Not applicable.

LOCAL PREFERENCE

Not applicable.

FISCAL IMPACT

Approval of the MOU and Salary Resolution Amendment will result in increased salary and benefit expenses in Fiscal Year 2015-2016 of approximately \$195,612 for all funds of which the General Fund share is approximately \$65,939. In Fiscal Year 2016-2017 the increased salary and benefit expenses are approximately \$1,185,622 for all funds of which the General Fund share is approximately \$424,728. The detail is set forth in the attached summary.

Attachments:

CFPEA MOU, Redline Version, with Exhibits I - V
CFPEA MOU, Final, with Exhibits I - V
5th Amendment to Salary Resolution No. 2014-108
Summary of Estimated Savings/Costs of MOU