



CITY OF COMMERCE AGENDA REPORT

TO: Honorable City Council

Item No. _____

FROM: City Manager

SUBJECT: A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF COMMERCE, CALIFORNIA, APPROVING THE MEMORANDUM OF UNDERSTANDING FOR FISCAL YEARS 2018-19 THROUGH 2020-2021 AS IT RELATES TO THE MID-MANAGEMENT AND NON-MANAGEMENT FULL-TIME EMPLOYEES REPRESENTED BY THE CITY OF COMMERCE EMPLOYEES ASSOCIATION - AFSCME LOCAL 773

MEETING DATE: SEPTEMBER 3, 2019

RECOMMENDATION:

Approve and adopt the Resolution (and assign the number next in order) authorizing the City Manager and Director of Human Resources to execute the attached Memorandum of Understanding between the City of Commerce and Mid-Management and Non-Management Full-Time Employees represented by the City of Commerce Employees Association - AFSCME Local 773.

BACKGROUND:

The City and the City of Commerce Employee Association (CCEA) and AFSCME Local 773, concluded labor negotiations on August 21, 2019 regarding wages, benefits and working conditions for the 2018-19 through 2020-21 Memorandum of Understanding. On August 28, 2019, members of the Mid-Management and Non-Management Full-time Unit voted to ratify a new three-year contract for 2018-19 to 2020-21.

This report recommends Council approval of changes to benefits and contract language incorporated in a tentative agreement with the CCEA – AFSCME Local 773. Attached is an updated redlined MOU for the Full-Time unit represented by the CCEA - AFSCME Local 773, which incorporates mutually, agreed upon provisions and a revised salary schedule. The MOU covers the period of July 1, 2018 through June 30, 2021.

ANALYSIS:

Key provisions of the tentative agreement, presented for the Council's approval include:

- **Term:** The term of the agreement shall be July 1, 2018 through June 30, 2021.

Economic Items

- **Wages:** Effective July 1, 2019 – 4% salary increase; Effective July 1, 2020 – 3% salary increase.
- **Lump Sum Payment:** Effective after Council adoption of a successor MOU, a one-time, Non-PERSable, ad-hoc lump sum off-salary-schedule payment of 4% of scheduled salary (calculated before implementation of the salary increases below) will be provided no later than October 10, 2019. For the purposes of payment of the one-time ad-hoc lump sum payment, base pay excludes any additional compensation over and above an affected employee's normal base pay, such as, but not limited to, overtime, night differential pay, higher classification pay, skill pay, premium pay, call back pay. The one-time payment shall be an off-salary schedule payment; payment shall not be reflected on the City's pay or salary schedules; and payment shall not be the basis upon which future salary increases will be calculated.
- **Safety Footwear:** Effective July 1, 2019, or as early as practical after contract ratification, increase safety footwear allowance (previously known as boot allowance) to \$185 per fiscal year for employees required by the City safety regulations to wear safety footwear to work.
- **Notary Pay:** Effective upon the first pay period after Council adoption of a successor MOU, a \$50 monthly stipend will be provided to employees who provide notary services to members of the public (residents and employees only) and for City business.
- **Median Pay:** 1.5% premium pay for employees assigned as "Graffiti crew"/ duties. 5% premium pay to those who episodically are assigned to the Graffiti crew.
- **Mechanic Tool Allowance:** Effective the first full pay period after January 1, 2019, or as early as practical after contract ratification, the City shall provide employees in the Fleet Mechanic Manager, Fleet Maintenance Supervisor, Lead Fleet Mechanic and Fleet Mechanic classifications, three-hundred and fifty dollars (\$350) per calendar year for tools purchased within the same calendar year:
- **Association Representatives Paid Leave:** The City shall provide a total of 40 hours of paid leave per fiscal year for CCEA Board President or her/his designee for purposes of Association business, conferences and seminars.
- **Benefits & Longevity Stipend:** Language changes and updates to preamble in regards to the City not changing any specified benefit in Article V of the Full Time – Mid – Management MOU during the term of the agreement. The parties agree that the longevity stipend for employees hired before July 1, 2011 and retiring on or before December 31, 2011, has matured and that the City shall not change the stipend in the future. The parties also agree that the longevity stipend for employees hired before July 1, 2011, shall not be eliminated or reduced during the term of the agreement. Additionally, the parties agree that for employees hired

on/after July 1, 2011, the longevity stipend shall not be eliminated or reduced during the term of the agreement.

- **Education Assistance:** The parties agree to incorporate language from the City Human Resources Policy IV-2 into the Memorandum of Understanding. Effective Fiscal Year 19-20, The City agrees to maintain the full-time employees' tuition reimbursement program, including 100% reimbursement for job-related vocational training, upon approval of the HR Director and to budget the program at an amount not less than \$34,000 annually. Full-time employees who have approved reimbursements under the City's Tuition Reimbursement Program on or before June 30, 2019 shall be eligible for tuition reimbursement to complete their original program goal, without regard to the \$34,000 cap set forth above. The City and Association agree that the approval process for how full-time employees will be granted the tuition reimbursement set forth in the City's Human Resources Policy IV-2, shall be discussed and agreed upon in the JLM.

Non-Economic Issues

- **Union Recognition:** Recognize AFSCME Local 773 in the MOU under preamble and union security.
- **Disciplinary Procedures:** Prohibition on the requirement of polygraph exams for employees.
- **Grievance Procedure:** Establish a 20 business day deadline to schedule a hearing with the grievant and City Manager. Other language updates, including the requirement to use the State Mediation and Conciliation Service.
- **Premium Pay:** Establish a 12-month time limit for premium pay and provide notification to the CCEA of such premium pay within 5 days of the premium pay effective date.
- **Class A/B License:** Incorporate executed 2016 letter of agreement pertaining to Class A and Class B Licenses into the Memorandum of Understanding.
- **Joint Labor Management Committee Meetings:** Change to monthly for 12 months from MOU ratification date.
- **Overtime Distribution by Seniority:** The City shall assign overtime work as equitably as possible among all qualified employees in the same classification in the same department. The following divisions will adhere to these overtime rules: Facility Maintenance, Park Maintenance and Transportation.
- **Overtime Distribution by Seniority in Transportation:** The implementation of overtime assignments by seniority in the Transportation Department shall be resolved in the JLM prior to implementation to account for all applicable mandates and guidelines.

- **Dues & Information:** Language updates in the MOU to comply with California Senate Bill No. 866 and Assembly Bill 119 and other relevant case law and regulations regarding employee dues deductions and access to employee information.
- **Safety:** Revision of Safety Clause and City responsibilities for Personal Protective Equipment (PPE).
- **City Rights & Job Security:** Update language that contracting or subcontracting out does not result in the layoff of any employee covered by the MOU. In the event that the City does enter into a contract, the City will find alternative City employment for those employees affected at their current salary level or higher so that the employee does not suffer a reduction in salary.
- **Job Classifications & City Rights:** Update language that in conjunction with the JLM, the committee will determine the content, compensation level and intent of job classifications will be determined. Additionally, update language that the City will not exercise City Rights in an arbitrary or capricious manner or manner that is contrary to law.
- **Economic Emergency Re-Opener:** Parties agree to an economic emergency re – opener clause that allows for the City to discuss financial emergencies, if any, to the City due to the uncertainty surrounding gaming revenues for the City, rising pension liabilities and health care costs, and in order to ensure the City is fiscally viable so that it can honor its current and future commitments to employees. The parties agree that any changes are subject to mutual agreement.
- **Contract Language:** All other contract language remains status quo.

ALTERNATIVES:

1. Approve staff recommendation.
2. Reject staff recommendation and provide staff with further direction.

FISCAL IMPACT:

The fiscal impact for the adoption of the FY 2019-20 Full-Time Employees Memorandum of Understanding is estimated to be approximately \$810,000. If the City Council approves the MOU as presented above, staff will make the appropriate amendments to the FY 2019-20 budget that was adopted on June 18, 2019. The cost of the three-year package is approximately \$1.93 million (\$1.51 recurring and \$420,000 one-time).

RELATIONSHIP TO STRATEGIC GOALS:

This agenda report relates to the 2016 City of Commerce Strategic Guiding Principles as follows:

Fiscal Sustainability;

- Guiding Principle 3: Implement a compensation philosophy that allows the City to proactively compete for and retain top qualified personnel.

City Organization:

- Guiding Principle 1: Create and maintain a culture of ownership that empowers employees to be creative, innovative, make decisions and be accountable for them. Ensure employees have the necessary intellectual and physical resources to efficiently and effectively perform their jobs and provide excellent customer service.
- Guiding Principle 2: Foster an environment that continuously seeks to improve service and organizational responsiveness to internal and external customers.
- Guiding Principle 3: Establish clear expectations, roles and responsibilities for all employees, elected officials, appointed commissioners and committee members, and volunteers.
- Guiding Principle 4: Develop, maintain and enhance practices that improve communication and transparency for all employees.

Approved by: Ela Pappo, Director of Human Resources
Fiscal Impact reviewed by: Vilko Domic, Director of Finance
Approved as to form: Noel Tapia, City Attorney
Respectfully submitted: Edgar P. Cisneros, City Manager