

# Agenda Report

**DATE:** June 6, 2011

**TO:** Honorable Mayor and City Council

**FROM:** City Manager

**RE:** APPROVAL OF AN AMENDMENT TO THE MEMORANDUM OF UNDERSTANDING BETWEEN THE CITY OF PASADENA AND THE SERVICE EMPLOYEES INTERNATIONAL UNION, FOR THE TERM APRIL 27, 2011 THROUGH APRIL 26, 2013

**RECOMMENDATION:**

It is recommended that the City Council approve a successor Memorandum of Understanding (MOU) between the City of Pasadena (City) and the Service Employees International Union (SEIU).

**BACKGROUND:**

The City and representatives of SEIU have met and conferred in good faith and have reached agreement on a successor MOU, which provides for the following:

1. Salaries: No salary increases are provided for the term of the MOU.
2. Step raises: Effective July 1, 2011, consideration for advancement between steps of the salary range will be increased from 3 months to 6 months and emphasis will be on satisfactory job performance.
3. Sick Leave: Effective January 1, 2012, or as soon as administratively possible thereafter, sick leave hours will be accrued on a pay period basis. Increase the number of sick leave hours that may be accumulated from 960 hours to 1200 hours. Cap the number of unused hours that may be converted to PERS retirement service credit at 1200 hours.
4. Health Insurance: Effective January 1, 2012, eliminate escalator clause and freeze City's contribution for No Insurance and Single coverage at 2011 contribution rate. City's contribution for two-party coverage and full family

coverage will remain at 2011 contribution rate until the premium of the least expensive two-party plan and full family plan offered to all employees exceeds the sum of the City's contribution and the PERS mandated contribution to health insurance. Then, the City will contribute an amount, that when combined with the PERS mandated contribution, will cover the cost of the least expensive two-party and full family plan offered to all employees.

5. Gainsharing: Upon adoption of this agreement by Council, reduce the sick leave usage thresholds to qualify for a Gainshare payout as follows:

- Tier 1: reduce from 40 hrs or less to 0-16 hrs
- Tier 2: reduce from 41-60 hrs to 17-24 hrs
- Tier 3: reduce from 61-80 hrs to 25-32 hrs

6. Reintree Medical: Upon adoption of this agreement by Council, Union will withdraw from the Retiree Medical Coalition.

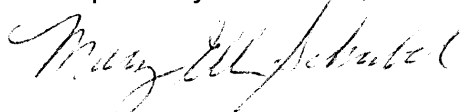
**COUNCIL POLICY CONSIDERATION:**

The adoption of the Memorandum of Understanding between the City of Pasadena and the Service Employees International Union supports the City Council's strategic goal of maintaining fiscal responsibility and stability.

**FISCAL IMPACT:**

Adoption of the proposed contract will reduce fiscal impact on the Refuse Fund by \$12,000 in fiscal year 2011 and by \$8,000 in fiscal year 2012. In fiscal year 2013, the fiscal impact of the adoption of this contract is \$5,165, which can be absorbed at current refuse rates.

Respectfully Submitted,



MARY ELLEN SCHUBEL  
Interim Director  
Department of Human Resources

Approved by:



Michael J. Beck  
City Manager