

Agenda Report

DATE: September 22, 2014

TO: Honorable Mayor and City Council

FROM: Human Resources Department

RE: APPROVAL OF A MEMORANDUM OF UNDERSTANDING BETWEEN THE CITY OF PASADENA AND THE AMERICAN FEDERATION OF STATE, COUNTY AND MUNICIPAL EMPLOYEES, LOCAL 858 FOR THE TERM OF JANUARY 1, 2014 - JUNE 30, 2015

RECOMMENDATION:

It is recommended that the City Council:

1. Approve a successor Memorandum of Understanding (MOU) between the City of Pasadena (City) and the American Federation of State, County and Municipal Employees, Local 858 (AFSCME) for the term of January 1, 2014 through June 30, 2015.

BACKGROUND:

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

1. Salaries: Employees receive a 1% salary increase effective the beginning of the pay period following City Council approval. This increase is effective on September 22, 2014 if the MOU is approved at the September 22, 2014 City Council meeting.
2. Vacation: Effective January 1, 2015, AFSCME members accrue vacation on a per pay period basis based on years of service. The maximum accrual is twice the annual accrual.
3. Sick Leave: Effective January 1, 2015, employees accrue eighty hours of sick leave on a per pay period basis (3.08 hours per pay period) to a maximum of

1200 hours. At retirement, employees may convert accrued and unused hours of sick leave to service credit pursuant to Government Code Section 20965.

Effective January 1, 2015, current sick leave, extended sick leave, and reserve sick leave banks will be combined into one sick leave accrual bank and employees will receive a one-time allotment of eighty hours of sick leave to assist with the transition to accrued based sick leave.

4. Health Insurance/Employee Option Benefit Fund: Employees enrolled in a medical plan receive a monthly allowance based on enrollment (Employee only, employee+1, employee+2) which includes the statutory CalPERS minimum contribution. Increases to each tier (employee only, employee+1, employee+2) will only occur when the lower of the premium for the CalPERS LA Region for Blue Shield Access+ or Kaiser exceeds the current allowance. The allowance in each tier will equal the lower of the LA Region Blue Shield Access+ or Kaiser premium but shall not be lowered below the 2014 allowance which includes the PEMHCA minimum. The 2014 employee+2 tier is \$1221.77.

New employees hired by the City on or after January 1, 2015, will receive an EOB allowance (including the statutory minimum) that equals the lower of the premium of Blue Shield Access+ or Kaiser (LA Region) for the tier in which they enroll (employee only, employee+1, employee+2). Employees in the unit as of December 31, 2014, who elect to opt out of medical coverage because they provide proof of medical coverage from another source, receive \$1,064.26 per month. Effective January 1, 2015, new employees hired by the City, who opt out of medical coverage because they have coverage through another means, receive a maximum of \$400 per month.

5. Life Insurance: Effective January 1, 2015, the City will increase the life insurance benefit from \$20,000 to \$30,000 per employee.
6. Short-Term and Long-Term Disability: Effective January 1, 2015, the City will provide a short-term disability plan that includes the following basic provisions:
 - a. Thirty (30) calendar day elimination period. Disability payments begin on the 31st day.
 - b. Payments shall not exceed 50% of the employee's salary up to \$1,730 per week.
 - c. Maximum duration is twenty-two weeks (154 days).
 - d. The premium will be paid by the City. The benefit is taxable to the employee.

Upon implementation of the short-term disability plan, the existing basic long-term disability plan elimination period will be increased to 180 calendar days.

Additionally, employees may elect to enroll in a supplemental long-term disability plan at his/her own expense.

7. Uniforms: Effective upon approval of the MOU, Security Rangers will receive five uniforms per calendar year.
8. Boot Allowance: In January of each year, employees who are required to wear approved safety shoes/boots in carrying out their duties shall receive a boot allowance of \$175.
9. Shift Trading: Employees in the Police Department working in a 24/7 operation are permitted to trade shifts pursuant to the guidelines established in the MOU.
10. Gainshare: Effective with the approval of the MOU, the Gainshare program is eliminated.
11. Lump Sum Payment: Effective the pay period following City Council approval of the MOU, unit members employed on the date the City Council approves the MOU, will receive a one-time lump sum payment equal to a flat dollar amount calculated by taking 1.5% of the base salary of all active AFSCME employees employed on September 1, 2014. This payment is a flat dollar amount paid equally to each AFSCME employee, not a percentage of each employee's salary. This payment is effective on September 22, 2014 if the MOU is approved at the September 22, 2014 City Council meeting.
12. Light Duty - Police Department: Employees in the classification of Jailor in the Police Department may be assigned light duty up to sixty calendar days at the departments' discretion.
13. Layoff: A severance provision was added to the MOU providing severance pay equal to one month of base pay for each year of full-time equivalent employment with the City, subject to a maximum of six months' pay should a bargaining unit member be laid off.
14. Contract language: The MOU has been re-written and reorganized for clarity, legal compliance, and organizational effectiveness. These changes correct the contract to the law, department procedures, and best practices.

COUNCIL POLICY CONSIDERATION:

The adoption of the Memorandum of Understanding between the City of Pasadena and the American Federation of State, County and Municipal Employees, Local 858 supports the City Council's strategic goal of maintaining fiscal responsibility and stability.

FISCAL IMPACT:

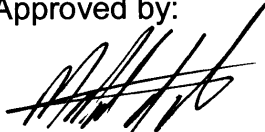
The recommended MOU changes will result in a one-time cost of approximately \$235,725 and structural increased cost of approximately \$600,297 (including CalPERS employer rate increases for fiscal year 15) during the term of the agreement.

Respectfully Submitted,



Kristi Recchia
Director of Human Resources

Approved by:



Michael J. Beck
City Manager

Attachments:

1. MEMORANDUM OF UNDERSTANDING BETWEEN THE CITY OF PASADENA AND THE AMERICAN FERERATION OF STAE, COUNTY AND MUNICIPAL EMPLOYEES, LOCAL 858