

# Agenda Report

**DATE:** January 25, 2016

**TO:** Honorable Mayor and City Council

**FROM:** Human Resources Department

**RE:** APPROVAL OF A MEMORANDUM OF UNDERSTANDING BETWEEN THE CITY OF PASADENA AND THE SERVICE EMPLOYEES INTERNATIONAL UNION (SEIU), LOCAL 721 FOR THE TERM OF JULY 1, 2015 – JUNE 30, 2018

**RECOMMENDATION:**

It is recommended that the City Council approve a Memorandum of Understanding (MOU) between the City of Pasadena (City) and the Service Employees International Union (SEIU), Local 721 for the term of July 1, 2015 through June 30, 2018.

**BACKGROUND:**

The City's existing MOU with SEIU expired on June 30, 2015. The parties entered contract negotiations in June 2015 and reached a tentative agreement on a three year successor MOU in December 2015.

The following is a summary overview of the key modifications:

1. Salaries:

Solid Waste Truck Operator I - Effective the beginning of the pay period following City Council approval of the MOU, the existing 5 step salary structure will be modified to include an increase at Step 1 by 0.007% and ten (10) steps with two and a half (2.5%) percent differentials between each step. Current unit members at Step 5 on the date of approval of the MOU will move to Step 10. Future step increases will be granted on an annual basis until the employee has reached Step 10 of the new salary scale.

- Effective the pay period which includes July 1, 2016, current unit members will receive a two percent (2%) base salary increase.

- Effective the pay period which includes July 1, 2017, current unit members will receive a two percent (2%) base salary increase.

Solid Waste Truck Operator II - Effective the beginning of the pay period following City Council approval of the MOU, the existing 5 step salary structure will be modified to include ten (10) steps with two and a half (2.5%) percent differentials between each step. Future step increases will be granted on an annual basis until the employee has reached Step 10 of the new salary scale.

- At the time of transition to the ten step salary schedule following City Council approval, current Step 3 unit members move to Step 6 on the new salary schedule. These same employees will be eligible to move to Step 8 at their next annual evaluation and to Step 10 on their following annual evaluation.
  - At the time of transition to the ten step salary schedule following City Council approval, current Step 5 unit members move to Step 9 on the new salary schedule and are eligible for a step increase (to Step 10) in fiscal year 2017.
  - Effective the pay period which includes July 1, 2017, current unit members will receive a two percent (2%) base salary increase.
2. Bank and Floating Holiday Hours – The City will combine previously banked and floating holiday hours and employees will receive a cash out of hours in excess of sixteen (16) hours with the March 2, 2016 paycheck. Banked holidays will no longer be used.
  3. Boot Allowance – Unit members will receive a boot allowance of \$200 annually (in February) in lieu of a reimbursement.
  4. Gainshare – Gainshare was eliminated from the new MOU in exchange for a one-time payment of \$2,500 to each unit member.
  5. The MOU has been reformatted, reorganized and contains clean-up language as agreed upon by the parties.

**COUNCIL POLICY CONSIDERATION:**

The adoption of the Memorandum of Understanding between the City of Pasadena and SEIU, Local 721 supports the City Council's strategic goal of maintaining fiscal responsibility and stability.

**FISCAL IMPACT:**

The fiscal impact of the MOU includes CalPERS retirement costs the City is required to pay with or without modifications to the MOU. The fiscal impact of the three-year agreement is approximately \$409,500, all of which will impact the Refuse Fund. The FY 2016 impact is approximately \$100,000. It is expected that the Public Works department will absorb the FY 2016 impacts within their existing budget.

Respectfully Submitted,



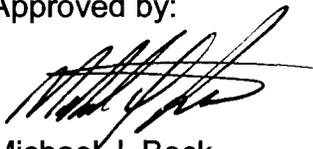
Jennifer Curtis  
Director of Human Resources

Prepared by:



Angel Ho  
Principal Human Resources Analyst

Approved by:



Michael J. Beck  
City Manager

Attachments:

1. MEMORANDUM OF UNDERSTANDING BETWEEN THE CITY OF PASADENA AND SERVICE EMPLOYEES INTERNATIONAL UNION, LOCAL 721