

Agenda Report

April 15, 2019

TO: Honorable Mayor and City Council

FROM: Human Resources Department

SUBJECT: APPROVAL OF A MEMORANDUM OF UNDERSTANDING BETWEEN THE CITY OF PASADENA AND THE SERVICE EMPLOYEES INTERNATIONAL UNION, LOCAL 721, FOR THE TERM OF JULY 1, 2018 - JUNE 30, 2021

RECOMMENDATION:

It is recommended that the City Council:

1. Find that the action proposed herein is not a "project" as defined in the California Environmental Quality Act (CEQA), Public Resources Code Section 21065 and Section 15378(b)(2) of the State CEQA Guidelines and, as such, is not subject to environmental review.
2. 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, 2018 through June 30, 2021.

BACKGROUND:

The Service Employees International Union (SEIU), Local 721 represents twenty-seven full time Solid Waste Truck Operators in the Street Maintenance and Integrated Waste Management Division of the Public Works Department. The existing three-year Memorandum of Understanding (MOU) between the City and SEIU expired on June 30, 2018. Negotiations for a successor MOU began in October 2018. On April 4, 2019, staff reached a tentative agreement with SEIU on and on April 10, 2019, SEIU's membership ratified the tentative agreement.

The proposed contract provides for cumulative base pay increases of 5% over the three-year term of the contract alongside other modest economic enhancements. These salary increases ensure that compensation for the City's Solid Waste Truck Operators

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remains competitive in the labor market throughout the term of the contract. Additionally, this contract contains a new Wellness Reimbursement Program designed to encourage SEIU members to pursue active, healthy lifestyles in light of the sedentary nature of their work.

The following is a summary overview of the key contract provisions:

1. Term: July 1, 2018 – June 30, 2021
2. Salary Increases:
 - a. Effective April 15, 2019: 3%
 - b. Effective the pay period that includes July 1, 2019: 1%
 - c. Effective the pay period that includes July 1, 2020: 1%
3. One-time Lump Sum Payment: Effective upon Council adoption of the 2018 – 2021 SEIU MOU, all bargaining unit members will receive a one-time lump sum payment of \$900.
4. Boot Allowance: Increase by \$50 annually, from \$200 to \$250.
5. Wellness Program Reimbursement: The City will reimburse SEIU members up to \$300 per fiscal year for the cost of membership for themselves for a gym or health club with proof of regular participation over a one-year period, or for completion of a weight loss, smoking cessation, diabetes prevention or other qualified wellness program.
6. Life Insurance: Increase from \$20,000 to \$30,000
7. Workers' Compensation Salary Continuation: Modify to 90% of base pay for up to ten months (from 100% of base pay for up to ten months).
8. This contract includes a number of non-economic language cleanup items.

COUNCIL POLICY CONSIDERATION:

Approval of staff's recommendation supports the City Council's strategic goals of maintaining fiscal responsibility and stability.

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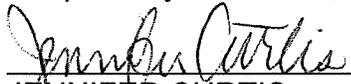
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FISCAL IMPACT:

The fully burdened fiscal impact of the proposed three-year contract is approximately \$368,000 over the term of the contract, inclusive of anticipated increases to retirement costs on all pensionable compensation. The FY 19 fiscal impact of approximately \$41,000 will be absorbed into the Public Works Department's FY 19 Operating Budget. 100% of the cost of this agreement will impact the Refuse Fund.

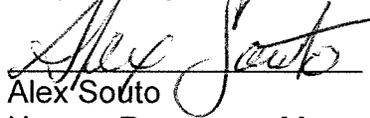
Respectfully Submitted,



JENNIFER CURTIS

Director of Human Resources

Prepared by:



Alex Souto

Human Resources Manager

Approved by:



STEVE MERMELL

City Manager

Attachments:

1. Service Employees International Union, Local 721 Memorandum of Understanding - July 1, 2018 – June 30, 2021.