



Legislation Details (With Text)

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On agenda: 11/17/2020 **Final action:** 11/17/2020
Title: Recommendation to adopt resolution approving Memorandum of Understanding with the Service Employees International Union, Local 721. (Citywide)
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Date	Ver.	Action By	Action	Result
11/17/2020	1	City Council	approve recommendation and adopt	Pass

Recommendation to adopt resolution approving Memorandum of Understanding with the Service Employees International Union, Local 721. (Citywide)

In accordance with instructions from the City Council, an agreement has been reached with the Service Employees International Union, Local 721 (SEIU), who represent approximately 100 Refuse Operator employees. City management has had over 30 meetings with SEIU since July 2019. The current MOU expired on September 30, 2019, and the proposed successor MOU provides for a four-year term that would expire on September 30, 2023.

MOU Terms

The tentative agreement includes a phased-in approach for structural wage increases that are in line with the specific needs of the bargaining unit to remain competitive with other public sector agencies. The following is a summary of the wage increases:

1. General Wage Increases:
 - a. 3 percent effective April 1, 2020
 - b. 2 percent effective September 30, 2021
 - c. 2 percent effective September 30, 2022
 - d. 1 percent effective April 1, 2023
2. Equity Increases: Effective the first day of the pay period that includes September 30, 2021, the following eligible classifications will receive a 1 percent equity adjustment:
 - a. Refuse Operator I
 - d. Refuse Operator IV

- b. Refuse Operator II
- c. Refuse Operator III
- e. Refuse Operator I - NC
- f. Refuse Operator II - NC

3. Automatic Grade Advancement: Effective January 16, 2021, employees at the Refuse Operator I grade level will automatically advance to Refuse Operator II grade level after satisfactory completion of 2,088 hours (12 months) at Step 7.
4. New Refuse Operator IV Position: Effective the first day of the pay period including January 16, 2021, the City will establish a Refuse Operator IV position at range 450.
5. Increase RX Pay and Addition of Program Guidelines: Effective the first day of the pay period that includes April 1, 2021, the City will increase RX Incentive Pay for attaining markers in accordance with the program developed by the Labor Management Committee to \$80.00 for an eight-hour shift and \$100.00 for a ten-hour shift. The RX program guidelines will be outlined in the MOU.

The tentative agreement also contains key benefit enhancements that apply to other recently-approved bargaining units, to enhance employees' ability to balance work and personal lives. Key provisions found in the tentative agreement are:

1. New Paid Parental Leave: Full-time employees eligible for City health benefits who have completed 6 months of full-time City service will be eligible for up to 30 consecutive days (160 hours-4/10 shift; 192 hours-platoon shift) of Paid Parental Leave following the birth of a child, adoption of a child, or placement of a foster child in their home.
2. Additional City Holiday: In 2021, employees will receive one additional paid City holiday (Election Day - 1st Tuesday after November 1st every year).
3. Short-Term/Long-Term Disability Insurance: Extend employer-paid short-term and long-term disability plan(s), in addition to a voluntary supplemental long-term disability option to miscellaneous employees.
4. Vacation, Holiday In-Lieu and Personal Holiday Accrual Maximum: In 2021, the City will implement revised vacation, personal holiday, and in-lieu holiday accrual maximums. This will provide greater clarity on the accruals and accommodate the City's LB COAST HR system requirements.
 - a. New employees may utilize accrued vacation hours upon completing 6 months of employment versus the current 12-month wait period.

- b. In light of the COVID-19 pandemic, the vacation accrual maximum will be temporarily increased to four years through December 31, 2023 and will revert to three years effective January 1, 2024.
5. Bereavement Leave: Replaces current bereavement leave provision with new language clarifying non-eligible employees, adding new eligible family members, and establishing clarifying language regarding annual maximums.
6. Sick Leave Usage: Expands the number of sick leave accruals employees can use for absence from duty for personal medical appointments or to attend to their ill, eligible family member(s) while on a protected leave.

COVID-19 Impact

In recognition of the emerging financial conditions caused by the COVID-19 pandemic, the association has agreed to include a Labor Costing Savings Re-Opener clause in the event the Mayor and City Council officially declare an economic emergency.

Additionally, SEIU will participate in cost savings measures to address these financial impacts. Specifically, the union has agreed to participate in the City's Alternate Furlough Program (13 days) in Fiscal Year 2021 (FY 21), given the public health necessity of maintaining refuse services particularly in light of increased residential waste due to COVID-19. The furloughs are expected to generate \$0.3 million in All Funds (\$0.01 million in the General Fund) in one-time savings.

This matter was reviewed by Principal Deputy City Attorney Gary J. Anderson and Budget Manager Grace H. Yoon on October 21, 2020.

City Council action is requested on November 17, 2020, to ensure timely implementation of the MOU provisions.

The table below shows the breakdown of the cost of the contract by fiscal year, General Fund and All Funds:

SEIU Contract Cost by Fiscal Year (in \$ millions)

Fund	FY 20	FY 21	FY 22	FY 23	FY 24	Total
General Fun	0.00	0.01	0.01	0.01	0.00	0.02
All Funds	0.10	0.20	0.30	0.20	0.04	0.80

The net fiscal impact of the agreement includes the cost of the wage increases and other wage and benefit costs. The FY 21 cost savings related to furloughs or other similar concessions, which are not included in the above net fiscal impact of the agreements, are

estimated as follows (the savings only occurs in one year - FY 21):

Cost Savings in FY 21		
Association	General Fund	All Funds
SEIU	\$0.01 million	\$0.3 million

For FY 21, both the FY 20 and FY 21 structural costs (\$0.01 million in the General Fund Group and \$0.3 million in All Funds) will need to be included in the FY 21 Budget; the FY 21 Budget for the General Fund already includes a placeholder estimate for these potential bargaining results and is factored into the FY 21 Budget balancing. For FY 22 and FY 23, the net cost (as different from any placeholders for those years) will be factored into future projections and any necessary adjustments to balance the budget will take place as part of the proposed budget development process in those years. This recommendation has a moderate staffing impact to implement the payroll changes but is within the normal budgeted scope of duties and is consistent with existing City Council priorities. There is no local job impact associated with this recommendation.

Approve recommendation.

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FRED VERDUGO
ACTING HUMAN RESOURCES DIRECTOR

APPROVED:

THOMAS B. MODICA
CITY MANAGER