REQUEST FOR CITY COUNCIL ACTION

MEETING DATE: May 28, 2019

TITLE: RESOLUTIONS APPROVING FOUR-YEAR LABOR CONTRACTS WITH REPRESENTED EMPLOYEES AND PROVIDING COMPARABLE BENEFITS TO NON-REPRESENTED EMPLOYEES

Director of Human Resources and Innovation

for City Manager

RECOMMENDED ACTION

1. Adopt - A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF IRVINE, CALIFORNIA, ADOPTING THE MEMORANDUM OF UNDERSTANDING BETWEEN THE CITY OF IRVINE AND THE ASSOCIATED SUPERVISORY/ADMINISTRATIVE PERSONNEL (ASAP), AND SUPERSEDING ALL PREVIOUS ASAP MEMORANDUMS OF UNDERSTANDING, EFFECTIVE THE PAY PERIOD THAT INCLUDES JULY 1, 2019

2. Adopt - A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF IRVINE, CALIFORNIA, ADOPTING THE MEMORANDUM OF UNDERSTANDING BETWEEN THE CITY OF IRVINE AND THE IRVINE CITY EMPLOYEES ASSOCIATION (ICEA), AND SUPERSEDING ALL PREVIOUS ICEA MEMORANDUMS OF UNDERSTANDING, EFFECTIVE THE PAY PERIOD THAT INCLUDES JULY 1, 2019

3. Adopt - A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF IRVINE, CALIFORNIA, ADOPTING THE MEMORANDUM OF UNDERSTANDING BETWEEN THE CITY OF IRVINE AND THE IRVINE POLICE ASSOCIATION (IPA), AND SUPERSEDING ALL PREVIOUS IPA MEMORANDUMS OF UNDERSTANDING, EFFECTIVE THE PAY PERIOD THAT INCLUDES JULY 1, 2019

4. Adopt - A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF IRVINE, CALIFORNIA, ADOPTING THE MEMORANDUM OF UNDERSTANDING BETWEEN THE CITY OF IRVINE AND THE IRVINE PROFESSIONAL EMPLOYEES ASSOCIATION (IPEA), AND SUPERSEDING ALL PREVIOUS IPEA MEMORANDUMS OF UNDERSTANDING, EFFECTIVE THE PAY PERIOD THAT INCLUDES JULY 1, 2019

5. Adopt - A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF IRVINE, CALIFORNIA, ADOPTING THE MEMORANDUM OF UNDERSTANDING BETWEEN THE CITY OF IRVINE AND THE IRVINE POLICE MANAGEMENT ASSOCIATION (IPMA), AND SUPERSEDING ALL PREVIOUS IPMA MEMORANDUMS OF UNDERSTANDING, EFFECTIVE THE PAY PERIOD THAT INCLUDES JULY 1, 2019

6. Adopt - A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF IRVINE, CALIFORNIA, ESTABLISHING A CLASSIFICATION AND COMPENSATION POLICY FOR CONFIDENTIAL EMPLOYEES OF THE CITY OF IRVINE, AND SUPERSEDING RESOLUTION NO. 17-62 EFFECTIVE THE PAY PERIOD THAT INCLUDES JULY 1, 2019

7. Adopt - A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF IRVINE, CALIFORNIA, ESTABLISHING A CLASSIFICATION AND COMPENSATION POLICY FOR MANAGEMENT AND NON-REPRESENTED EMPLOYEES (EXEMPT) OF THE CITY OF IRVINE, AND SUPERSEDING RESOLUTION NO. 19-05 EFFECTIVE THE PAY PERIOD THAT INCLUDES JULY 1, 2019

8. Adopt - A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF IRVINE, CALIFORNIA, ESTABLISHING A CLASSIFICATION AND COMPENSATION POLICY FOR PART-TIME EMPLOYEES OF THE CITY OF IRVINE, AND SUPERSEDING RESOLUTION NO. 17-64 EFFECTIVE THE PAY PERIOD THAT INCLUDES JULY 1, 2019

9. Adopt - A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF IRVINE, CALIFORNIA, ESTABLISHING THE SALARY GRADE ORDER STRUCTURE AND SALARY RANGES FOR EMPLOYEES OF THE CITY OF IRVINE, AND SUPERSEDING RESOLUTION NO. 19-07, WHICH IS INCONSISTENT THEREWITH

10. Authorize the use of projected Fiscal Year 2018-19 surplus to fund increases within the authority provided to negotiators by City Council and authorize corresponding budget adjustments.

EXECUTIVE SUMMARY

The City's negotiation team has reached tentative agreement on the Memoranda of Understanding (MOU) with the Associated Supervisory/Administrative Personnel (ASAP), Irvine City Employees Association (ICEA), Irvine Police Association (IPA), Irvine Professional Employees Association (IPEA) and Irvine Police Management Association (IPMA). All agreements will be effective July 1, 2019 upon expiration of the previous MOUs.

The new four-year contracts provide for the equivalent of one percent annual increases for all represented employees. Non-represented employees will receive comparable benefits with the adoption of the recommended resolutions.

COMMISSION/BOARD/COMMITTEE RECOMMENDATION

Not applicable.

ANALYSIS

The City's negotiation team and representatives of ASAP, ICEA, IPA, IPEA and IPMA bargaining units reached tentative agreements on terms and conditions of employment. As of the drafting of this staff report, tentative agreements for the IPA, IPEA and IPMA have been ratified by the bargaining unit membership. ASAP and ICEA are expected to complete ratification voting by Friday, May 17, 2019. MOUs reflecting these agreements are now pending approval by the City Council (Attachments 1-5).

The term of each proposed MOU is four years, effective July 1, 2019 through June 30, 2023. Each MOU provides for the equivalent of a one percent annual increase, however changes in the first two years are focused more on cost-effective benefits such as contriutions to retiree health and deferred compensation accounts. City costs are greatly reduced by concentrating year one and two resources on benefits that do not increase base salaries and have no impact on CalPERs liability.

Signifcant terms of each agreement include:

ASAP

- Two percent City contribution to retiree health effective July 1, 2019.
- Two percent City contribution to deferred compensation effective July 1, 2020.
- One percent base salary increases effective July 1, 2021 and July 1, 2022.
- Modification of sick leave conversion rate at separation.
- $50 increase in the annual cap for physical examination reimbursements.
- Expansion of expenses eligible for reimbursement under the professional development program. Annual benefit amount remains unchanged.
- Increase in non cashable leave.

ICEA

- Two percent City contribution to retiree health effective July 1, 2019.
- Two percent City contribution to deferred compensation effective July 1, 2020.
- One percent base salary increases effective July 1, 2021 and July 1, 2022.
- Modification of sick leave conversion rate at separation.
- Expand the number of classifictions eligible for Hazard Stipend.
- Establish special assignment pay for Tactical Dispatchers assigned to SWAT.
- Increase in standby pay on weekends and holidays and modification of reporting procedures associated with work-related court appearance time.
- Expansion of expenses eligible for reimbursement under the professional development program. Annual benefit amount remains unchanged.
- Increase in non cashable leave.

IPA

- Two percent City contribution to retiree health effective July 1, 2019.
- Two percent City contribution to retiree health effective July 1, 2020.
- One percent base salary increases effective July 1, 2021 and July 1, 2022.
- 10% increase in sick leave conversion rate (limited to two years).
- Allow for the annual conversion of sick leave to deferred compensation or cash.
- Establish special assignment pay for Mounted Unit, D.A.R.E., and Middle-School Officer Program.
- $300 increase in the annual cap for work-related clothing reimbursements.
- Increase in the minimum pay associated with work-related court-appearances.
- Convert special assignment pay to a percentage.
- Modification of reporting procedures associated with holiday pay.
- Convert bilingual pay to a percentage.
- Establish shift differential pay.
- Expansion of expenses eligible for reimbursement under the professional development program. Annual benefit amount remains unchanged.
- Increase in non cashable leave.

IPEA

- Two percent City contribution to deferred compensation effective July 1, 2019.
- Two percent City contribution to deferred compensation effective July 1, 2020.
- One percent base salary increases effective July 1, 2021 and July 1, 2022.
- Modification of sick leave conversion rate at separation.
- $50 increase in the annual cap for physical examination reimbursements.
- Expansion of expenses eligible for reimbursement under the professional development program. Annual benefit amount remains unchanged.
- Increase in non cashable leave.

IPMA

- Two percent City contribution to retiree health effective July 1, 2019.
- Two percent City contribution to retiree health effective July 1, 2020.
- One percent base salary increases effective July 1, 2021 and July 1, 2022.
- 10% increase in sick leave conversion rate (limited to two years).
- Allow for the annual conversion of sick leave to deferred compensation or cash.
- Incorporate special compensation in overtime rate.
- $300 increase in the annual cap for work-related clothing reimbursements.
- Convert bilingual pay to a percentage.
- Increase in the biannual cap for work-related cellular equipment reimbursements.
- Expansion of expenses eligible for reimbursement under the professional development program. Annual benefit amount remains unchanged.
- Increase in non cashable leave.

Non-Represented – Confidential Employees

- Two percent City contribution to deferred compensation effective July 1, 2019.
- Two percent City contribution to deferred compensation effective July 1, 2020.

- One percent base salary increases effective July 1, 2021 and July 1, 2022.
- Modification of sick leave conversion rate at separation.
- $50 increase in the annual cap for physical examination reimbursements.
- Expansion of expenses eligible for reimbursement under the professional development program. Annual benefit amount remains unchanged.
- Increase in non cashable leave.

Non-Represented – Management Employees

- Two percent City contribution to deferred compensation effective July 1, 2019.
- Two percent City contribution to deferred compensation effective July 1, 2020.
- One percent base salary increases effective July 1, 2021 and July 1, 2022.
- Modification of sick leave conversion rate at separation.
- Increase in the biannual cap for work-related cellular equipment reimbursements.
- Expansion of expenses eligible for reimbursement under the professional development program. Annual benefit amount remains unchanged.
- Increase in non cashable leave.

Non-Represented – Part Time Employees

- One percent, non-base building bonus effective the end of calendar year 2019.
- One percent, non-base building bonus effective the end of calendar year 2020.
- One percent base salary increases effective July 1, 2021 and July 1, 2022.

The recommended actions include revision of the Salary Grade Order resolution to reflect proposed one percent base salary increases in 2021 and 2022 as well as changes in position classification, allocation or title since adoption of the 2018-2019 budget (Attachment 9).

ALTERNATIVES CONSIDERED

The City is required by the State's labor-relations law (Meyers-Milias-Brown Act) to meet and confer in good faith with recognized employee organizations. The terms of the proposed MOUs reflect agreements reached by the parties through the meet-and-confer process. The City Council may choose not to approve the agreements; however, the tentative agreements reached with ASAP, ICEA, IPA, IPEA and IPMA representatives are within the parameters set by the City Council and are expected to be ratified by the membership of each group.

FINANCIAL IMPACT

The fiscal impact is illustrated below.

	FY 2019/20	FY 2020/21	FY 2021/22	FY 2022/23
Base Salary Increase	$0	$0	$1,261,949	$2,594,884
Retiree Health/Def Comp	$1,462,267	$2,795,015	$2,638,213	$2,638,213
Non-Base Salary Items	$435,479	$446,858	$444,701	$453,716
Total	**$1,897,746**	**$3,241,873**	**$4,344,864**	**$5,686,813**

REPORT PREPARED BY Brian King, Human Resources Manager
Barbara Arenado, Budget Officer

ATTACHMENTS

1. Resolution Adopting ASAP MOU
2. Resolution Adopting ICEA MOU
3. Resolution Adopting IPA MOU
4. Resolution Adopting IPEA MOU
5. Resolution Adopting IPMA MOU
6. Confidential Resolution
7. Management and Non-Represented Resolution
8. Part-Time Resolution
9. Salary Grade Order Resolution