

CITY OF YUBA CITY
STAFF REPORT

Date: June 19, 2018
To: Honorable Mayor & Members of the City Council
From: Human Resources Department
Presentation By: Natalie Springer, Human Resources Director

Summary

Subject: Sworn Police Mid-Managers Letter of Understanding (LOU).

Recommendation: A. Adopt a Resolution approving a two year Letter of Understanding with the Sworn Police Mid-Manager group.

B. Approve a supplemental appropriation of \$13,500 to the FY 2017/2018 adopted budget.

Fiscal Impact: An increase in cost of \$13,500 for FY 2017/2018 and \$37,100 for FY 2018/2019.

Purpose:

To approve the Sworn Police Mid-Managers two year Letter of Understanding.

Background:

On March 20, 2018, City Council approved the Sworn Police Mid-Managers bargaining unit. There are four employees or three positions who form the Sworn Police Mid-Manager bargaining unit: Assistant Police Chief, Police Commander and two Police Lieutenants. The Mid-Managers Letter of Understanding (LOU expired June 2017) has applied until a new Sworn Police Mid-Manager contract was negotiated.

Analysis:

Because of the newly established bargaining group and its impact of the delayed negotiations, the City and the Sworn Police Mid-Managers group made minimum changes to the LOU:

1. Includes a one-time distribution of \$1,500 or 2% base salary (whichever is greater) by June 28, 2018;
2. Includes a 5% base salary increase in year two;
3. Increases uniform allowance to \$900;
4. Includes a CalPERS Health actuarial;
5. Provides IRS compliant cash out language for administrative leave.

The complete Letter of Understanding is attached.

Fiscal Impact:

The proposed changes will result in a net increase in cost of \$13,500 for FY 2017/2018 and \$37,100 for FY 2018/2019.

Alternatives:

Do not approve the Sworn Police Mid-Managers Letter of Understanding and provide staff direction.

Recommendation:

Adopt a Resolution approving a two year Letter of Understanding with the Sworn Police Mid-Manager group, and approve a supplemental appropriation of \$13,500 to the FY 2017/2018 adopted budget.

Attachments:

1. Sworn Police Mid-Managers LOU Resolution
2. Cost impact of Sworn Police Mid-Managers Agreement Terms
3. Sworn Police Mid-Managers LOU

Prepared By:

/s/ Sheleen Loza
Sheleen Loza
Human Resources Technician

Submitted By:

/s/ Steven C. Kroeger
Steven C. Kroeger
City Manager

Reviewed By:

Department Head
Finance
City Attorney

NS
RB
TH by email

ATTACHMENT 1

RESOLUTION NO. _____

**RESOLUTION OF THE CITY COUNCIL OF THE CITY OF YUBA CITY
APPROVING THE SWORN POLICE MID-MANAGERS' LETTER OF
UNDERSTANDING JULY 1, 2017 – JUNE 30, 2019**

WHEREAS, the City recognizes the Sworn Police Mid-Managers' commitment to the City and its citizens while providing outstanding and dedicated service to all;

WHEREAS, City staff and the Sworn Police Mid-Managers have negotiated a two year Letter of Understanding;

WHEREAS, the City appreciates the efforts and energy the Sworn Police Mid-Managers' have put forth to negotiate this Letter of Understanding;

WHEREAS, the Sworn Police Mid-Managers' have agreed to a one-time distribution of money in year one of the contract, a 5% salary increase in year two of the contract, an increase in uniform allowance, and other terms;

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Yuba City as follows:

Approve the attached Sworn Police Mid-Managers' Letter of Understanding.

Authorize staff to make any necessary clarifying language changes to the language in the Sworn Police Mid-Managers' Letter of Understanding as long as the changes do not modify the LOU's substantive terms or past practice.

The Director of Finance is hereby authorized to make the necessary budget adjustments to implement the provisions of this resolution.

The foregoing Resolution of the City Council of the City of Yuba City was duly introduced, passed and adopted at a regular meeting thereof held on the 19th day of June 2018.

AYES:

NOES:

ABSENT:

Preet Didbal, Mayor

ATTEST:

Patricia Buckland, City Clerk

ATTACHMENT 2

City of Yuba City
Fiscal Impact of 2 Year Agreement

**Police Sworn
Mid-Managers**

FY 17/18 - Year 1	
One time distribution of 2% base salary	\$ 13,500
Year 1 Total Cost	<u><u>\$ 13,500</u></u>
FY 18/19 - Year 2	
5% flat rate salary increase	\$ 35,900
\$900 per year uniform allowance increase	1,200
Year 2 Total Cumulative Cost	<u><u>\$ 37,100</u></u>
Grand Total Cost Impact-2 Year Total	<u><u>\$ 50,600</u></u>

ATTACHMENT 3

LETTER OF UNDERSTANDING

Between

The City of Yuba City

And

The Police Sworn Mid-Managers

July 1, 2017 through June 30, 2019

ARTICLE 1: SALARY

1.1 Future Salary Increases/Adjustments

Effective the first pay period in Fiscal Year 2018/19 the City agrees to a 5% salary increase.

1.2 Bilingual Pay

The City pays a \$100 per month bilingual pay incentive for employees who are proficient in speaking a foreign language. The method of certifying proficiency and the determination of which languages will be covered under this program shall be determined by the City in consultation with the Police Sworn Mid-Management employees.

ARTICLE 2: PUBLIC EMPLOYEES' RETIREMENT SYSTEM

2.1 Retirement Terminology

Retirement benefits shall be provided to eligible employees in accordance with the appropriate, then existing, contract between the City and the California Public Employees' Retirement System (CalPERS).

The use of terms "classic member" and "new member" shall be as defined by CalPERS and the Public Employee Pension Reform Act of 2013 (PEPRA).

A new CalPERS member is defined as:

- An individual who becomes a member of any public retirement system for the first time on or after January 1, 2013, and has no prior membership in any other public retirement system; or
- An individual who becomes a member of any public retirement system for the first time on or after January 1, 2013, and is not eligible for reciprocity with another public retirement system; or
- An individual who established prior membership in a retirement system and after a break in service of more than six months, returns to active membership in that system with a new employer.

2.2 Classic Member Retirement Formula

A. Employees classified as classic member safety category employees:

- The 3% at 50 CalPERS formula shall be provided for classic member safety category employees hired on or before June 30, 2012. Effective July 1, 2012, 3% at 55 formula was provided for new classic safety member employees hired on or after July 1, 2012.

B. All other current retirement benefits including the optional benefit programs in the existing contract between the City and CalPERS for safety members shall remain in effect to the extent permitted by law.

2.3 “New Member” Retirement Formulas Provided by Statute

A. Employees classified as new member safety category employees:

- 2.7% at 57 retirement formula.

2.4 CalPERS Contributions By Employees

A. Employees classified as classic safety category employees:

- Effective July 1, 2015 or as soon as CalPERS approves the contract amendment, whichever occurs later, all classic safety employees shall cost share 9% towards the employer contribution rate.

B. New CalPERS members shall contribute towards their retirement benefits in accordance with PEPRA.

C. All applicable contributions identified in (A) thru (C) above shall be made through payroll deduction on a pre-tax basis.

2.5 City’s Paying and Reporting the Value of the Member Contribution (Classic Only)

The City shall pay 100% of the employee’s contribution to CalPERS and continue to report 100% of the employer payment of member contributions to CalPERS as additional compensation for retirement purposes only.

ARTICLE 3: BENEFITS

3.1 Health Plans

A. Employee Contributions:

Employee contributions are on a pre-tax basis.

B. Health Care Premium Cost:

The split is 80%/20% between the City and the employee, with the City paying 80% of the total premium cost and the employee paying 20%. The contribution shall be based on the lowest cost health plan available to the majority of City employees.

C. Cash-in-Lieu Payment:

Cash-in-Lieu payments are when an employee reduces the level of health care coverage rather than entire coverage shall be as follows:

- Employees, who reduce the level of health care coverage to which they are entitled, i.e. from full family coverage to employee plus one, or employee only coverage, or from employee plus one to employee only coverage, shall be entitled to a Cash-in-Lieu benefit. The Cash-in-Lieu benefit is based upon the lowest cost health plan available to the majority of City Employees.

The employee making the election covered above, shall receive the difference between the Cash-in-Lieu benefit to which they would have been entitled had they waived coverage at their present coverage level and Cash-in-Lieu benefit for the lower level elected.

- The Cash-in-Lieu of medical insurance bonus for employees electing to forego health insurance coverage will be based on the below percentages of the current lowest cost health plan available to the majority of City employees:

Employee only:	25%
Employee plus one dependent:	25%
Family coverage:	30%

3.2 Dental and Vision Plans

The City shall pay 90% of the premium and employees shall pay 10% of the premium. Premiums will be based on periodic actuarial conducted by an outside consultant. Employees will participate in the City's Dental and Vision Plan in a manner provided in the adopted Dental and Vision Plan Agreements.

3.3 Life Insurance

Life insurance benefit amount of fifty thousand dollars (\$50,000) shall be maintained for Police Sworn Mid-Managers.

3.4 EAP – Employee Assistance Program

The Yuba City Employee Assistance Program (EAP) is an employee benefit that assists employees with personal problems and/or work-related problems that may impact their job performance, health, mental and emotional well-being. The City offers free and confidential assessments, short-term counseling, referrals, and follow-up services for employees and their household members. For details about the EAP program, please see the Human Resources Department.

3.5 Health Benefits Committee

The Police Sworn Mid-Managers shall designate at least one (1) representative to the citywide health benefits committee. The general purpose of the committee is to address benefit plan design and cost containment. The committee will also contain members from other employee groups.

3.6 Flexible Spending Account

The City will offer employee-funded Flexible Spending Accounts for eligible dependent care and medical costs.

3.7 CalPERS Health Actuarial

The City shall hire an outside consultant to conduct a CalPERS health-PORAC actuarial analysis to determine the costs associated with including the Police Sworn Mid-Managers in CalPERS health-PORAC.

ARTICLE 4: ONE-TIME STIPEND

Following City Council ratification of this Agreement, all members active on payroll on the day of City Council ratification shall receive a one-time stipend of 2% base salary or \$1,500 whichever is greater by June 28, 2018.

ARTICLE 5: DEFERRED COMPENSATION

The Police Sworn Mid-Managers shall receive a monthly City contribution of \$100 paid into a City of Yuba City deferred compensation plan.

ARTICLE 6: VACATION ACCRUAL

The parties agree that, with the effective date of this agreement, the accrual rate for vacation will be as follows:

<u>Years of Service</u>	<u>Bi-Weekly Rate</u>
0-Completion of 4 years	4.0 hours
5-Completion of 10 years	5.5 hours
11-Completion of 15 years	6.5 hours
16 or more years	7.1 hours

ARTICLE 7: CERTIFICATIONS

The City shall pay the costs associated with obtaining and maintaining special certificates that are both required by the State of California, the City of Yuba City or any governmental agency to obtain and maintain as a condition of employment.

ARTICLE 8: ADMINISTRATIVE LEAVE

8.1 Allocation

Police Sworn Mid-Managers are exempt employees whose duties often require them to work outside of the City's typical business hours. In acknowledgement of such duties, bargaining unit employees shall be allocated 80 hours of administrative leave with the first payroll period of each calendar year. Should an employee be hired or promoted into a police sworn mid-manager position after the beginning of the calendar year, they shall be credited with a pro-rated amount of Administrative Leave for the balance of the year. Employees may use the leave subject to the approval of their Department Head, except that leave cannot be used prior to separation of employment in order to delay the separation date.

8.2 Maximum Cash Out

By December 1 of each year, an employee may annually make an irrevocable advance election to cash out a maximum of 40 hours of administrative leave that will be accrued in the next calendar year. The election shall be made on the form provided by the City for this purpose. The hours selected for cash-out will be paid in the first non-payroll week of January of the following year.

8.3 Maximum Carry Over

Employees shall be allowed to carry over a maximum of 40 hours of unused administrative leave to the next calendar year, subject to a maximum accrual cap of 160 administrative hours. Any unused administrative leave hours are paid out upon termination of employment.

8.4 Additional Allotment

At the discretion of the City Manager, an additional allotment of administrative leave not to exceed 40 hours may be approved each year. Requests for additional leave allocation must be based on

an excessive number of hours worked beyond normal management expectations. The allotment of leave is at the full discretion of the City.

ARTICLE 9: UNIFORM ALLOWANCE

A uniform allowance of \$900 per year shall be paid. In the event of a uniform allowance increase for the Police Officers' Association, Police Sworn Mid-Managers shall be paid in accordance with the amount specified in the Memorandum of Understanding for the Police Officer's Association. Should the allowance be eliminated or decreased, which would be a reduction in the benefit, the City and Police Sworn Mid-Managers shall meet to discuss the impact of the changes.

ARTICLE 10: REIMBURSEMENT POLICY

10.1 Reimbursable Excess Hours

Employees who are required to work hours in excess of normal management expectations shall be reimbursed should the City bill for, and receive, reimbursement for their work performed.

10.2 Payment

Reimbursement for the Police Sworn Mid-Management employee will occur in the next normal pay period after the excess work occurs and the City receives payment for it.

10.3 Rate

Reimbursement to the Police Sworn Mid-Management employee will occur at the salary rate billed by the City for Police Sworn Mid-Managers for those hours over the regularly scheduled salary only, not to exceed time and one-half of the hourly equivalent of base salary. Employees will not be required to use vacation time while in a special assignment approved by their Department Head.

10.4 Retention by the City

The City will retain reimbursement received by the City in excess of the salary for the Police Sworn Mid-Managers.

ARTICLE 11: SHORT TERM-DISABILITY

Employees are eligible for short term disability in a manner provided in the City's adopted Short Term Disability Plan. Any proposed changes to the Plan are subject to mutual consent.

ARTICLE 12: TERM AND TERMS OF AGREEMENT:

The terms of this Letter of Understanding shall be effective July 1, 2017 and continue in full force and effect through June 30, 2019. In the event that the Federal Government or State Legislature passes a law, or there is a Federal or State Executive Order or court decision affecting Yuba City which would prevent the City from implementing any part of this agreement or altering this agreement, both the City and Police Sworn Mid Management Group agree to reopen the meet and confer process limited to the issue so affected.

It is mutually recommended by the undersigned that the modification contained herein be made applicable by the City Council on the date(s) indicated and/or by administrative rules, policies, regulations or procedures as are or may be subsequently required. Further, in conjunction with existing ordinances; resolutions, and City Manager procedures and policy regulations, rules and

other regulations related to compensation, benefits, working conditions and other terms and conditions of employment, the changes herein constitute the entire compensation plan for the Police Sworn Mid-Management Employees herein covered by this Letter of Understanding.

This Agreement constitutes the full Agreement between the City of Yuba City and the Police Sworn Mid-Management Employees Unit and may not be modified without the mutual consent of both parties.

Date: _____

Date: 6/13/18

CITY OF YUBA CITY

POLICE SWORN MID-MANAGERS

Steven C. Kroeger, City Manager

Brian Baker, Police Lieutenant

Robin Bertagna, Finance Director



Jeremy Garcia, Assistant Police Chief

Natalie Springer, HR Director