



City of Rialto

Legislation Details (With Text)

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On agenda: 7/12/2016 **Final action:**
Title: Request City Council to Adopt Resolution No. 6980 Approving the Memorandum of Understanding (MOU) Between the City of Rialto and the Rialto City Employees Association (RCEA) Bargaining Unit for Changes to be Effective from July 1, 2016 through June 30, 2017.
(ACTION)

Sponsors:

Indexes:

Code sections:

Attachments: 1. RCEA MOU - RESOLUTION, 2. RCEA MOU 2016-2017

Date	Ver.	Action By	Action	Result
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For City Council Meeting [July 12, 2016]

TO: Honorable Mayor and City Council

APPROVAL: Michael Story, City Administrator

FROM: George N. Harris II, Assistant to the City Administrator/Director of Administrative Services/Labor Negotiator

Request City Council to Adopt **Resolution No. 6980** Approving the Memorandum of Understanding (MOU) Between the City of Rialto and the Rialto City Employees Association (RCEA) Bargaining Unit for Changes to be Effective from July 1, 2016 through June 30, 2017.
(ACTION)

BACKGROUND:

The current Memorandum of Understanding (MOU) with the Rialto City Employees Association (RCEA) was approved by the City Council on August 12, 2016. The MOU covered the period from July 1, 2014 to June 30, 2016.

ANALYSIS/DISCUSSION:

The City's negotiating team met with representatives of the Rialto City Employees Association (RCEA) Bargaining Unit regarding an MOU for fiscal year 2017. Staff has periodically updated the City Council regarding the progress of negotiations and the key provisions of the agreement. The representatives of RCEA and the City's chief negotiators have reached agreement on a new one-year contract for July 1, 2016 through June 30, 2017. Implementation of this MOU requires approval by City Council to authorize the City Administrator to execute the agreement. The proposed terms of the MOU are as follows:

Term of Agreement (Article 1) - Term of Agreement shall be from July 1, 2016 through June 30,

2017.

Deferred Compensation (Article 5) - Increase the City monthly contribution for RCEA members employed with the City for five (5) to nine (9) years from \$200 to \$300 and for RCEA members employed with the City for ten (10) or more years from \$400 to \$600. Annual cost to the City for this improved benefit is **\$102,262**.

Cafeteria Benefit Plan (Article 6) - Increase monthly cafeteria dollars from \$1,100 to \$1,300. The increase will only be applicable to those association members that use the city health insurance. The monthly cash opt out for those members that elect to opt out from the city's group health insurance and provide proof of enrollment in a spouse's group health insurance will continue to receive \$1,100. Increased annual cost to the City for this benefit is **\$115,200**.

Vacation and Sick Leave Cash Outs (Article 17C & 19D) - RCEA requested to combine the vacation and sick leave cash outs for a total of 160 hours per fiscal year to be cashed out at any time during the fiscal year. No increased cost to the City.

Vacation Accrual (Article 19C) - Increase annual vacation accrual an additional two (2) days for all association members. Annual estimated cost to City is **\$39,056**.

Floating Holidays (Article 20) - Add one (1) additional floating holiday for a total of three (3). Change the accrual date to July 1 of each year. Cost to City for adding one (1) floating holiday is **\$19,528**.

Self-Improvement Incentives (Article 27) - Increase incentive pay for association members who obtain an Associate's degree, Bachelor's degree, or Master's degree and is not a requirement of their current job description. Members with an Associate's degree will receive a 1.5% increase for a total of 3%. Members with a Bachelor's degree will receive a 2% increase for a total of 5%. Members with a Master's degree will receive a 2.5% increase for a total of 7.5%. The annual cost to the City for this pensionable benefit is **\$19,098**.

Uniforms and Personal Safety Equipment (Article 29) - Change the language of the article to reflect current practice of providing members with nine (9) shirts and nine (9) pants. Also, include the Community Services Facilities Maintenance Assistants in the article, so they too can be provided with uniforms. **\$1,700**.

Uniforms and Personal Safety Equipment (Article 29D) - Increase the work book allowance by \$50 to a total of \$200. The estimated cost for this benefit is **\$1,350**.

Longevity Pay (new article) - Add longevity pay for members with 5-9 years of cumulative PERS credit will receive longevity pay equal to 2%; members with 10-14 years of cumulative PERS credit will receive longevity pay equal to 3%; and members with 15+ years cumulative PERS credit will receive longevity pay equal to 4%. Total annual cost to the City for this pensionable benefit is **\$113,433**.

Re-Openers - RCEA has requested the following re-openers be placed in the MOU:

- Modifications as a result of the city-wide classification and compensation study.
- RPBA General or Fire Local 3688 receive an increase in wages.
- RPBA General or Fire Local 3688 receive an increase in leave benefits.

ENVIRONMENTAL IMPACT:

The request is not a Project as defined by Section 15378 of the California Environmental Quality Act (CEQA) Guidelines. A "Project" means the whole of an action, which has a potential for resulting in either a direct physical change in the environment, or a reasonably foreseeable indirect physical change in the environment. Pursuant to Section 15378 (b)(5) a project does not include organizational or administrative activities of governments that will not result in direct or indirect physical changes in the environment.

GENERAL PLAN CONSISTENCY:

This action is consistent with Guiding Principle 3A in the General Plan:

Our City government will lead by example, and will operate in an open, transparent, and responsive manner that meets the needs of the citizens and is a good place to do business.

LEGAL REVIEW:

The City Attorney has approved this report and the MOU between the City of Rialto and the Rialto City Employees Association Bargaining Unit for the term of July 1, 2016 through June 30, 2017.

FINANCIAL IMPACT:

The total annual cost for newly requested or improved benefits is \$409,925. These items are budgeted in the 010-500-0001-2021 account.

The RCEA unit pays 8% of salary towards the cost of pension benefits. Any and all cost associated with newly proposed pensionable benefits are included in the cost estimates below.

All the benefit will be implemented on July 1, 2016, the costs estimated are displayed as annualized. The total value of the contract is estimated at \$409,925. \$400,000 was included in the FY16/17 annual budget analysis approved by Council on June 14, 2016. As the contract value is an estimate based on usage of time and benefits an adjustment will be made at midyear to reflect actual costs.

RECOMMENDATION:

Staff recommends that the City Council Adopt the Resolution approving the MOU between the City of Rialto and the Rialto City Employees Association for the term of July 1, 2016 through June 30, 2017 and authorize the City Administrator to execute the agreement.