

**REPORT TO MAYOR AND COUNCIL**

TO THE HONORABLE MAYOR AND COUNCIL:

DATE: June 22, 2010

SUBJECT: TERMS AND CONDITIONS OF EMPLOYMENT FOR EMPLOYEES IN PROFESSIONAL REPRESENTATION UNIT REPRESENTED BY OFFICE AND PROFESSIONAL EMPLOYEES INTERNATIONAL UNION (OPEIU) LOCAL 29 FOR PERIOD JULY 1, 2010 THROUGH JUNE 30, 2012

Report in Brief

The Memorandum of Understanding between the City of Concord and the Office and Professional Employees International Union (OPEIU) Local 29 (formerly the Concord Associated Professional Employees [CAPE]) expired on July 12, 2009. The City Council unilaterally adopted terms and conditions of employment for Fiscal Year 2009-10 for City employees in this group on September 14, 2009 which resulted in a 5% reduction in salaries from their FY 2008-09 levels implemented through 13 furlough days. City and OPEIU Local 29 representatives have been meeting since April of 2010 to develop a successor Memorandum of Understanding, and have reached a tentative agreement on the terms and conditions of employment for the next two fiscal years. The OPEIU membership ratified the tentative agreement on June 21, 2010. Consequently, the Council and the Redevelopment Agency Board are also being asked to approve the terms for the Memorandum of Understanding. Should Council approve these terms, staff will prepare a successor MOU that incorporates the agreed upon changes.

The proposed terms represent compensation adjustments that will reduce the projected 10-year financial plan budget deficit by \$115,000. Additionally, the proposed concessions structurally change the relationship between the City and employees in OPEIU Local 29, by requiring them to begin picking up costs associated with their benefits and by setting the stage to establish a second and lower tier for retirement benefits with new hires.

Discussion

Given continuing State takeaways of City funds and the double-digit decline of the City's sales and property tax revenues, the City's overall budget deficit has grown to \$23 million. The City has already taken actions that address \$10 million of this deficit, and is in the process of adopting a budget for FY 2010-11 that will close another \$5.6 million of the deficit. These actions result in a remaining budget gap of \$7.4 million. The additional proposed reductions to the pay and benefits of employees of the Professional Representation Unit will contribute an additional \$ 115,000 towards balancing the City's budget.

**TERMS AND CONDITIONS OF EMPLOYMENT FOR EMPLOYEES IN
PROFESSIONAL REPRESENTATION UNIT REPRESENTED BY OFFICE AND
PROFESSIONAL EMPLOYEES INTERNATIONAL UNION (OPEIU) LOCAL 29
FOR PERIOD JULY 1, 2010 THROUGH JUNE 30, 2012**

June 22, 2010

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In summary, the agreement provides the following changes to the Memorandum of Understanding:

- Salaries will continue to be reduced by up to a five percent (5%) from FY 2008-09 levels, implemented through 13 furlough days, during Fiscal Years 2010-11 and 2011-12 as determined by the City Manager.
- Step increases will be suspended (frozen) for Fiscal Year 2010-11.
- Effective the first pay period in July 2010, the City will reduce the Employer Paid Member Contribution (EPMC) by 2%, resulting in the employees paying 2% of the member contribution towards their Public Employee Retirement System (PERS) benefit.
- Effective the first pay period in July 2011, the City will reduce the EPMC by an additional 3%, resulting in the employees paying an additional 3%, for a total of 5%, of the member contribution towards their PERS benefit.
- Concurrently in July of 2011, the top of the salary range for OPEIU Local 29 represented employees shall be increased by 3%; however, the ability to move up within the salary range is subject to work performance and a finding by the City Manager that the budget can support the unfreezing of salaries. Through this process the Professional Representation Unit employees will transition away from a salary "step" structure to a performance salary structure that allows a pay increase of between 0 and 5% each year, until an employee reaches the top of their range.
- Effective, the first pay periods in July 2010 and July 2011, 41.6 hours of vacation will be granted to each employee.
- Effective January 1, 2011, employees will split evenly any future increases (or decreases) in health premiums from the applicable premium rate for the Kaiser plan offered through CalPERS for 2010,
- The City shall implement a lower tiered, 2.0% @ 55, PERS retirement formula for new hires in the unrepresented classifications at the same time it does for all other miscellaneous (non-sworn) employees. (CalPERS requires that modifications to the retirement formula for miscellaneous employees be done concurrently, it can not be done bargaining group by bargaining group.)
- The City shall not layoff bargaining unit employees during the period of July 1, 2010 through December 31, 2010. In the event that the City Council chooses to place a revenue measure on the November 2010 ballot and the electorate passes it, the City shall not layoff bargaining unit employees during the period January 1, 2011 through June 30, 2011. In the event layoffs are required, the City will provide up to thirty (30) calendar days notice to affected unit employees.
- Employees may request up to forty (40) hours of Compensatory Time earned to be paid as provided for in the Tentative Agreement.
- The parties will reopen the MOU to meet and confer over the Other Post Employment Benefits (OPEB) at the City's request.
- Notification of the establishment of each new classification and the unit placement will be provided to OPEIU Local 29

**TERMS AND CONDITIONS OF EMPLOYMENT FOR EMPLOYEES IN
PROFESSIONAL REPRESENTATION UNIT REPRESENTED BY OFFICE AND
PROFESSIONAL EMPLOYEES INTERNATIONAL UNION (OPEIU) LOCAL 29
FOR PERIOD JULY 1, 2010 THROUGH JUNE 30, 2012**

June 22, 2010

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- Reduction from \$240 to \$150 per year the City paid reimbursement for safety boots.

Fiscal Impact

The impact of the concessions on the budget deficit would be to reduce it by \$115,000.

Public Contact

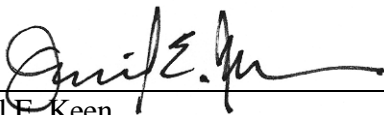
Posting of Council Agenda and notification to OPEIU Local 29.

Recommendation for Action

Staff recommends that the Council and Redevelopment Agency Board approve the following Resolutions:

1. Adopt Resolution No. 10-4735.9 authorizing paying and reporting the value of Employer Paid Member Contributions for employees of the Professional Representation Unit.
2. Adopt Resolution No. 10-4735.5 approving the terms and conditions of employment included in the attached Tentative Agreement as an amendment to the Memorandum of Understanding between the City of Concord and the OPEIU Local 29, representing the Professional Representation Unit.

Prepared by: Kathy Ito
Director of Human Resources
Kathy.Ito@ci.concord.ca.us



Daniel E. Keen
City Manager
Dan.Keen@ci.concord.ca.us

Reviewed by: Craig Labadie
City Attorney
Craig.labadie@ci.concord.ca.us

Reviewed by: Valerie Barone
Assistant City Manager
Valerie.Barone@ci.concord.ca.us

Attachment 1: Resolution No. 10-4735.9
Attachment 2: Memorandum of Understanding Tentative Agreement
Attachment 3: Resolution No. 10-4735.5

**BEFORE THE CITY COUNCIL OF THE CITY OF CONCORD
COUNTY OF CONTRA COSTA, STATE OF CALIFORNIA**

**A Resolution Authorizing Paying and Reporting the
Value of Employer Paid Member Contributions for
OPEIU Local 29 Members (Professional
Representation Unit)**

Resolution No. 10-4735.9

WHEREAS, the governing body of the City of Concord has the authority to implement Government Code Section 20636 (c) (4) pursuant to Section 20691; and

WHEREAS, the governing body of the City of Concord has written a labor policy or agreement which specifically provides for the normal member contributions to be paid by the employer, and reported as additional compensation; and

WHEREAS, one of the steps in the procedures to implement Section 20691 is the adoption by the governing body of the City of Concord of a Resolution to commence paying and reporting the value of said Employer Paid Member Contributions (EPMC); and

WHEREAS, the governing body of the City of Concord had identified the following conditions for the purpose of its election to EPMC:

- This benefit shall apply to all employees of the Professional Representation Unit.
- This benefit shall consist of paying 6.0% (out of 8.0%) of the normal contributions as EPMC, and reporting the same percent (value) of compensation earnable (excluding Government Code Section 20636 (c) (4)) as additional compensation.

**NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF CONCORD DOES
RESOLVE AS FOLLOWS:**

Section 1. The City of Concord elects to pay and report the value of EPMC, as set forth above.

Section 2. The provisions contained in this resolution shall become effective July 12, 2010.

Section 3. This resolution shall become effective immediately upon its passage and adoption.

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**City of Concord
and
Office and Professional Employees International Union Local 29**

**Tentative Agreement on All Outstanding Issues Option
June 15, 2010**

1. TERM:

2 Years (June 30, 2012 expiration)

2. FURLOUGH

The City shall have the right to implement up to 104 hours of furlough in each fiscal year. This shall be accomplished by a mandatory wage reduction of up to 5% and the creation of a bank of furlough hours which shall be used on City-identified furlough days.

To accomplish a five percent (5%) reduction in pay, bargaining unit members will have their salaries reduced by 4.0 hours per pay period for the fiscal year. In consideration for the reduction of 4.0 hours per pay period, bargaining unit members will take furlough days off on the dates identified on the furlough schedule. The hours will be noted as a separate line item deduction on the employee's paycheck and will equal 4.0 times the hourly rate of pay in effect at the time of the deduction. This deduction will not otherwise reduce the bargaining unit member's existing base salary amount for City benefit accrual purposes.

3. WAGES:

Merit Increases

- Introduce new Merit system allowing increases of up to 5% on each anniversary date
- Clarify that Merit Salary Adjustments are based on merit and subject to budget availability
- The City has informed OPEIU Local 29 that the 2010-11 budget does not include merit increases.

Across-The Board

- No changes in 2010-11
- Effective the first pay period in July 2011, the top of the salary range for each represented classification shall be increased by 3%.

4. RETIREMENT FORMULA:

City may implement the 2.0% @ 55 retirement formula for new hires at the same time it does so for all other non-sworn employees.

5. EMPLOYER PAID MEMBER CONTRIBUTION

Effective July 1, 2010, the City will reduce the Employer Paid Member Contribution by 2% (from 8% to 6%). Members will pay the 2% member contribution on a pre-tax basis.

**City of Concord
and
Office and Professional Employees International Union Local 29**

Effective July 1, 2011, the City will reduce the Employer Paid Member Contribution by an additional 3% (from 6% to 3%). Members will pay the 5% member contribution on a pre-tax basis.

The reduction in EPMC will not occur until unrepresented non-sworn employees and represented employees subject to negotiations in 2010 are paying an equal or greater amount of the member contribution.

6. ADDITIONAL VACATION BENEFITS

- In Fiscal year 2010-11, all bargaining unit employees will be granted an additional 41.6 hours of vacation
- In Fiscal year 2011-12, all bargaining unit employees will be granted an additional 41.6 hours of vacation

The additional vacation hours will be granted effective the first pay period in July 2010 and July 2011. However, if an employee terminates employment prior to the end of the fiscal year, the vacation hours will be prorated. For Example, if an employee terminates employment on December 31, 2010, her vacation leave bank will be reduced by ½ of the 2010-11 additional vacation (20.8 hours).

7. MEDICAL INSURANCE

a. 2010 Premiums

- i. The City will continue to pay 100% of the Kaiser health premium for 2010

b. Future Premium Increases (beginning January 1, 2011)

- i. The parties will split any future increases (or decreases) in health premiums
- ii. For example, if the Kaiser Family rate increases by \$100 in 2011, all bargaining unit employees participating at the Family level will pay \$50 and the City will pay 50% of the increase (\$50), for a total City contribution of \$1,434.66. If the Kaiser Family rate increases by an additional \$100 in 2012, the employee contribution will rise to \$100 and the City contribution will rise to \$1,484.66.

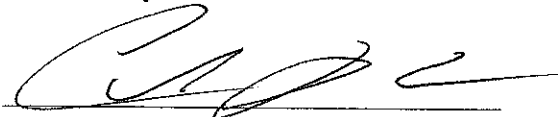
The foregoing medical cost sharing will not occur until an equal or greater cost share is in place for unrepresented non-sworn employees and represented employees subject to negotiations in 2010.

**City of Concord
and
Office and Professional Employees International Union Local 29**

8. LAYOFFS

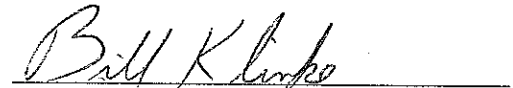
The City will not lay off bargaining unit employees during the period from July 1, 2010 through December 31, 2010. In the event that the electorate passes a revenue measure placed on the November 2010 ballot by the Concord City Council, the City will not lay off bargaining unit employees during the period from January 1, 2011 through June 30, 2011.

For the City:



June 15, 2010

For the Union:



June 15, 2010

TA's

- Recognition
- Bilingual Pay
- Safety Boots
- Drug and Alcohol Testing
- Life Insurance Plan
- Long-Term Disability Insurance
- Flexible Spending Account
- Domestic Partner Coverage
- Deferred Compensation
- Retirement Award Package
- Point Factor/Pay for Performance
- Representation
- OPEB
- Holidays
- Reduction In Force (Notice)
- CTO Cashout

All other items remain status quo

**City of Concord
and
Public Employees Union Local 29**

**Tentative Agreement on Multiple Non economic Issues
May 25, 2010**

1. Section 1. RECOGNITION

The City recognizes the ~~Professional Employees~~ **OPEIU Local 29** ("**Local 29**" or "**Union**") as the Certified Employee Organization for the Professional Representation Unit.

This MOU entered into between the ~~Union Professional Employees~~ and the City represents the result of meeting and conferring in good faith in accordance with Section 3505 of the California Government Code.

The adjustments to wages, hours and conditions of employment that are set forth in this MOU have been discussed in good faith between the parties hereto. The representatives of the Professional Employees, acting on behalf of all its members and all employees of the Professional Representation Unit, agree to acceptance of all the adjustments as set forth herein, and the staff representatives of the City agree to recommend to the City Council that all the adjustments set forth herein be adopted in full by the City Council in the manner and procedure prescribed by law.

The section headings in this MOU are for convenience only and are not to be construed as modifying or governing the language in the section referred to.

As used in this MOU, the term(s) "Employee(s)" refers to full time competitive service members of the Unit. **The Professional Representation Unit is comprised of employees in the classifications set forth in Exhibit A hereto.**

1.1 Representation by Employees

For purposes of meeting and conferring in good faith regarding wages, hours, and working conditions with the Professional Employees, the City, upon 24-hour notice, will provide time off with pay to no more than three City employee members during their normal work hours. Meetings held outside of the employee's normal work hours shall be on the employee's own time.

1.2 Establishment of Classifications

When the City establishes a new classification, the City shall notify Local 29 of its intention to establish the new classification and the unit placement of the classification. Notice under this provision will be accomplished by e-mailing

**City of Concord
and
Public Employees Union Local 29**

Local 29 a copy of or link to the agenda packet for the meeting at which the City Council is scheduled to establish of the new classification.

OPEIU may request that the Human Resources Director meet to discuss the unit placement of the new classification. Such request shall be in writing and must be made prior to the Council meeting at which the unit placement is to be determined. Except as provided in the City's Classification Plan, the decision of the Human Resources Director shall be final.

1.3 Union Security

[INCORPORATE LANGUAGE OF SIDELETTER ON AGENCY SHOP]

2. Section 5.5 BILINGUAL PAY

The City will pay a **\$120** per month bilingual premium to ~~be~~ City-designated employees who have been certified as fluent in a language that meets the City's operational needs as follows:

Effective July, 2002	\$90.00 per month
Effective July, 2004	\$100.00 per month
Effective July, 2006	\$110.00 per month
Effective July, 2008	\$120.00 per month

3. Section 15.1 SAFETY

The City will reimburse employees who are required to perform field work up to ~~\$175~~ **\$150** per year for safety boots complying with standards established by the Safety Committee. ~~The reimbursement amount shall be increased to \$200 in July 2004, \$220 in July 2006, and \$240 in July 2008.~~

Safety glasses will be provided by the City pursuant to Policy and Procedure No 106, which is incorporated herein by reference. Changes to Policy and Procedure No. 106 will become effective only after satisfying the City's meet and confer obligations.

4. Section 15.3 DRUG AND ALCOHOL USE AND TESTING

[STATUS QUO]

**City of Concord
and
Public Employees Union Local 29**

5. Section 16.3 LONG TERM DISABILITY

The City shall maintain, at the City's cost, the current Long Term Disability Program for the term of this MOU. Individual coverage ceases upon termination of employment. **The City will notify the Union and provide an opportunity to meet and confer before changing the level of coverage.**

6. Section 16.4 LIFE INSURANCE

The City shall maintain the current **City-paid** Group Life Insurance Program for employees for the term of this MOU. **The City will notify the Union and provide an opportunity to meet and confer before changing the level of coverage.**

7. New Section. FLEXIBLE SPENDING ACCOUNT

The City shall maintain the current Flexible Spending Account/Cafeteria Plan (FSA) offered by the City. The FSA will include accounts for dependent care, medical premium co-payments, and medical expenses.

The parties also agree that the City may pay the employer portion of medical premiums (less the statutorily mandated PEMHCA contribution) through the FSA. The parties understand that the City's use of the FSA as a vehicle for its medical contributions would not change the City or employee's overall contribution to active medical premiums as set forth in this agreement.

8. New Section. DOMESTIC PARTNER COVERAGE

Registered domestic partners of bargaining unit employees shall be eligible to qualify as dependents under the City's medical and dental plans, subject to the conditions set forth by the benefit carriers.

9. New Section. OTHER POST-EMPLOYMENT BENEFITS

Once the City has determined a plan regarding Other Post Employment Benefits ("OPEB"), the City will notify the Union and the parties will reopen the agreement to meet and confer over this issue. The meet and confer shall be subject to the impasse provisions the City's Employer Employee Relations Resolution and the Meyers Milias Brown Act.

10. Section 16.6 DEFERRED COMPENSATION

Employees in the Professional Representation Unit shall be eligible to participate voluntarily in the City of Concord Deferred Compensation Plan (**457 and 401K**) subject to Internal Revenue Service approval. **There is no City contribution.**


**City of Concord
and
Public Employees Union Local 29**

11. Section 5.7 POINT FACTOR/PAY FOR PERFORMANCE

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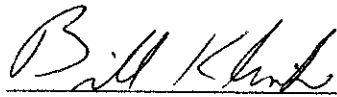
~~During the term of this Agreement the parties shall form a joint committee to study the point factor system, pay for performance, and market based pay. Any recommendation developed by the parties may be implemented by mutual agreement during the term of this Agreement. Such recommendations shall be completed for consideration no later than July 1, 2003.~~

For the City:



May 25, 2010

For the Union:



May 27, 2010

**City of Concord
and
Public Employees Union Local 29**

**Tentative Agreement on Holidays
May 27, 2010**

8. Holidays

8.1 Good Friday

~~Three (3) hours off with pay shall be provided on Good Friday. The City offices shall be open and staffing of its operations be scheduled by the City in such a way as to accommodate the public and the requirements of the City on that day.~~

~~The City will credit each full-time employee's compensatory time bank with an additional three hours of straight time leave as part of the payroll period inclusive of Good Friday. If an employee wishes to take time off on Good Friday, the employee shall request such time from their supervisor and code the leave as either compensatory time used or vacation. Employees are not required to take the time off.~~

~~However, supervisors are requested to accommodate such requests for leave while maintaining adequate staffing to provide City services.~~

8.2 8.1 Holiday Policy

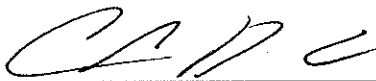
The following shall be provided as holidays for purposes of wages and hours of work for eligible full time employees:

- New Years Day.....January 1st
- Martin Luther King Jr. DayThird Monday in January
- Lincoln's Birthday.....Second Monday in February
- Washington's Birthday.....Third Monday in February
- Memorial Day.....Last Monday in May
- Independence DayJuly 4th
- Labor DayFirst Monday in September
- Veteran's Day.....November 11th
- Thanksgiving Day.....As Proclaimed by the President
- Day Following Thanksgiving
- Christmas DayDecember 25th

**City of Concord
and
Public Employees Union Local 29**

8.2 In addition, the City will credit each full-time employee's compensatory time bank with an additional three hours of straight time leave in the first pay period in March.

For the City:



June 4, 2010

For the Union:

Bill Klink

June 4, 2010

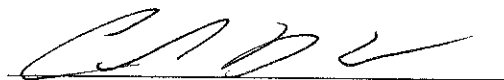
**City of Concord
and
OPEIU Local 29**

Tentative Agreement on Golf/Swim Pass Conversion Policy

[Attachment C] Golf/Swim Pass Conversion Policy Retirement Award Package

- A. Full time regular employees who retire from the City will receive the following:
- Retirement plaque.
 - \$100 contribution by City toward gift being purchased for retiree by co-workers.
 - Reimbursement up to \$50 for dinner for two.
 - Pair of tickets to performance of choice at **Concord Sleep Train Pavilion (this benefit will remain available only so long as the City has access to complementary tickets from the Pavilion).**
- B. Full time regular employees hired before April 26, 1994, who retire from the City will receive, in addition to the items listed in paragraph A:
- A monetary award based on years of service as follows:
 - 10 years of service: \$200.00
 - 20 years of service: \$500.00
 - 25 years of service: \$700.00
- C. ~~D.~~ For employees hired on or after April 26, 1994, retirement recognition awards will be governed by City policy, if any, in effect at the time of retirement. Any employee recognition program developed by the City is subject to change or elimination at any time.
- D. ~~E.~~ The foregoing benefits only apply to employees who actually retire upon cessation of their employment from the City. They do not apply to employees who leave the City to work for another employer and retire at a later time.

For the City:



June 4, 2010

For the Union:



June 4, 2010

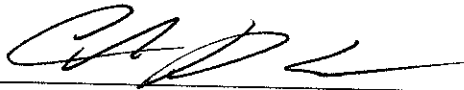
**City of Concord
and
Public Employees Union Local 29**

Tentative Agreement on Layoff

[New Section]. Layoffs

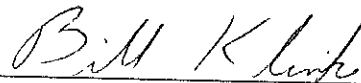
Layoffs shall proceed consistent with the terms of existing City policy. However, in the event layoffs are required, the City will provide up to thirty (30) calendar days' notice to affected OPEIU Local 29 represented employees. If the City determines it is appropriate to give less than thirty (30) calendar days' notice, it will pay the employee the difference between the notice period and the thirty calendar days. For example, if the City gives an employee ten (10) days notice of layoff, the City will pay the employee his or her normal pay for the period between the tenth and thirtieth day.

For the City:



June 9, 2010

For the Union:



June 9, 2010

**City of Concord
and
Public Employees Union Local 29**

Tentative Agreement on Compensatory Time

7. Overtime

7.1 The Parties hereby incorporate by reference Policy and Procedure No. 15, Overtime, in effect on the date of this MOU. All classifications covered by this MOU shall be assigned to Overtime Group A. Employees shall be granted either time off equivalent to one and one-half times the overtime hours worked, or cash compensation equivalent to one and one-half times their straight time rate of pay for the overtime hours worked. Employees entitled to overtime may accumulate up to a maximum of 160 hours compensatory time off with pay. The City shall balance accounts twice annually in April and October.

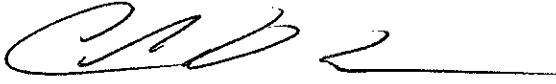
7.2 **An employee may request up to forty (40) hours of Compensatory Time earned (Comp Time) to be paid in cash in accordance with the following provisions:**

7.2.1 **During the periods April 15 through April 30 and October 15 through October 30, the employee may elect to receive cash for up to forty (40) hours worth of Comp Time earned.**

7.2.2 **Payment of the cash in lieu of Comp Time off shall be made no later than the last payday occurring in the following month.**


7.2.3 **Payment of cash in lieu of time off shall not exceed the employee's Comp Time balance on hand at the time of payment.**

For the City:



June 9, 2010

For the Union:



June 9, 2010

**BEFORE THE CITY COUNCIL OF THE CITY OF CONCORD
COUNTY OF CONTRA COSTA, STATE OF CALIFORNIA**

**A Resolution Approving Terms and Conditions of
Employment for City’s Professional Representation
Unit of OPEIU Local 29 for the Period July 1, 2010
through June 30, 2012**

Resolution No. 10-4735.5

WHEREAS, the Memorandum of Understanding between the City of Concord and the Office and Professional Employees International Union (OPEIU) Local 29 representing the Professional Representation Unit expired on July 12, 2009; and

WHEREAS, the City Council of the City of Concord unilaterally adopted terms and conditions of employment for Fiscal Year 2009-2010 for City employees in the Professional Representation Unit represented by OPEIU Local 29 on September 14, 2009; and

WHEREAS, City representatives and the duly appointed representatives of OPEIU Local 29 have met and conferred in accordance with Section 3500 *et seq.* of the California Government Code; and

WHEREAS, the membership of the Professional Representation Unit ratified the attached agreement on June 21, 2010; and

WHEREAS, the City Manager and City staff recommend that the terms and conditions of the Memorandum of Understanding amendment be approved by the City Council.

**NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF CONCORD DOES
RESOLVE AS FOLLOWS:**

Section 1. Adopts the terms and conditions of employment included in the attached Term Sheet as an amendment to the Memorandum of Understanding between the City of Concord and the OPEIU Local 29, representing the Professional Representation Unit.

Section 2. Directs staff to prepare a successor Memorandum of Understanding between the City of Concord and the OPEIU Local 29 representing the Professional Representation Unit for the period of July 1, 2010 through June 30, 2012 incorporating the agreed-upon-changes and such further technical and clarifying changes as may be approved by OPEIU Local 29 representatives and the City Manager.

