

DATE: October 9, 2007
TO: Mayor and City Council
FROM: Human Resources Director
SUBJECT: Adoption of Resolution to approve SEIU Local 1021 Clerical and Confidential Unit and SEIU Local 1021 Maintenance Unit Memorandums of Understanding

RECOMMENDATION

That the City Council adopt the attached resolution which approves new four-year labor agreements with SEIU Local 1021, formerly recognized as SEIU Local 790, effective May 1, 2007 pertaining to wages, hours, benefits and other terms and conditions of employment.

SUMMARY

City negotiators have reached agreement on two new four-year Memorandum's of Understanding (MOU's) with SEIU Local 1021, which represents City of Hayward clerical, confidential clerical, and maintenance employees. On October 4, 2007, SEIU members ratified the proposed contracts. The principle economic components include Cost of Living adjustments (COLA's) of 3% in 2007, 3% in 2008, 4% in 2009 and 4% in 2010. Additional equity increases are provided over three years for 85 of the 89 job classifications within the unit. Additional contractual items with significant changes are attached to this staff report.

BACKGROUND

The City has MOU's with two SEIU bargaining units: The Maintenance and Operations unit and the Clerical and Related Unit. In 2004 the City and SEIU Local 790 agreed to a two year extension of the then existing MOU's which were set to expire in April 2005. As part of the extension the union agreed to forgo salary increases for two years and the City agreed to conduct a compensation survey as part of the next round of negotiations. In addition, the City agreed to make every effort to implement 100% of the equity increases that resulted from the salary survey. The equity increases are those salary increases necessary, by classification, to bring City of Hayward salaries up to the average of the survey cities. The cities surveyed were: Alameda, Berkeley, Daly City, Fremont, Livermore, Palo Alto, Richmond, San Leandro, San Mateo, Santa Clara and Vallejo.

The two year extension expired April 30, 2007 and the two units agreed to negotiate jointly. In April 2006, City negotiators began meeting with members of SEIU Local 1021 to select an outside consultant to perform a comprehensive salary survey for all job classifications within the unit. Koff & Associates, Inc. was chosen through an RFP process. The survey was conducted and formal negotiation proceedings began in March 2007.

City negotiators and members of SEIU Local 1021 met regularly from March through September 2007 to negotiate wages, hours, benefits and other terms and conditions of employment. Data received from Koff & Associates, Inc. regarding survey information was utilized in determining equity adjustments per job classification. City negotiators and members of SEIU Local 1021 reached agreement on two new four-year contracts with general wage increases occurring over four years and equity adjustments to occur over 3 years for the job classifications warranted by the survey data. Other major adjustments to the contract are attached.

DISCUSSION

Attached is a summary of the primary changes to the two MOU's. The City has for the first time agreed to provide employees with full equity increases in addition to cost of living increases (COLA's). In the past equities have been given to only certain positions and have been offset by COLA's. This has resulted in positions never quite reaching the average of our survey cities. Positions not surveyed fell further behind. In exchange the union has agreed to changes in certain City provided benefits including medical for both active employees and retirees, and workers' compensation that will allow the City to achieve salary savings over time.

FISCAL IMPACT

The Fiscal Impact of Salary Adjustments over four years is as follows:

Annual Cost (06/07 salaries approx \$17,000,000):

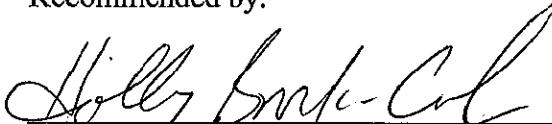
	2007/08	2008/09	2009/2010	2010/11
Equity Adj.	\$614,000	\$618,000	\$663,000	\$0
COLA	\$529,000 (3%)	\$563,000 (3%)	\$773,000 (4%)	\$832,000 (4%)
Total Salaries	\$18,146,000	\$19,327,000	\$20,790,000	\$21,622,000

For the first year of the contract, salaries will be approximately \$122,000 over the projected budget due to higher than anticipated equity costs.

The increases in salaries identified above will be offset in part by on going Health, Worker's Compensation and Retiree Medical savings. Healthcare savings are estimated at \$110,000 per year and Worker's Compensation savings are estimated at \$65,000 per year.

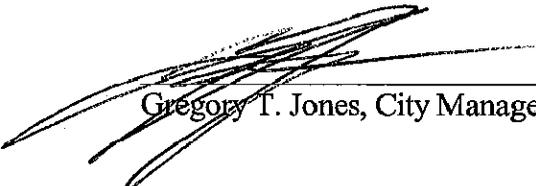
Due to the length of the documents, the agreements are not attached, but are available for review in the City Clerk's office.

Recommended by:



Holly Brock-Cohn, Human Resources Director

Approved by:



Gregory T. Jones, City Manager

Attachment: Summary of MOU Changes
Draft Resolution

Summary of SEIU Local 1021 MOU Changes

- **Worker's Compensation:** Employees will be allowed only one 1-year Salary Continuation for worker's compensation injuries within a three year period rather than 1-year Salary Continuation for each injury.
- **Retiree Medical:** Effective January 1, 2008, a 10-year vesting period will be required to qualify for Medical After Retirement and those employees retiring with less than 10 years of service will no longer be eligible for benefits. Currently there is no vesting period.
- **Health Benefits:** Employer contribution cap will be set at the second highest health plan rate, currently Blue Shield HMO. Currently the City pays 100% of the cost of any health plan premium provided.
- **Holidays:** There will be operational changes in addressing Saturday holidays, Christmas Eve and New Year's Eve. Any holiday occurring on a Saturday will be observed the Friday before. Should Christmas Eve occur on a Saturday or a Sunday, City offices will observe and close the Friday before, thus eliminating the use of a floating four hour holiday for employees. Should New Year's Eve fall on a weekend, employees shall be allowed four hours off on the work day immediately preceding the date New Year's Day is observed. Any employee unable to be released for this time shall receive four hours of compensatory time or vacation. These changes will simplify the administration of holidays, allow the city to close on certain holidays and reduce vacation accruals.
- **Increase to meal allowances** given to employees from \$8.00 to \$10.00 based on general cost of living increases.
- **Increase to shift differentials** given to employees from \$.80 to \$1.15 for evening shift and \$1.05 to \$1.40 for night shift based on general cost of living increases.
- **Changes made to the way certain non-safety Police Department personnel receive training pay and assignments.** Up to four certified trainers assigned to the jail and four assigned to communications will be eligible for training pay. This will simplify the process administratively and more accurately compensate employees for training duties.
- **Permit Technicians and Senior Permit Technicians** obtaining an ICBO certification shall receive 5% additional certification pay.
- **Employees in Water Distribution** obtaining a State Water Distribution level 3 certification shall receive 5% additional certification pay.
- **The City currently provides employees who opt out of the City's health care with a monthly alternate benefit.** The rate for Alternate Benefits will increase from \$131 to \$150 for single-party; from \$238 to \$270 for two-party and from \$310 to \$350 for family.
- **Increase to Life Insurance coverage** from \$30,000 to \$50,000.
- **Language for all types of employee leaves** were adjusted and modified to meet current Labor Law standards.

DRAFT

HAYWARD CITY COUNCIL

RESOLUTION NO. 07-

Introduced by Council Member _____

Mine
9/28/07

RESOLUTION ACCEPTING MEMORANDUM OF UNDERSTANDING BETWEEN THE CITY OF HAYWARD AND SERVICE EMPLOYEES INTERNATIONAL, LOCAL 1021 (CLERICAL AND CONFIDENTIAL UNIT AND MAINTENANCE UNIT)

BE IT RESOLVED by the City Council of the City of Hayward that the Council does hereby approve that certain Memorandum of Understanding effective May 1, 2007, between the City of Hayward and the Service Employees International, Local 1021 (Clerical and Confidential Unit and Maintenance Unit) pertaining to wages, hours, benefits, and other terms and conditions of employment, a copy of which is on file in the office of the City Clerk.

IN COUNCIL, HAYWARD, CALIFORNIA _____, 2007

ADOPTED BY THE FOLLOWING VOTE:

AYES: COUNCIL MEMBERS:
MAYOR:

NOES: COUNCIL MEMBERS:

ABSTAIN: COUNCIL MEMBERS:

ABSENT: COUNCIL MEMBERS:

ATTEST: _____
City Clerk of the City of Hayward

APPROVED AS TO FORM:

City Attorney of the City of Hayward