TO: CITY COUNCIL
VIA: CITY ADMINISTRATOR
FROM: DIRECTOR OF ADMINISTRATIVE SERVICES
DATE: JULY 23, 2019
SUBJECT: MEMORANDUM OF UNDERSTANDING BETWEEN THE CITY AND THE PLACENTIA CITY EMPLOYEES ASSOCIATION

FISCAL IMPACT:
- FISCAL YEAR 2019-20 $153,274 (Estimated)
- FISCAL YEAR 2020-21 $300,521 (Estimated)

SUMMARY:
The Placentia City Employees Association (PCEA) represents approximately 53 full-time employees who work in multiple City departments. The City and PCEA have been engaged in good faith labor negotiations and have reached a tentative agreement on the wages, hours, and working conditions for PCEA employees. PCEA ratified the tentative agreement on July 2, 2019. The Memorandum of Understanding (MOU), which represents the tentative agreement, is presented for City Council approval.

RECOMMENDATION:
It is recommended that the City Council take the following actions:

1. Approve the Memorandum of Understanding with the Placentia City Employees Association as outlined in Exhibit 1; and

2. Authorize the City Administrator, Director of Administrative Services, and Director of Finance to execute the necessary documents on behalf of the City, in a form approved by the City Attorney.

DISCUSSION:
The MOU between the City and the PCEA expired on February 28, 2019. The City representatives have been in discussion with PCEA Board Representatives over the past six months. With City Council direction and cooperation from the PCEA, the negotiations process has been successfully completed between the parties.

A summary of the significant agreements for this MOU include the following compensation and benefit adjustments:

July 23, 2019
1. Term: March 1, 2019 – June 30, 2020
2. Signing Bonus: All active PCEA employees will receive a one-time, non-pensionable, lump sum payment of $1,000 as a signing bonus for ratifying the tentative agreement before July 9, 2019.
3. Compensation: 3.5% increase for all unit employees effective the beginning of the pay period following City Council approval of the MOU and 3.5% increase for all unit employees effective the pay period that includes July 1, 2020.
4. Reclassification of Dispatcher Clerk to Public Safety Dispatcher. Public Safety Dispatchers will assume additional dispatch functions with the implementation of the City’s new Fire Department. When training for the additional dispatch duties begins, the Public Safety Dispatchers will receive an additional 6% salary adjustment (anticipated in January 2020) and when Public Safety Dispatchers assume full function Fire Dispatch duties, they will receive an additional 6% salary adjustment (anticipated July 1, 2020).
5. Medical Contributions: Employer medical contributions are capped at the current 2019 contribution levels for the term of the MOU for active employees and retirees eligible under the 1995 Insurance Benefits agreement. A new tier of medical opt out, capped at $400 per month, is created for new employees and for current employees who elect to opt out of medical coverage after November 2019.
6. Holiday Closure: City to provide forty-eight (48) hours of paid leave to be utilized by active employees during the holiday closure period at the end of December each year. For employees unable to use the leave during the holiday closure, additional time to use the leave is provided and unused hours are paid with the last paycheck in June.
7. Leave Cash Out: Implementation of a leave cash out process that complies with the constructive receipt provisions under the IRS regulations.
8. Special Pay: Bilingual Pay is increased from $165/month to $175/month; Maintenance Standby is increased from $125/week to $150/week; Community Services Weekend Standby is increased from $75 to $100.
9. Hours of work: Clarification and revision to work schedules, hours of work and meal periods.
10. Tuition Reimbursement: Allow approved certification programs to be eligible under the tuition reimbursement program. Cap tuition reimbursement at the city-wide authorized budget amount of $20,000. Authorization will be provided on a first come first served basis.
11. Advancement through the Salary Range: Salary Step movement from Step A to Step B may occur following six months of satisfactory performance and after reaching Step B, on an annual basis with satisfactory performance.
12. Leaves of Absence: Employees with accrued leave must use all available accrued leave when absent from work for a partial day or full day. During any unpaid leave of absence, unit members do not accrue leave and do not receive benefits unless required by law.
13. Reclassification: The City will implement a process to consider requests for reclassification when there is a substantial change in job duties.
14. Performance Evaluations: Employees will receive performance evaluations at least annually and will be placed in the employees personnel file.
15. Contract Language: The contract language has been re-written for clarity, conformance with applicable laws, and to reflect the actual practices within the City. The contract
language revisions, while significant, are not economic items and are intended to communicate more clearly the parties' agreements.

16. All other components shall remain in the Memorandum of Understanding and will remain in full force and effect for the term of the agreement.

**FISCAL IMPACT:**

The total cost for the aforementioned benefit adjustments is estimated at $153,274 for the Placentia City Employees Association members for Fiscal Year 2019-20. The salary and benefit expenditures were included in the Fiscal Year 2019-20 Adopted Budget. The one-time payment will be appropriated from the Employee Recruitment and Retention Reserve in the Mid-Year Budget Amendment. The fiscal impact for Fiscal Year 2020-21 will be $300,521.

Prepared by:

Rosanna Ramirez  
Director of Administrative Services

Reviewed and approved:

Kim Krause  
Director of Finance

Reviewed and approved:

Damien R. Arrula  
City Administrator

Attachment:

1. Exhibit 1: PCEA MOU