



Agenda Report

Fullerton City Council

MEETING DATE: JANUARY 21, 2020

TO: CITY COUNCIL / SUCCESSOR AGENCY

SUBMITTED BY: KENNETH A. DOMER, CITY MANAGER

PREPARED BY: GRETCHEN BEATTY, DIRECTOR OF HUMAN RESOURCES

SUBJECT: FIRST CONSIDERATION OF TENTATIVE AGREEMENTS BETWEEN THE CITY OF FULLERTON AND THE FULLERTON MUNICIPAL EMPLOYEES FEDERATION AND BETWEEN THE CITY OF FULLERTON AND THE FULLERTON MANAGEMENT ASSOCIATION

SUMMARY

Proposed Memorandums of Agreement between the City of Fullerton and the Fullerton Municipal Employees Federation (FMEF) and between the City of Fullerton and the Fullerton Management Association (FMA).

RECOMMENDATION

That the City Council review the proposed Memorandums of Agreement and direct Staff to schedule them for final review on February 4, 2020.

PRIORITY POLICY STATEMENT

This item matches the following Priority Policy Statement:

- Fiscal and Organizational Stability.

FISCAL IMPACT

The maximum fiscal impact of the tentative agreements are reflected on the attached audited fiscal analyses and are summarized below. Actual costs in the first year will be reduced by significant vacancies in positions in both units.

Between the City and	Fiscal Year 2019/2020	Fiscal Year 2020/2021
FMEF	\$1,086,388	\$262,704
FMA	\$212,281	\$70,572

Funding for these proposed tentative agreements, the majority of which relates to one-time expenditures, is available in current unassigned reserves. A recommendation for a budget appropriation will be included when the agreements are brought back to City Council for final approval.

DISCUSSION

FMEF:

The FMEF is the largest bargaining unit representing City of Fullerton employees. Their members serve in approximately 300 positions, assigned to various non-sworn and non-management classifications in all departments of the City. Represented classifications include those such as: Maintenance Worker, Account Clerk II, Customer Service Representatives, Parking Control Officer, Equipment Operator, Police Records Clerk, Permit Technician, Adult Services Librarian, Code Enforcement Officer, Construction Inspector and Civil Engineer.

This unit has been without an agreement since July 2019 when the previous agreement expired. The proposed tentative agreement reflects the product of a negotiation process that has spanned several months.

In addition to the one-time medical expense reimbursements of \$3,000 per eligible employee; the agreement also provides a restructured Holiday Leave Program. The City traditionally recognizes eleven paid holidays. The new program, which will begin July 1, 2020, will recognize the same eleven paid holidays through either paid time off on the day the holiday occurs, or with a discretionary time off to be used within the fiscal year when the holiday falls on a non-work day. This change simplifies administration of the holiday leave program and negates the need to close City facilities on Mondays following recognized holidays that fall on a Sunday. The attached audited cost projections reflect the value of the restructured holiday program - \$86,000 for 2020-2021. This is not an additional cash cost for the additional holiday leave hours provided by this restructured program.

Highlights of the tentative agreement include:

- Two year term, July 1, 2019 through June 30, 2021
- One-time paid day off – December 26, 2019 (to be handled through timecard adjustments)
- Restructured Holiday Program
- Medical expense reimbursement of \$3,000
- \$50 per month City “flex credit” contribution to a 125 plan
- Extension of vision coverage to employees enrolled in Kaiser medical
- Administration of a voluntary supplementary benefit program
- Distribution of a previously approved wellness stipend to employees through a one-time “flex credit” contribution (per eligible employee value is \$60,000 divided equally among eligible employees at time of distribution).

The specific changes to the previous agreement with this unit are reflected in the proposed agreement. New language is shown in bold print and deleted language is shown in strikeouts. Following is a summary of the significant changes in the Memorandum of Agreement.

<u>ARTICLE #</u>	<u>PROVISION</u>
5	The term of the Agreement shall be from July 1, 2019 through June 30, 2021.
15	Deletion of outdated language related to across-the-board salary increases in prior agreement period (no such across-the-board salary increases are included in the proposed tentative agreement) and deletion of ranges and steps that will fall below the California Minimum Wage during the term of the agreement.
16	Deletion of Matron Duty Pay eliminated following contracting out of jail operations.
17	Adjustment of Call Back Pay minimum from 2.6 hours to 2.67 hours.
27	Changes to reflect implementation of fixed medical contributions, elimination of Single Party In Lieu Pay and Married Couple Pay, and reduction of Opt-Out pay per previously negotiated side letter. New changes in the Article reflect <ul style="list-style-type: none">• Agreement to pay a one-time reimbursement of health expenditures of \$3,000;• Disbursement of \$60,000 wellness credit previously negotiated;• Implementation of "flex credit" contribution of \$50/mo as of 1/1/21;• Implementation of a voluntary supplemental benefit plan.
32	Extension of vision insurance eligibility for employees enrolled in the Kaiser medical plan.
35	Recognition of Discretionary Personal Leave in a separate Article.
36 and 37	Introduction of the restructured Holiday Program detailed above.
49	Elimination of agency-shop terms and formalized procedure for bargaining unit to participate in new employee orientation and receive employee contact information as required under the law.
54	Incorporation of provision on Layoffs from previously negotiated side letter.
59	Incorporation of Safety Rest Period language from a previously negotiated side letter.

FMA:

The FMA is the bargaining unit representing City of Fullerton non-sworn employees serving in various management positions throughout most departments of the City. Represented classifications include those such as: Utility Services Supervisor, Senior

Librarian, Police Communications Supervisor, Accounting Supervisor, Street Superintendent, Information Systems Project / Programmer Manager, Airport Manager, Senior Civil Engineer and Planning Manager.

This unit has also been without an agreement since July 2019 when the previous agreement expired. The proposed tentative agreement reflects the product of a negotiation process that has spanned several months.

Highlights of the tentative agreement include:

- Two year term, July 1, 2019 through June 30, 2021
- One-time paid day off – December 26, 2019 (to be handled through timecard adjustments)
- Restructured Holiday Program
- Medical expense reimbursement of \$3,000
- \$50 per month City “flex credit” contribution to a 125 plan
- Extension of vision coverage to employees enrolled in Kaiser medical
- Administration of a voluntary supplementary benefit program.

The specific changes to the previous agreement with this unit are reflected in the attachment. New language is shown in bold print and deleted language is shown in strikeouts. Following is a summary of the significant changes in the Memorandum of Agreement.

<u>ARTICLE #</u>	<u>PROVISION</u>
2	The term of the Agreement shall be from July 1, 2019 through June 30, 2021.
7	Deletion of outdated language related to across-the-board salary increases (no such across-the-board salary increases are included in the proposed tentative agreement).
17	Changes to reflect implementation of fixed medical contributions, elimination of Single Party In-Lieu Pay and Married Couple Pay, and reduction of Opt-Out pay per previously negotiated side letter. New changes in the Article reflect <ul style="list-style-type: none">• Agreement to pay a one-time reimbursement of health expenditures of \$3,000;• Implementation of “flex credit” contribution of \$50/mo as of 1/1/21;• Implementation of a voluntary supplemental benefit plan.
21	Extension of vision insurance eligibility for employees enrolled in the Kaiser medical plan.
25	Recognition of Discretionary Personal Leave in a separate Article.
26 and 27	Introduction of the restructured Holiday Program detailed above.

Additional changes addressing administrative issues, incorporating provisions from previously authorized side letters, legal requirements or clean up language are also reflected in the proposed tentative agreements. Implementation of AB 119 requirements for bargaining union access to employee orientation is included to address changes in the law since the implementation of the prior agreement.

Attachments:

- Attachment 1 – PowerPoint Presentation
- Attachment 2 – Tentative Agreement FMEF redline version
- Attachment 3 – Draft Agreement (FMEF)
- Attachment 4 – Audited Analysis of Costs - FMEF
- Attachment 5 – Tentative Agreement FMA redline version
- Attachment 6 – Draft Agreement (FMA)
- Attachment 7 – Audited Analysis of Costs - FMA