



# ***Agenda Report***

## ***Fullerton City Council***

**MEETING DATE:** FEBRUARY 4, 2020

**TO:** CITY COUNCIL / SUCCESSOR AGENCY

**SUBMITTED BY:** KENNETH A. DOMER, CITY MANAGER

**PREPARED BY:** GRETCHEN BEATTY, DIRECTOR OF HUMAN RESOURCES

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

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### **SUMMARY**

Final consideration of proposed Memorandums of Agreement (MOA) between the City of Fullerton and Fullerton Municipal Employees Federation (FMEF) and between the City of Fullerton and the Fullerton Management Association (FMA) reflecting tentative agreement on wages, hours and working conditions by the City Council.

### **RECOMMENDATION**

1. Adopt the following resolutions:

RESOLUTION NO. 2020-XX – A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF FULLERTON, CALIFORNIA, APPROVING THE MEMORANDUM OF AGREEMENT BETWEEN THE CITY AND THE FULLERTON MUNICIPAL EMPLOYEES FEDERATION

RESOLUTION NO. 2020-XX – A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF FULLERTON, CALIFORNIA, APPROVING THE MEMORANDUM OF AGREEMENT BETWEEN THE CITY AND THE FULLERTON MANAGEMENT ASSOCIATION

2. Authorize budget appropriations in the amount of \$1,100,000 from unassigned fund balance to fund Fiscal Year 2019-20 increased costs.

### **PRIORITY POLICY STATEMENT**

This item matches the following Priority Policy Statement:

- Fiscal and Organizational Stability.

## FISCAL IMPACT

The maximum fiscal impact of the new provisions in the tentative agreements are reflected on the attached audited fiscal analyses and are summarized below. Actual increased costs in the 2019-20 Fiscal Year are estimated to be \$1,100,000 based on the number of employees on payroll on December 27, 2019 who are eligible for the one-time lump sum payment. Staff recommends City Council authorization of a budget appropriation in the amount of \$1,100,000 from unassigned fund balance to cover these costs. Current unassigned fund balance resulting from savings from vacancies in the 2018-19 Fiscal Year are available to cover these costs, largely resulting from one-time costs.

	Fiscal Year 2019-20	Fiscal Year 2020-21
FMEF	\$1,086,388	\$262,704
FMA	\$212,281	\$70,572

The table below reflects the revised projected value of total compensation for the two units including the new costs detailed above.

	Fiscal Year 2019-20	Fiscal Year 2020-21*
FMEF	\$26,402,404	\$26,202,018
FMA	\$7,662,613	\$7,660,873
*FY 20-21 costs are less than year prior due to FY 19-20 increases being one-time only, non PERSable costs.		

## 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 leave program - \$86,000 for 2020-21. 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).

Following is a summary of the significant changes in the proposed 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"><li>• Agreement to pay a one-time reimbursement of health expenditures of \$3,000;</li><li>• Disbursement of \$60,000 wellness credit previously negotiated;</li><li>• Implementation of “flex credit” contribution of \$50/mo. as of 1/1/21;</li></ul>

- 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 Leave 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 Leave 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.

Following is a summary of the significant changes in the proposed Memorandum of Agreement.

<u>ARTICLE #</u>	<u>PROVISION</u>
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- |   |   |
|---|---|
| 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
  - 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 Leave Program detailed above.

Additional changes addressing administrative issues, incorporating provisions from previously authorized side letters, legal requirements, or clean up language are also included 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. The articles reflecting the new holiday provisions have been retitled in the final form of the MOAs to Holiday Leave Program. The draft version submitted for first review reflected the title as Holiday Program.

Attachments:

- Attachment 1 – PowerPoint Presentation
- Attachment 2 – Draft Resolution 2020-XX FMEF MOA
- Attachment 3 – Audited Analysis of Costs for FMEF
- Attachment 4 – Draft Resolution 2020-XX FMA MOA
- Attachment 5 – Audited Analysis of Costs for FMA