



MEMORANDUM

TO: CITY COUNCIL

FROM: DEBORAH MALICOAT, DIRECTOR OF ADMINISTRATIVE SERVICES

BY: KAREN SISCO, HUMAN RESOURCES MANAGER

SUBJECT: CONSIDERATION OF A RESOLUTION APPROVING A SIDE LETTER OF AGREEMENT MODIFYING THE FY 2014/15 THROUGH FY 2016/17 MEMORANDUM OF UNDERSTANDING WITH THE SERVICE EMPLOYEES INTERNATIONAL UNION, LOCAL 620

DATE: AUGUST 23, 2016

RECOMMENDATION:

It is recommended that the City Council adopt a Resolution approving a Side Letter of Agreement modifying the FY 2014/15 through 2016/17 Memorandum of Understanding ("MOU") with the Service Employees International Union, Local 620 ("SEIU").

FINANCIAL IMPACT:

Terms of the proposed Side Letter of Agreement will increase costs by approximately \$20,400 for FY 2016/17, with the increases taking effect on August 26, 2016. (\$8,300 for the General Fund, \$8,400 for the Water Fund and \$3,700 for the Streets Fund.)

BACKGROUND:

The existing MOU between the City and SEIU was approved on July 8, 2014 and is due to expire on June 30, 2017. Included in Article 8.D. of the MOU was a reopener to consider equity adjustments for positions which are identified as 5% below the median of the City's salary survey of comparable cities within San Luis Obispo County.

ANALYSIS OF ISSUES:

In fiscal year 2013/14, a plan was devised to assist in bringing employee salaries closer to the median for comparable cities within San Luis Obispo County. Equity adjustments were provided to some SEIU positions in FY 2014/15 when the MOU was negotiated.

Language was included in the MOU to also consider equity adjustments for FY 2015/16, which was completed last year, and FY 2016/17. The formula for consideration was:

- 0% for positions less than 5% below median
- 2.5% for positions at least 5% below median
- 5% for positions at least 7.5% below median
- 7.5% for positions at least 10% below median

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The current salary survey revealed that three SEIU positions were more than 5% below the median; in addition, the increase for the Maintenance Worker III position caused compaction with the Water Services Worker and Public Works Lead Person, so it is recommended that those positions also receive an increase. Given the formula and compaction issues, the following positions could be given consideration for an equity increase effective August 26, 2016:

<u>Position</u>	<u>Deviation from Median</u>	<u>Proposed Increase</u>
Assistant Engineer	-7.87%	5.0% salary increase
Maintenance Worker III	-6.82%	2.5% salary increase
Sports Facility Coordinator	-6.82%	2.5% salary increase
Water Services Worker	-2.71%	2.5% salary increase
Public Works Lead Person	-2.67%	2.5% salary increase

SEIU membership voted to approve the Side Letter of Agreement on August 8, 2016. The recommended action is consistent with direction previously provided by the City Council.

ALTERNATIVES:

The following alternatives are provided for the Council's consideration:

1. Adopt the Resolution approving the Side Letter of Agreement as presented;
2. Do not adopt the Resolution and direct staff to renegotiate the terms of the Agreement;
3. Do not adopt the Resolution; or
4. Provide direction to staff.

ADVANTAGES:

The equity adjustments will assist with recruitment and retention issues and maintain position salaries closer to the Countywide median.

DISADVANTAGES:

The disadvantage is costs will be added to the General Fund, Water Fund and Streets Fund.

ENVIRONMENTAL REVIEW:

No environmental review is required for this item.

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PUBLIC NOTIFICATION AND COMMENTS:

The Agenda was posted in accordance with Government Code Section 54954.2.

RESOLUTION NO.

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF ARROYO GRANDE APPROVING A SIDE LETTER OF AGREEMENT MODIFYING THE FY 2014/15 THROUGH FY 2016/17 MEMORANDUM OF UNDERSTANDING WITH THE SERVICE EMPLOYEES INTERNATIONAL UNION, LOCAL 620

WHEREAS, the City Council of the City of Arroyo Grande ("City") deems it in the best interest of the City to approve a Side Letter of Agreement amending the Service Employees International Union, Local 620 current Memorandum of Understanding, which includes modifications to salaries and benefits, as hereinafter provided.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Arroyo Grande that:

1. An amendment to the Memorandum of Understanding ("MOU") with the Service Employees International Union, Local 620 ("SEIU") is hereby approved, a copy of said amendment entitled "Side Letter of Agreement, Modification to Memorandum of Understanding" is attached hereto, marked Exhibit "A", and incorporated herein by this reference.
2. This Resolution shall become effective August 26, 2016.

On motion of Council Member _____, seconded by Council Member _____, and on the following roll call vote, to wit:

AYES:

NOES:

ABSENT:

the foregoing Resolution was passed and adopted this 23rd day of August, 2016.

**RESOLUTION NO.
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JIM HILL, MAYOR

ATTEST:

KELLY WETMORE, CITY CLERK

APPROVED AS TO CONTENT:

GEOFF ENGLISH, ACTING CITY MANAGER

APPROVED AS TO FORM:

HEATHER WHITHAM, CITY ATTORNEY

**SIDE LETTER OF AGREEMENT
MODIFICATION TO MEMORANDUM OF UNDERSTANDING**

For valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the City of Arroyo Grande ("City") and the Service Employees International Union, Local 620 ("SEIU") do hereby agree to modify the current Memorandum of Understanding ("MOU") between the City and SEIU as follows:

1. Article 8. D. shall be amended as follows:

The City agrees to provide the following equity adjustments effective August 26, 2016:

<u>Position</u>	<u>Salary Increase</u>	<u>New Salary Range</u>
Assistant Engineer	5.0% salary increase	38
Public Works Lead Person	2.5% salary increase	31
Water Services Worker	2.5% salary increase	28
Maintenance Worker III	2.5% salary increase	26
Sports Facility Coordinator	2.5% salary increase	26

2. Article 8. shall be amended as follows:

The S.E.I.U. represents the following employee classifications:

<u>POSITION</u>	<u>SALARY RANGE</u> <u>08/26/16</u>
Senior Engineer	46
Associate Engineer	43
Assistant Engineer	38
Information Technology Specialist	38
Recreation Supervisor	35
Geographic Information Systems Technician	34
Public Works Lead Person	31
Fleet Maintenance Coordinator	30
Water Services Worker	28
Maintenance Worker III	26
Recreation Coordinator	26
Sports Facility Coordinator	26
Senior Accounting Clerk	26
Administrative Secretary	25
Accounting Clerk	21
Maintenance Worker II	21
Office Assistant II	18
Maintenance Worker I	17
Office Assistant I	14

SEIU SIDE LETTER OF AGREEMENT
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The City and the S.E.I.U. agree that all position classifications represented by the Union in this Article shall receive salaries as represented in Exhibit "B" for the period of August 26, 2016 through June 30, 2017.

3. The revised SEIU salary schedule is attached hereto, marked Exhibit "B", and incorporated herein by this reference

For City of Arroyo Grande

For Service Employees International
Union, Local 620

Date

Date

CITY OF ARROYO GRANDE
SCHEDULE OF SALARY RANGES - SEIU
Effective 8/26/2016

<u>RANGE</u>	<u>A</u> Monthly	<u>B</u> Monthly	<u>C</u> Monthly	<u>D</u> Monthly	<u>E</u> Monthly	<u>Position</u>
11	2,692	2,825	2,969	3,114	3,271	
12	2,756	2,896	3,040	3,194	3,351	
13	2,826	2,970	3,116	3,272	3,437	
14	2,897	3,041	3,195	3,353	3,521	Office Assistant I
15	2,972	3,118	3,274	3,439	3,610	
16	3,042	3,196	3,356	3,523	3,700	
17	3,121	3,275	3,440	3,611	3,793	Maintenance Worker I
18	3,197	3,357	3,525	3,703	3,886	Office Assistant II
19	3,276	3,441	3,613	3,794	3,985	
20	3,360	3,527	3,705	3,889	4,082	
21	3,443	3,616	3,797	3,989	4,186	Accounting Clerk Maintenance Worker II
22	3,530	3,708	3,893	4,086	4,293	
23	3,618	3,801	3,992	4,190	4,399	
24	3,710	3,896	4,092	4,295	4,511	
25	3,802	3,993	4,191	4,405	4,622	Admin. Secretary
26	3,897	4,094	4,296	4,512	4,738	Maintenance Worker III Recreation Coordinator Senior Accounting Clerk Sports Facility Coordinator
27	3,996	4,194	4,407	4,624	4,854	
28	4,096	4,299	4,515	4,740	4,979	Water Services Worker
29	4,196	4,409	4,627	4,856	5,100	

<u>RANGE</u>	<u>A</u> Monthly	<u>B</u> Monthly	<u>C</u> Monthly	<u>D</u> Monthly	<u>E</u> Monthly	<u>Position</u>
30	4,301	4,518	4,743	4,981	5,230	Fleet Maintenance Coordinator
31	4,410	4,629	4,860	5,106	5,358	Public Works Lead Person
32	4,520	4,745	4,983	5,233	5,495	
33	4,631	4,862	5,108	5,366	5,631	
34	4,747	4,986	5,236	5,499	5,772	GIS Technician
35	4,865	5,111	5,368	5,633	5,917	Recreation Supervisor
36	4,989	5,238	5,501	5,775	6,064	
37	5,113	5,370	5,636	5,922	6,218	
38	5,241	5,506	5,777	6,066	6,371	Assistant Engineer Information Technology Specialist
39	5,372	5,638	5,925	6,220	6,531	
40	5,507	5,780	6,069	6,374	6,694	
41	5,641	5,927	6,224	6,534	6,861	
42	5,784	6,072	6,378	6,698	7,031	
43	5,930	6,230	6,537	6,866	7,207	Associate Engineer
44	6,077	6,383	6,703	7,036	7,388	
45	6,234	6,543	6,872	7,212	7,574	
46	6,387	6,710	7,041	7,394	7,765	Senior Engineer
47	6,545	6,874	7,219	7,581	7,959	
48	6,714	7,049	7,402	7,771	8,160	
49	6,878	7,227	7,587	7,963	8,362	
50	7,052	7,406	7,775	8,163	8,571	

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