



Approval of P&T and MA Memoranda of Understanding and Salary Schedules

Board of Directors Meeting
October 12, 2022



Background

- The District has three bargaining units:
 - Operations & Maintenance (O&M), Local One AFSCME Council 57 (35 positions)
 - Professional & Technical (P&T), Local One AFSCME Council 57 (24 positions)
 - Management Association (MA) (10 positions)
- In March 2008, the District executed Memoranda of Understanding (MOUs) with each bargaining unit with an expiration date of June 30, 2015:
 - The expiration date for all three MOUs was extended by side letter agreements on two occasions to June 30, 2021
- District also has seven Unrepresented Manager positions with individual Employment Agreements
 - Receive the same salary and benefit adjustments as the MA MOU

Labor Negotiations Summary

- Initiated labor negotiations with each bargaining unit in March 2021
- District has reached agreements on new MOUs with P&T and MA
 - Ratified by P&T members on October 5, 2022
 - Ratified by MA members on October 6, 2022
- District remains actively engaged in labor contract negotiating process with O&M
- New MOUs are substantially rewritten to:
 - Establish new provisions for employment, compensation, and benefits
 - Ensure compliance with current legal, regulatory, and code requirements
 - Improve accuracy and clarity

Key MOU Terms and Conditions

- MOU Term
 - P&T expires on June 30, 2025, MA expires on June 30, 2026
- Wages
 - Cost-of-living adjustments (COLAs) are made annually based on a consumer price index with a range between 2% to 5%
 - A salary survey will be conducted using comparable agencies and compensation data defined in the MOUs
 - Any compensation changes will only be made by mutual agreement and would take effect on the pay period including January 1, 2023
 - Salary schedules will now consist of five steps with 5.0% between each step (from ten steps with 2.5% between each step)
 - Employees will automatically receive an annual step advancement (unless a negative review is received)

Key MOU Terms and Conditions (cont'd)



- Health and Wellness Benefits
 - Active employee medical is capped at 100% of the Region 1 CalPERS Kaiser Plan
 - Employees with a medical plan premium greater than the Kaiser premium will receive transitional stipend of \$375 per month in 2023 and \$125 per month in 2024
 - Classifications that receive a monthly salary increase greater than \$375 as a result of the salary survey will not be eligible for the stipend
 - District will provide employees with life insurance equal to their annual salary as of January 1st in each year of the contract
 - Medical in-lieu will no longer be available after January 1, 2023, except for those employees who are currently receiving medical in-lieu prior to that date

Key MOU Terms and Conditions (cont'd)



- Retirement Benefits

- One group of employees is transitioned to GC Section 22893 retiree medical benefits as determined by hire date
- Vested retiree medical benefits are established for current employees and some retired employees
- Current employees are required to contribute 3.0% of their salary to the District's Other Post-Employment Benefits (OPEB) Trust Fund regardless of funding status
- Future employees will receive the Public Employees' Medical and Health Care Act (PEMHCA) minimum and are not required to contribute 3.0% to the OPEB Trust Fund
- District will provide Retiree Health Savings Accounts to all employees and contribute to those accounts at various rates depending on the employee's hire date (\$390, \$2,600, or \$10,400 per year)

Key MOU Terms and Conditions (cont'd)



- Grievance Procedure
 - Grievance will be addressed utilizing a three-step process with the final step being heard by an arbitrator whose decision is final (i.e., binding arbitration)
- Disciplinary Procedure
 - Disciplinary appeals will be presented to an Administrative Law Judge (ALJ), who will issue an advisory decision to the General Manager
 - The General Manager's decision to accept or reject the ALJ's advisory decision is final

Financial Impacts

- Annual operating costs are expected to increase by approximately \$225,000 above financial planning projections and assumptions
 - Key financial impacts will be incorporated into the budget development and financial planning activities for future fiscal years
- Long-term financial benefits are expected as insurance premiums and employment status demographics change over time

Recommended Actions

- Approve MOUs with Local One ASFCME Council 57 for the Professional and Technical Representation Bargaining Unit and the Management Association Bargaining Unit, effective October 16, 2022
- Adopt Resolution approving revised salary schedules for the P&T and MA bargaining units and Unrepresented Managers, effective October 16, 2022
- Authorize the General Manager, or his designee, to make non-substantive, clerical changes and corrections to each MOU, as necessary, and in coordination with the respective bargaining unit