

CITY OF YUBA CITY
STAFF REPORT

Date: April 21, 2020
To: Honorable Mayor and Members of the City Council
From: Human Resources Department
Presentation By: Natalie Springer, Human Resources Director

Summary

Subject: Police Sworn Mid-Managers Letter of Understanding (LOU).
Recommendation: A. Adopt a Resolution approving a two-year Letter of Understanding with the Police Sworn Mid-Managers.
B. Approve a supplemental appropriation of \$41,300 to the FY 2019/2020 adopted budget.
Fiscal Impact: An increase in cost of \$41,300 for FY 2019/2020 and \$96,560 for FY 2020/2021.

Purpose:

To approve the Police Sworn Mid-Managers Letter of Understanding.

Background:

The City's LOU with the Police Sworn Mid-Managers expired on June 30, 2019. The City and the Police Sworn Mid-Managers group have been meeting since May 2019 to negotiate a new LOU. New terms have been reached at the table and are ready for the City Council's consideration.

While the City continues to face growing employee pension obligations the City must remain competitive in recruiting and retaining Police employees, which requires competitive employee compensation. The proposed employment contract is an attempt to find the balance between competitive employee compensation and management of the increasing employee pension obligations.

Analysis:

The Police Sworn Mid-Managers have agreed to a two-year Letter of Understanding that:

1. Includes a 4% salary increase in year one (applied retroactively to the first full pay period after July 1, 2019);
2. Includes a 2% hourly rate increase in year two (effective the first full pay period after July 1, 2020);
3. Includes a one-time non-PERSable stipend of one percent (1%) of base annual wage;
4. Includes education incentive pay of 2.5% of base salary for bargaining unit members with a Master's degree in a work related field or for successful completion of the FBI Academy (effective the first full pay period in July 1, 2020);

5. Allows the City to make CalPERS PORAC health insurance available to all bargaining unit members effective January 1, 2021;
6. Increases benefits for dental and vision coverage;
7. Increases Tuition Reimbursement Program to \$5,000 per fiscal year;
8. Includes adjustment to comparable agency data source list.

The complete Letter of Understanding is attached.

Fiscal Impact:

The proposed changes will result in a net increase in cost of \$41,300 for FY 19/20 and \$96,560 for FY 20/21.

Alternatives:

Do not approve the Police Sworn Mid-Managers Letter of Understanding and provide staff direction.

Recommendation:

Adopt a Resolution approving a two-year Letter of Understanding with Police Sworn Mid-Managers, and approve a supplemental appropriation of \$41,300 to the FY 2019/2020 adopted budget.

Attachments:

- A. Cost impact of Police Sworn Mid-Managers Agreement Terms
- B. Police Sworn Mid-Managers LOU Resolution
- C. Police Sworn Mid-Managers LOU
- D. Police Sworn Mid-Managers Salary Schedule

Prepared By:

Submitted By:

/s/ Ciara Wakefield

Ciara Wakefield
Administrative Analyst II

/s/ Diana Langley

Diana Langley
Interim City Manager

Reviewed By:

Human Resources

NS

Finance

SM

City Attorney

SS by email

ATTACHMENT A

City of Yuba City
Police Safety Mid-Manager's - Impact of 2 Year Agreement
FINAL

PSMM

FY 19/20 - Year 1

Pay Rate Increase - 4%	\$	33,000
1% non-pensionable one-time stipend		8,300
Year 1 Total Cost	\$	41,300

FY 20/21 - Year 2

Pay Rate Increase - 4% (Year 1) plus 2% in year 2	\$	33,700 ¹
Pay Rate Increase - 2% (Year 2)		16,900
Education Incentive - 2.5% (Year 2)		21,100
CalPers PORAC Health Insurance (yearly cost)		24,800 ²
PEMCHA Health phase in cost over 20 years		60 ³
Year 2 Total Cumulative Cost	\$	96,560

Grand Total Cost Impact-2 Year Total **\$ 137,860**

Note: Costing completed based on (4) PSMM employees for max. scenario

Note: Costing does not include changes in benefit rates

Note: PEMCHA Health as of 1/1/19 minimum is \$136.00 per month

Note 1: Increase cost of prior year 4% for 2% of 1st year raise

Note 2: This amount is based on the rates effective as of 12/1/19

Note 3: Costing includes 4 current PSMM employees plus 1 retiree

ATTACHMENT B

RESOLUTION NO.

**RESOLUTION OF THE CITY COUNCIL OF THE CITY OF YUBA CITY
APPROVING THE POLICE SWORN MID-MANAGERS
LETTER OF UNDERSTANDING JULY 1, 2019 – JUNE 30, 2021**

WHEREAS, the City recognizes the Police Sworn Mid-Managers commitment to the City and its citizens while providing outstanding and dedicated service to all and;

WHEREAS, City staff and the Police Sworn Mid-Managers have negotiated a tentative two-year Letter of Understanding subject to Council approval which was approved by Police Sworn Mid-Manager representatives on April 6, 2020 and;

WHEREAS, the City appreciates the efforts and energy the Police Sworn Mid-Managers have put forth to negotiate this Letter of Understanding.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Yuba City as follows:

Approve the attached Police Sworn Mid-Managers Letter of Understanding.

The attached Letter of Understanding is hereby approved effective immediately and is retroactive to July 1, 2019.

The Director of Finance is hereby authorized to make the necessary budget adjustments to implement the provisions of this resolution.

The foregoing Resolution of the City Council of the City of Yuba City was duly introduced, passed and adopted at a regular meeting thereof held on the 21st day of April, 2020.

AYES:

NOES:

ABSENT:

ATTEST:

Terrel Locke, Deputy City Clerk

Shon Harris, Mayor

Approved as to form:

Stacey Sheston
BB&K, Special Counsel

ATTACHMENT C

LETTER OF UNDERSTANDING

Between

The City of Yuba City

And

The Police Sworn Mid-Managers

July 1, 2019 through June 30, 2021

ARTICLE 1: SALARY

1.1 Future Salary Increases/Adjustments

For unit employees actively employed as of the date of City Council approval, effective the first full pay period following July 1, 2019, the City will implement a four percent (4%) salary increase.

For unit employees actively employed effective the first full pay period after July 1, 2020, the City will implement a two percent (2%) salary increase.

1.2 Bilingual Pay

The City pays a \$100 per month bilingual pay incentive for employees who are proficient in speaking a foreign language. The method of certifying proficiency and the determination of which languages will be covered under this program shall be determined by the City in consultation with the Police Sworn Mid-Management employees.

1.3 Education Incentive

Effective the first full pay period in July 2020, a bargaining unit employee who has been awarded a Master's degree in a work related field (as determined and approved by the Chief of Police), OR who has successfully completed the FBI National Academy will be eligible to receive an education incentive of 2.5% of base salary. The maximum education incentive is limited to 2.5% of base salary.

ARTICLE 2: PUBLIC EMPLOYEES' RETIREMENT SYSTEM

2.1 Retirement Terminology

Retirement benefits shall be provided to eligible employees in accordance with the appropriate, then existing, contract between the City and the California Public Employees' Retirement System (CalPERS).

The use of terms "classic member" and "new member" shall be as defined by CalPERS and the Public Employee Pension Reform Act of 2013 (PEPRA).

A new CalPERS member is defined as:

- An individual who becomes a member of any public retirement system for the first time on or after January 1, 2013, and has no prior membership in any other public retirement system; or
- An individual who becomes a member of any public retirement system for the first time on or after January 1, 2013, and is not eligible for reciprocity with another public retirement system; or
- An individual who established prior membership in a retirement system and after a break in service of more than six months, returns to active membership in that system with a new employer.

2.2 Classic Member Retirement Formula

A. Employees classified as classic member safety category employees:

- The 3% at 50 CalPERS formula shall be provided for classic member safety category employees hired on or before June 30, 2012. Effective July 1, 2012, 3% at 55 formula was provided for new classic safety member employees hired on or after July 1, 2012.
- B. All other current retirement benefits including the optional benefit programs in the existing contract between the City and CalPERS for safety members shall remain in effect to the extent permitted by law.

2.3 “New Member” Retirement Formulas Provided by Statute

- A. Employees classified as new member safety category employees:
- 2.7% at 57 retirement formula.

2.4 CalPERS Contributions By Employees

- A. Employees classified as classic safety category employees:
- Effective July 1, 2015 or as soon as CalPERS approves the contract amendment, whichever occurs later, all classic safety employees shall cost share 9% towards the employer contribution rate.
- B. New CalPERS members shall contribute towards their retirement benefits in accordance with PEPRA.
- C. All applicable contributions identified in (A) thru (C) above shall be made through payroll deduction on a pre-tax basis.

2.5 City’s Paying and Reporting the Value of the Member Contribution (Classic Only)

The City shall pay 100% of the employee’s contribution to CalPERS and continue to report 100% of the employer payment of member contributions to CalPERS as additional compensation for retirement purposes only.

ARTICLE 3: BENEFITS

3.1 Health Plans

- A. Employee Contributions:

Employee contributions are on a pre-tax basis.

- B. Health Care Premium Cost:

The split is 80%/20% between the City and the employee, with the City paying 80% of the total premium cost and the employee paying 20%. The contribution shall be based on the lowest cost health plan available to the majority of City employees.

Effective January 1, 2021, the contribution shall be based on the lowest cost (as measured by premium cost) PORAC health plan available.

- C. Cash-in-Lieu Payment:

Cash-in-Lieu payments are when an employee reduces the level of health care coverage rather than entire coverage shall be as follows:

- Employees, who reduce the level of health care coverage to which they are entitled, i.e. from full family coverage to employee plus one, or employee only coverage, or from employee plus one to employee only coverage, shall be entitled to a Cash-in-Lieu benefit. The Cash-in-Lieu benefit is based upon the lowest cost health plan available to the majority of City Employees.
 - a. Effective January 1, 2021, the Cash-in-Lieu benefit is based upon the PORAC health plan.

The employee making the election covered above, shall receive the difference between the Cash-in-Lieu benefit to which they would have been entitled had they waived coverage at their present coverage level and Cash-in-Lieu benefit for the lower level elected.

- The Cash-in-Lieu of medical insurance bonus for employees electing to forego health insurance coverage will be based on the below percentages of the current lowest cost health plan available to the majority of City employees:
 - a. Effective January 1, 2021, the Cash-in-Lieu of medical insurance bonus for employees electing to forego health insurance coverage will be based on the below percentages of the PORAC health plan:

Employee only:	25%
Employee plus one dependent:	25%
Family coverage:	30%

D. Health Insurance Plan:

The City will make available CalPERS PORAC health insurance to all bargaining unit members effective January 1, 2021.

3.2 Dental and Vision Plans

The City shall pay 90% of the premium and employees shall pay 10% of the premium. Premiums will be based on periodic actuarial conducted by an outside consultant. Employees will participate in the City's Dental and Vision Plan in a manner provided in the adopted Dental and Vision Plan Agreements. Effective January 1, 2020, for dental, the calendar year maximum shall increase to \$1,750 and for vision, the benefit maximum (as defined in the plan document) shall increase to \$600 every 24 months.

3.3 Life Insurance

Life insurance benefit amount of fifty thousand dollars (\$50,000) shall be maintained for Police Sworn Mid-Managers.

3.4 EAP – Employee Assistance Program

The Yuba City Employee Assistance Program (EAP) is an employee benefit that assists employees with personal problems and/or work-related problems that may impact their job performance, health, mental and emotional well-being. The City offers free and confidential assessments, short-term counseling, referrals, and follow-up services for employees and their household members. For details about the EAP program, please see the Human Resources Department.

3.5 Health Benefits Committee

The Police Sworn Mid-Managers shall designate at least one (1) representative to the citywide health benefits committee. The general purpose of the committee is to address benefit plan design and cost containment. The committee will also contain members from other employee groups.

3.6 Flexible Spending Account

The City will offer employee-funded Flexible Spending Accounts for eligible dependent care and medical costs.

ARTICLE 4: ONE-TIME NON-PERSABLE STIPEND

In the first full pay period following City Council approval, all members active on payroll on the day of City Council approval shall receive a non-PERSable one-time stipend of one percent (1%) of base annual wage, which shall be in a separate check from the regularly reoccurring payroll check. The one-time stipend is subject to applicable payroll taxes and withholdings.

ARTICLE 5: DEFERRED COMPENSATION

The Police Sworn Mid-Managers shall receive a monthly City contribution of \$100 paid into a City of Yuba City deferred compensation plan.

ARTICLE 6: VACATION ACCRUAL

The parties agree that, with the effective date of this agreement, the accrual rate for vacation will be as follows:

<u>Years of Service</u>	<u>Bi-Weekly Rate</u>
0-Completion of 4 years	4.0 hours
5-Completion of 10 years	5.5 hours
11-Completion of 15 years	6.5 hours
16 or more years	7.1 hours

ARTICLE 7: CERTIFICATIONS

The City shall pay the costs associated with obtaining and maintaining special certificates that are both required by the State of California, the City of Yuba City or any governmental agency to obtain and maintain as a condition of employment.

ARTICLE 8: ADMINISTRATIVE LEAVE

8.1 Allocation

Police Sworn Mid-Managers are exempt employees whose duties often require them to work outside of the City's typical business hours. In acknowledgement of such duties, bargaining unit employees shall be allocated 80 hours of administrative leave with the first payroll period of each calendar year. Should an employee be hired or promoted into a police sworn mid-manager position after the beginning of the calendar year, they shall be credited with a pro-rated amount of Administrative Leave for the balance of the year. Employees may use the leave subject to the approval of their Department Head, except that leave cannot be used prior to separation of employment in order to delay the separation date.

8.2 Maximum Cash Out

By December 1 of each year, an employee may annually make an irrevocable advance election to cash out a maximum of 40 hours of administrative leave that will be accrued in the next calendar year. The election shall be made on the form provided by the City for this purpose. The hours selected for cash-out will be paid in the first non-payroll week of January of the following year.

8.3 Maximum Carry Over

Employees shall be allowed to carry over a maximum of 40 hours of unused administrative leave to the next calendar year, subject to a maximum accrual cap of 160 administrative hours. Any unused administrative leave hours are paid out upon termination of employment.

8.4 Additional Allotment

At the discretion of the City Manager, an additional allotment of administrative leave not to exceed 40 hours may be approved each year. Requests for additional leave allocation must be based on an excessive number of hours worked beyond normal management expectations. The allotment of leave is at the full discretion of the City.

ARTICLE 9: UNIFORM ALLOWANCE

A uniform allowance of \$900 per year shall be paid. In the event of a uniform allowance increase for the Police Officers' Association, Police Sworn Mid-Managers shall be paid in accordance with the amount specified in the Memorandum of Understanding for the Police Officer's Association. Should the allowance be eliminated or decreased, which would be a reduction in the benefit, the City and Police Sworn Mid-Managers shall meet to discuss the impact of the changes.

ARTICLE 10: REIMBURSEMENT POLICY

10.1 Reimbursable Excess Hours

Employees who are required to work hours in excess of normal management expectations shall be reimbursed should the City bill for, and receive, reimbursement for their work performed.

10.2 Payment

Reimbursement for the Police Sworn Mid-Management employee will occur in the next normal pay period after the excess work occurs and the City receives payment for it.

10.3 Rate

Reimbursement to the Police Sworn Mid-Management employee will occur at the salary rate billed by the City for Police Sworn Mid-Managers for those hours over the regularly scheduled salary only, not to exceed time and one-half of the hourly equivalent of base salary. Employees will not be required to use vacation time while in a special assignment approved by their Department Head.

10.4 Retention by the City

The City will retain reimbursement received by the City in excess of the salary for the Police Sworn Mid-Managers.

ARTICLE 11: SHORT TERM-DISABILITY

Employees are eligible for short term disability in a manner provided in the City's adopted Short Term Disability Plan. Any proposed changes to the Plan are subject to mutual consent.

ARTICLE 12: TUITION REIMBURSEMENT

Effective the first full pay period after adoption, tuition reimbursement shall be increased to a maximum of five thousand dollars (\$5,000) per fiscal year.

ARTICLE 13: TERM AND TERMS OF AGREEMENT:

The terms of this Letter of Understanding shall be effective July 1, 2019 unless indicated otherwise and shall continue in full force and effect through June 30, 2021. In the event that the Federal Government or State Legislature passes a law, or there is a Federal or State Executive Order or court decision affecting Yuba City which would prevent the City from implementing any part of this agreement or altering this agreement, both the City and Police Sworn Mid Management Group agree to reopen the meet and confer process limited to the issue so affected.

It is mutually recommended by the undersigned that the modifications contained herein be made applicable by the City Council on the date(s) indicated and/or by administrative rules, policies, regulations or procedures as are or may be subsequently required. Further, in conjunction with existing ordinances; resolutions, and City Manager procedures and policy regulations, rules and other regulations related to compensation, benefits, working conditions and other terms and conditions of employment, the changes herein constitute the entire compensation plan for the Police Sworn Mid-Management Employees herein covered by this Letter of Understanding.

This Agreement constitutes the full Agreement between the City of Yuba City and the Police Sworn Mid-Management Employees Unit and may not be modified without the mutual consent of both parties.

SIGNATURES CONTINUED ON NEXT PAGE

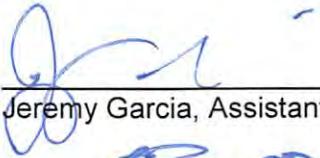
Date: _____

CITY OF YUBA CITY

Date: 4/6/2020

POLICE SWORN MID-MANAGERS

Diana Langlely, Interim City Manager



Jeremy Garcia, Assistant Police Chief

Spencer Morrison, Finance Director



Brian Baker, Police Commander

Natalie Springer, HR Director

ATTACHMENT D

**CITY OF YUBA CITY
SALARY SCHEDULE AND GENERAL COMPENSATION PLAN
EFFECTIVE JULY 1, 2019**

Sworn Police Mid-Managers

CLASSIFICATION	Group	SALARY STEPS					
		1	2	3	4	5	
7180* ASSISTANT POLICE CHIEF	Sworn MM	10,424	10,945	11,492	12,067	12,670	Monthly
		60.14	63.14	66.30	69.62	73.10	Hourly
7150* POLICE COMMANDER	Sworn MM	9,929	10,425	10,946	11,493	12,068	Monthly
		57.28	60.14	63.15	66.31	69.62	Hourly
7111* POLICE LIEUTENANT	Sworn MM	8,941	9,388	9,857	10,350	10,868	Monthly
		51.58	54.16	56.87	59.71	62.70	Hourly

Mid Managers - Safety who are certified as bilingual will receive a bilingual pay incentive of \$100.00 per month:

- - -

* Indicates classifications which are not eligible for overtime compensation and are exempt from the Fair Labor Standards Act (FLSA).

EMPLOYEE BARGAINING GROUPS

CON - Confidential
 PUE, Local #1 - General Employees
 DH - Department Head
 MM - Middle Manager
 FM - Fire Management

FLM - 1st Level Manager
 PD - Police Department
 FIRE - Fire Department
 PS - Police Sergeant