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OFFICE OF
LABOR RELATIONS

CITY OF SACRAMENTO
CALIFORNIA

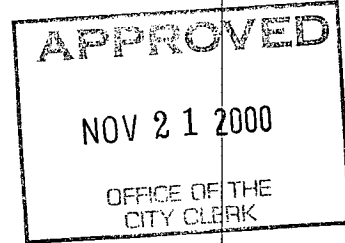
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November 13, 2000

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City Council
Sacramento, California

AG 1110-191



Honorable Members in Session:

**SUBJECT: Tentative Agreement in Operations and Maintenance,
Office and Technical, and Professional Units**

LOCATION AND COUNCIL DISTRICT:

City-wide

RECOMMENDATION:

It is recommended that the City Council approve the attached agreement covering employees in the Operations and Maintenance, Office and Technical, and Professional Units.

CONTACT PERSON:

Dee Contreras, Director of Labor Relations, 264-5424
Lupe Marnach, Labor Relations Manager, 264-5424

FOR COUNCIL MEETING OF:

November 21, 2000 (afternoon)

SUMMARY:

This report recommends that the City Council approve the tentative settlement reached between the City of Sacramento and the Stationary Engineers, Local 39 on a new five-year agreement covering 2,650 employees in the Operations and Maintenance, Office and Technical, and Professional Units for the period November 18, 2000 to June 24, 2005. The tentative agreement has been ratified by the Union membership. The major features of the tentative agreement are:

1. Economic Improvements

a. First Year: Fiscal Year 2000-01

- 1) Effective September 9, 2000, salaries will increase by 3%.
- 2) Effective December 30, 2000, equity adjustments will be implemented pursuant to Exhibit A-1 of the Agreement, affecting 87 classifications and 722 employees.
- 3) Effective January 1, 2001, the City's monthly health and welfare contribution will increase to \$585 for employees hired prior to June 24, 1995 with two or more insured dependents. For employees hired on or after June 24, 1995 the contribution will increase to \$485 for employees with one insured dependent and to \$585 for employees with two or more insured dependents.
- 4) Effective November 18, 2000, stand-by pay will increase by \$2 per day, to \$140 per week.
- 5) Effective November 18, 2000, the City will contribute 3% of the employee's contribution to the Public Employees' Retirement System (PERS) and, in lieu of such contribution for members of the Sacramento City Employees' Retirement System, increase by \$25 to \$100 monthly as an add-on to the City's health and welfare contribution.
- 6) Effective November 18, 2000, increase reimbursement for prescription safety glasses by \$50, from \$75 to \$125.
- 7) Effective November 18, 2000, increase reimbursement for safety shoes by \$25, from \$100 to \$125 per pair. Special order safety shoes will be reimbursed up to \$175 per pair and tree climbing boots to \$200 per pair. Employees will also be authorized to purchase or replace up to two pair of safety shoes at the same time.

- 8) Effective November 18, 2000, the current four-week parental leave benefit which is now available after 60 months of City employment will be available after completion of 36 months.
- 9) Effective December 30, 2000, bilingual pay of \$20 per pay period shall be available for certified employees at the authorization of the department head.
- 10) Effective November 18, 2000, inclement weather jackets shall be provided for employees in specified classes who regularly work outdoors.
- 11) Effective November 18, 2000, uniform allowances for specified classes will be increased by amounts ranging from \$1.77 to \$5 biweekly.
- 12) Effective November 18, 2000, the minimum retirement age for eligibility to the City health insurance contribution will change to age 50.
- 13) Effective September 1, 2000, the City subsidy of the RT pass increased from 60% to 80% for full-time career employees and to 50% for part-time employees. The same subsidy shall apply to alternate public transportation up to a maximum of \$100 per month.
- 14) Effective January 1, 2001, employees assigned to the downtown area receive a transportation allowance of \$45 per month for full-time career employees and \$25 per month for part-time career employees.
- 15) Effective November 18, 2000, full-time career and non career (+1040) employees receive eight hours of time off to be used by June 28, 2001. Part-time career and non career (+1040) employees receive a proration of the time off based on their schedule.

b. Second Year: Fiscal Year 2001-02

- 1) Effective June 30, 2001, salaries will increase based on the percentage change in the Consumer Price Index, but not less than 2% nor more than 4%.
- 2) Effective June 30, 2001, equity adjustments will be implemented pursuant to Exhibit A-1 of the Agreement, affecting 24 classifications and 169 employees.
- 3) Effective June 30, 2001, the PERS miscellaneous retirement plan will be amended to the 2% at age 55 formula with the 50% Industrial Disability Retirement; a 2% COLA; 1 year final compensation; and military service credit.

- 4) Effective June 30, 2001, Step 1 of the salary range shall be eliminated and employees thereon will advance to Step 2.
- 5) Effective June 30, 2001, non-career Sanitation Worker Extra Board employees who have completed 2,080 hours and have a satisfactory performance rating shall be advanced to Step 3 of the salary range.
- 6) Effective June 30, 2001, stand-by pay will increase by \$1 per day, to \$147 per week.

c. Third Year: Fiscal Year 2002-03

- 1) Effective June 29, 2002, salaries will increase based on the percentage change in the Consumer Price Index, but not less than 2% nor more than 4%.
- 2) Effective June 29, 2002, equity adjustments will be implemented pursuant to Exhibit A-1 of the Agreement, affecting 10 classifications and 76 employees.
- 3) Effective June 29, 2002, stand-by pay will increase by \$1 per day to \$154 per week.
- 4) Effective January 1, 2003, the City's monthly health and welfare contribution will increase to \$300 for employees hired on or after June 24, 1995 with no dependents; to \$500 for all employees with one insured dependent; and to \$600 for all employees with two or more insured dependents.
- 5) Effective June 29, 2002, Step 2 of the salary range shall be eliminated and employees thereon will advance to Step 3.
- 6) Effective June 29, 2002, non-career Sanitation Worker Extra Board employees who have completed 2,080 hours and have a satisfactory performance rating shall be advanced to Step 4 of the salary range.

d. Fourth Year: Fiscal Year 2003-04

- 1) Effective June 28, 2003, salaries will increase based on the percentage change in the Consumer Price Index, but not less than 2% nor more than 5%.
- 2) Effective July 1, 2003, employees with 10 years of City service, but less than 15 years, will receive three days of personal time off per year.
- 3) Effective June 28, 2003, stand-by pay will increase by \$2 per day to \$168 per week.

e. Fifth Year: Fiscal Year 2004-05

- 1) Effective June 26, 2004, salaries will increase based on the percentage change in the Consumer Price Index, but not less than 2% nor more than 5%.
- 2) Effective June 26, 2004, stand-by pay will increase by \$1 per day, to \$175 per week.
- 3) Effective June 26, 2004, increase reimbursement for safety shoes by \$25, to \$150. Special order safety shoes will increase by \$25 to \$200 and tree climbing boots to \$225.

2. Concessions

The concessions were agreed to as follows:

- a. At the point when the PERS retirement City's employer contribution rate exceeds the current normal contribution rate of 4.930%, the increased employer contribution shall be offset by a reduction from the City-paid employee contribution paid on behalf of the employees.
- b. Effective November 18, 2000, payroll changes will be effective on the first day of the pay period which begins after the employee becomes eligible for said increase.
- c. The Solid Waste practices of incentive off and double-back routes are eliminated.

3. Other Major Features

- a. Mandatory License and Certificate Fees
An employee whose classification requires possession of a license (excluding driver licenses) or certificate, may receive reimbursement.
- b. Continuing Education Costs
When an employee is required to acquire continuing education units as a condition of holding a license or certification required by the employee's classification, the City will either provide the employee the continuing education classes or provide reimbursement for fees associated with attending non-City classes.
- c. Non-Career Employee Trial Period
The trial period for non-career employees will, under this provision, increase from 30 days to 6 months from date of hire.

- d. Voluntary Work Furlough Program
This authorizes the current work furlough program for the term of the tentative agreement versus requiring the current practice of an annual re-authorization.
- e. Retiree Health and SCERS Issues
These issues are reserved for joint discussions with all recognized employee organizations regarding a ballot initiative to address SCERS retirement plan and other retirement issues.
- f. Telework Policy
The parties will work to enhance telework opportunities.
- g. Unit Modification
Effective November 18, 2000, specified non-career classifications are removed from the bargaining units.

COMMITTEE/COMMISSION ACTION:

Not applicable

BACKGROUND INFORMATION:

All ten collective bargaining agreements between the City of Sacramento and the eight recognized employee organizations expired on June 30, 2000. The provisions of the expired agreements were extended in practice since the date of expiration. The City commenced negotiations with most recognized employee organizations, including the Stationary Engineers, Local 39, in February 2000.

The tentative agreement with the Stationary Engineers, Local 39 in the 2,650 member units is consistent with the labor settlement strategy adopted by the City Council earlier this year. The tentative agreement with Stationary Engineers, Local 39 is a fair, reasonable, and appropriate settlement reflective of the changing needs and priorities of the City of Sacramento and its employees.

FINANCIAL CONSIDERATIONS:

The compounded cost increase for the five-year period will range, due to the CPI salary formula, from a minimum \$38,800,000 to a maximum \$53,600,000. The costs have been included in the current budget for fiscal year 2001 and have been projected in the budget for the following years.

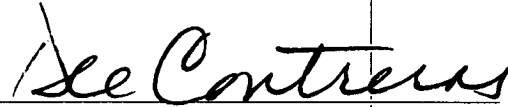
POLICY CONSIDERATIONS:

Approval of the attached agreement by the Sacramento City Council fulfills the City's legal obligations under the Meyers-Milias-Brown Act, adheres to the City's positive labor-management relations program, and guarantees labor stability to the year 2005.

ESBD CONSIDERATIONS:

Not applicable

Respectfully Submitted,



DEE CONTRERAS
Director of Labor Relations

Recommendation Approved:



ROBERT P. THOMAS
City Manager

Attachments

APPROVED

NOV 21 2000

OFFICE OF THE
CITY CLERK

RESOLUTION NO. 2000-674

ADOPTED BY THE SACRAMENTO CITY COUNCIL

ON DATE OF _____

A RESOLUTION ADOPTING AGREEMENT WITH
INTERNATIONAL UNION OF OPERATING ENGINEERS,
STATIONARY LOCAL 39, AFL-CIO
DATED NOVEMBER 21, 2000

WHEREAS, this Council pursuant to California Government Code Section 3500, et. seq., enacted by resolution on employer-employee relations policy; and,

WHEREAS, under the terms of that policy, the representatives of the City Manager have met and conferred with representatives of the International Union of Operating Engineers, Stationary Engineers, Local 39, AFL-CIO, the recognized employee organization for employees in the Operations and Maintenance, Office and Technical, and Professional Units as designated in said policy; and,

WHEREAS, these parties have reached agreement on matters relating to the employment conditions of the employees in said units, as reflected by the written Agreement entered into by them on November 13, 2000; and,

WHEREAS, this Council finds that the provisions and agreements contained in this Agreement are fair and proper and in the best interests of the City of Sacramento;

NOW, THEREFORE, BE IT RESOLVED BY THE COUNCIL OF THE CITY OF SACRAMENTO, that it adopt in full the terms and conditions contained in the said Agreement.

MAYOR

ATTEST:

CITY CLERK

FOR CITY CLERK USE ONLY

RESOLUTION NO.: _____

DATE ADOPTED: _____