

STEERING COMMITTEE

Agenda Report

File #: 2022-2448

Agenda Date: 7/27/2022

Agenda Item No: 19.

FROM: Laura Kalty, Chief Negotiator
Originator: Celia Chandler, Director of Human Resources

SUBJECT:

SUCCESSOR MEMORANDUMS OF UNDERSTANDING FOR THE SUPERVISOR & PROFESSIONAL GROUPS

GENERAL MANAGER'S RECOMMENDATION

RECOMMENDATION:

- A. Adopt Resolution No. OC SAN 22-22, entitled, "A Resolution of the Board of Directors of the Orange County Sanitation District approving the Memoranda of Understanding (MOU) between the Orange County Sanitation District and the Supervisory and Professional Management Group, for Fiscal Years 2022/2023, 2023/2024 & 2024/2025"; and
- B. Direct staff to finalize and sign the Memoranda of Understanding (MOUs) between Orange County Sanitation District and the two (2) Supervisory and Professional Management Group bargaining units.
- C. Approve upgrades of the following classifications: Chief Plant Operator (SUP88 to SUP90), Information Technology Supervisor (SUP88 to SUP90), and Maintenance Supervisor (SUP82 to SUP84).

BACKGROUND

The MOUs between the Orange County Sanitation District (OC San) and the Supervisor Group and Professional Group bargaining units that became effective on July 1, 2019, expired on June 30, 2022. The Supervisory and Professional Management Group (SPMG) submitted its initial proposals for successor MOUs on April 12, 2022. SPMG and OC San have met and conferred in good faith seven (7) times since receiving the initial proposal. As of the Board meeting on June 22, 2022, most items proposed, except for salary and wages, had either reached tentative agreement or had been withdrawn.

On June 22, 2022, the Board of Directors authorized the Chief Negotiator to proceed with a three-year contract and salary increases for SPMG as follows: 4.5% for the first year, 4% for the second year, and 3.5% for the final year of the contract. This includes corresponding salary range adjustments due in the first pay period in July for each year of the contract, with the first increase to commence on July 1, 2022.

RELEVANT STANDARDS

- Ensure the public's money is wisely spent
- Offer competitive compensation and benefits
- Cultivate a highly qualified, well trained, and diverse workforce
- Negotiate fair and equitable labor agreements
- Maintain positive employer-employee relations
- Provide professional growth & development

PROBLEM

The MOUs between OC San and the Supervisor Group and Professional Group bargaining units that became effective on July 1, 2019, expired on June 30, 2022. OC San has a legal duty to bargain in good faith with represented labor groups and to sign any collective bargaining agreement that has been reached.

PROPOSED SOLUTION

Adopt Resolution No. OC SAN 22-22, entitled, "A Resolution of the Board of Directors of the Orange County Sanitation District approving the Memoranda of Understanding between the Orange County Sanitation District and the Supervisory and Professional Management Group, for Fiscal Years 2022/2023, 2023/2024 & 2024/2025".

TIMING CONCERNS

OC San and SPMG have bargained in good faith and have reached tentative agreement on successor MOUs that shall go into effect July 2022, contingent on Board approval.

RAMIFICATIONS OF NOT TAKING ACTION

Some of the impacts of not approving success labor agreements include labor instability, employee morale, and impasse.

PRIOR COMMITTEE/BOARD ACTIONS

On October 27, 2021, the Board of Directors selected Laura Droltz Kalty from Liebert Cassidy Whitmore to serve as OC San's Chief Negotiator.

In preparation for and during the meet and confer process, the Chief Negotiator received direction for labor negotiations with SPMG from the Steering Committee and the Board of Directors.

The SPMG meet and confer process was agendized for discussion in Closed Session at the following Committee/Board meetings:

- February 23, 2022 - Steering Committee and Board Meeting
- March 23, 2022 - Steering Committee and Board Meeting
- April 27, 2022 - Steering Committee and Board Meeting

- May 25, 2022 - Steering Committee and Board Meeting
- June 22, 2022 - Steering Committee and Board Meeting

ADDITIONAL INFORMATION

The SPMG is the recognized employee organization certified to provide exclusive representation over wages, hours of work, and other terms and conditions of employment for exempt employees in the Supervisor Group and Professional Group bargaining units.

There are 267 exempt employees represented by the SPMG. The Supervisor Group consists of 60 employees and the Professional Group consists of 207 employees. Employees in these groups are assigned to classifications that perform frontline supervisory duties and program-related development, implementation, and analytical duties associated with supporting the collection, treatment, and recycling of wastewater. Some supervisory classifications are assigned to a 365-days per year, 7-days per week, 24-hours per day operation.

Based on Board authorization, OC San reached a full tentative agreement with SPMG on June 23, 2022, including a three-year contract with a 4.5% salary increase in the first year, a 4% salary increase in the second year, and a 3.5% salary increase for the final year of the contract. SPMG distributed the proposals to their membership for voting and SPMG's membership ratified the proposals by majority vote on July 14, 2022.

Additionally, through negotiations the parties agreed to upgrade the following classifications: Chief Plant Operator (SUP88 to SUP90), Information Technology Supervisor (SUP88 to SUP90), and Maintenance Supervisor (SUP82 to SUP84).

Full redlined versions of each SPMG MOU are attached for review. A summary of the key changes to the MOUs are as follows:

1. Article 1, Recognition: Term of the agreement begins July 1, 2022.
2. Article 2, Duration: Agreement terminates on June 30, 2025.
3. Article 10, Discipline and Dismissal: Employees who fail to provide any notice to their supervisor and fail to report to work as scheduled shall be considered "no call/no show" and shall be subject to discipline, up to and including termination. Employees who fail to provide any notice to their supervisor and fail to report to work for three (3) or more consecutive days will be considered to have abandoned their job and shall be subject to discipline up to and including termination.
4. Article 11, Grievance Procedure: Language to specify that a copy of the grievance documentation must be submitted to the Director of Human Resources in addition to the Department Head.
5. Article 13, Salary Adjustments and Compensation: Salary: Year 1 - 4.5% Salary Increase, effective the first pay period of July 2022; Year 2 - 4% Salary Increase, effective the first pay period of July 2023; Year 3 - 3.5% Salary Increase, effective the first pay period of July 2024. One-time lump sum payment of \$1500 for each member of the group hired or promoted as of the last day of the first full pay period in July 2022.

6. Article 15, Deferred Compensation: Effective the first full pay period in July 2022, employees covered by OCERS Plans B and U and who participate in the deferred compensation plan, are eligible to receive up to a \$235 per month matching OC San contribution.
7. Article 16, Holidays: Add Martin Luther King, Jr. holiday, and remove Lincoln's birthday. Updated floating holiday language to say "hours equal to 1 workday", may be used in quarter hour increments rather than full day.
8. Article 17, Hours of Work: OC San may provide the option of telecommuting, as set forth in the Telecommuting Policy.
9. Article 20, Insurance: Inclusion of the previously negotiated Health Reimbursement Arrangement reopener language. Effective the last full pay period in October 2022, OC San will contribute \$50 per month to each employee's HRA account. Calculation of benefits for retiring employees is based on continuous service for benefitted employment only, time worked as an intern or in a non-benefitted status will not count.
10. Article 23, Probationary Period: Change from six months to one year. Add language clarifying at-will status of probationary employees.
11. Article 27, Leaves of Absence with Pay: Add language to support HRA contributions based on applicable accrued leave banks.
12. Article 29, Classification Studies: Add language to clarify that employee reclassification request decisions made by the Human Resources Department are final and not subject to appeal, problem-solving, or the grievance processes. Include language for a re-opener to meet and confer regarding the comparison agencies used for any classification and compensation studies.
13. Article 51, Resignation: Employees are expected to give a minimum of two (2) weeks written notification when terminating employment with OC San. OC San may accept in writing any verbal or written resignation at any time and deem such resignation irrevocable. Voluntary written resignation of employment with OC San is automatically deemed irrevocable after seventy-two (72) hours from OC San's receipt of the resignation except by approval of the Human Resources Department.

Listed below are articles with proposed housekeeping changes in the tentative agreement by article number. Additionally, references to "OCSD" were updated to "OC San" throughout the MOU.

Article 14 - Severance Pay

Article 25 - Retirement

Article 28 - Leave-of-Absence Without Pay

CEQA

N/A

FINANCIAL CONSIDERATIONS

The total cost is \$14,743,298 over the term of the agreement.

This request complies with authority levels of OC San's Purchasing Ordinance. This item has been budgeted.

ATTACHMENT

The following attachment(s) may be viewed on-line at the OC San website (www.ocsan.gov) with the complete agenda package:

- Resolution No. OC SAN 22-22
- Supervisor MOU (redlined version)
- Professional MOU (redlined version)
- Salary Schedules - Supervisor Current Rates
- Salary Schedules - Supervisor Proposed Rates