

Agenda Report

File #: 2019-499, **Version:** 1

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: Recommend to the Board of Directors to:

- A. Adopt Resolution No. OCSD 19-08, 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 2019/2020, 2020/2021 & 2021/2022; 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.

BACKGROUND

The MOUs between the Orange County Sanitation District (Sanitation District) and the Supervisor Group and Professional Group bargaining units that became effective on July 1, 2016 expired on June 30, 2019. The Supervisory and Professional Management Group (SPMG) submitted its initial proposals for successor MOU(s) on January 28, 2019. SPMG and the Sanitation District have met and conferred in good faith twelve (12) times since receiving the initial proposal. As of the Board meeting on June 26, 2019, all items proposed, except for salary and wages, had either reached tentative agreement or had been withdrawn.

On June 26, 2019, the Board of Directors authorized the Chief Negotiator to make a counter proposal to SPMG, including a three-year contract with a 3.0% salary increase and corresponding range adjustments due in the first pay period in July for each year of the contract, with the first increase to commence on July 5, 2019.

The Sanitation District delivered this counter proposal to SPMG on July 10, 2019. SPMG's membership ratified the proposal by majority vote on July 23, 2019.

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 and development

PROBLEM

The MOUs between the Sanitation District and the Supervisor Group and Professional Group bargaining units that became effective on July 1, 2016 expired on June 30, 2019.

PROPOSED SOLUTION

Adopt Resolution No. OCSD 19-08, 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 2019/2020, 2020/2021 & 2021/2022".

Based on Board direction, the Sanitation District issued a counter proposal to SPMG on July 10, 2019, including three-year contracts with a 3% salary increase for each 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 23, 2019.

RAMIFICATIONS OF NOT TAKING ACTION

- Labor instability
- Possible impacts to morale
- Impasse

PRIOR COMMITTEE/BOARD ACTIONS

In December 2018, an Ad Hoc Subcommittee of the Steering Committee selected Laura Kalty from Liebert Cassidy Whitmore to serve as the Sanitation District'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 27, 2019 - Steering Committee and Board Meeting
- March 18, 2019 - Special Steering Committee Meeting
- March 27, 2019 - Steering Committee and Board Meeting
- April 24, 2019 - Steering Committee and Board Meeting

- May 22, 2019 - Steering Committee and Board Meeting
- June 26, 2019 - Steering Committee and Board Meeting
- July 24, 2019 - 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 direction, the Sanitation District issued a counter proposal to SPMG on July 10, 2019, including three-year contracts with a 3% salary increase for each 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 23, 2019.

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, 2019.
2. Article 2, Duration: Agreement terminates on June 30, 2022.
3. Article 13, Salary Adjustments and Compensation: Salary: Year 1 - 3% Salary Increase, retroactive to the first pay period of July 2019; Year 2 - 3% Salary Increase, effective the first pay period of July 2020; Year 3 - 3% Salary Increase, effective the first pay period of July 2021.
4. Article 16, Holidays: language cleanup to reflect that employee election to receive Holiday Compensatory Time Off is due by December 31st of prior year.
5. Article 17, Hours of Work: updated language to reflect that Operations Supervisors and Chief Plant Operators receive a 30-minute paid lunch and are to remain onsite and perform work as necessary.
6. Article 20, Insurance: Reopener to discuss establishment of Health Retirement Account (HRA) for all employees.
7. Article 26, Shift Differential: Shift Differential increased from \$2.50 per hour to \$3.00 per hour.
8. Article 27, Leave-of-Absence With Pay: Bereavement leave shall be used within six (6) months of death of immediate family member; requests for exceptions may be submitted to Director of Human Resources for approval. Employee may be required to furnish evidence of family member's death and/or of familial relationship.
9. Article 46, Dues Deductions: New language to establish information provided by OCSD to SPMG regarding members, remittance of dues; article title changed to "New Employee Orientation and Dues Deductions".

10. Article 51, Resignation: The District may accept any verbal or written resignation at any time and deem such resignation irrevocable. Written resignations automatically deemed irrevocable after 72 hours, except by approval of HR.

Listed below are articles with proposed housekeeping changes in the tentative agreement by article number:

Article 25 - Retirement

Article 27 - Leave-of-Absence With Pay

Article 28 - Leave-of-Absence Without Pay

Appendix A - Medical Insurance Plan Design Components

CEQA

N/A

FINANCIAL CONSIDERATIONS

The total cost is \$7,086,027 over the term of the agreement. Sufficient funds are incorporated in the Sanitation District's Five-Year Cashflow to support the adjustments required by this Memorandum of Understanding (MOU).

ATTACHMENT

The following attachment(s) are included in hard copy and may also be viewed on-line at the OCSD website (www.ocsd.com) with the complete agenda package:

- Resolution No. OCSD 19-08
- Supervisor MOU (redlined version)
- Professional MOU (redlined version)