

Agenda Report

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

SUBJECT:

SUCCESSOR MEMORANDUMS OF UNDERSTANDING FOR THE ORANGE COUNTY EMPLOYEES ASSOCIATION

GENERAL MANAGER'S RECOMMENDATION

RECOMMENDATION:

- A. Adopt Resolution No. OC SAN 22-23, 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 Orange County Employees Association (OCEA), 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 three (3) OCEA bargaining units.

BACKGROUND

The MOUs between the Orange County Sanitation District (OC San) and the three OCEA bargaining units that became effective on July 1, 2019, expired on June 30, 2022. OCEA submitted its initial proposal for successor MOU(s) on January 26, 2022. OCEA and OC San have met and conferred in good faith five (5) 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on June 22, 2022, most items proposed, except for salary and wages, had either reached tentative agreement or had been withdrawn.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 OCEA 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 three (3) OCEA 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. OCSD 22-23, 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 Orange County Employee Association (OCEA), for Fiscal Years 2022/2023, 2023/2024 & 2024/2025".

TIMING CONCERNS

OC San and OCEA 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 Drottz 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 OCEA from the Steering Committee and the Board of Directors.

The OCEA 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 OCEA is the recognized employee organization certified to provide exclusive representation over wages, hours of work, and other terms and conditions of employment for 94 non-exempt OC San

employees spread across three (3) bargaining units: the Administrative and Clerical Unit, the Technical Services Unit, and the Engineering Unit. These employees perform administrative, clerical, and/or para-professional tasks in support of their assigned function or program.

Based on Board authorization, OC San reached a full tentative agreement with OCEA 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. OCEA distributed the proposals to their membership for voting and OCEA's membership ratified the proposals by majority vote on July 11, 2022.

Full redlined versions of each OCEA 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 \$160 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: Language to specify 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 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 process. Include language for a re-opener to meet and confer regarding the comparison agencies used for any classification and compensation studies.

12. 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 \$3,316,536 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 22-23
- OCEA Administrative and Clerical Unit (redlined version)
- OCEA Technical Services MOU (redlined version)
- OCEA Engineering MOU (redlined version)