

Agenda Report

File #: 2019-500, **Version:** 1

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: Recommend to the Board of Directors to:

- A. Adopt Resolution No. OCSD 19-09, 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 Employees Association (OCEA), 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 three (3) OCEA bargaining units.

BACKGROUND

The MOUs between the Orange County Sanitation District (Sanitation District) and the three Orange County Employees Association (OCEA) bargaining units that became effective on July 1, 2016 expired on June 30, 2019. OCEA submitted its initial proposal for successor MOU(s) on February 25, 2019. OCEA and the Sanitation District have met and conferred in good faith eleven (11) times since receiving the initial proposal. As of the Board meeting on June 26, 2019, all items except for salary & wages had either reached tentative agreement or had been withdrawn.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 OCEA 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 OCEA on July 9, 2019. OCEA's membership ratified the proposal by majority vote on July 17, 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 OCEA bargaining units that became effective on July 1, 2016 expired on June 30, 2019.

PROPOSED SOLUTION

Adopt Resolution No. OCSD 19-09, 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 Employees Association, for Fiscal Years 2019/2020, 2020/2021 & 2021/2022".

Based on Board direction, the Sanitation District issued a counter proposal to OCEA on July 9, 2019, including three-year contracts with a 3% salary increase for each year of the contract. OCEA distributed the proposal to their membership for voting and OCEA's membership ratified the proposal by majority vote July 17, 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 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 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 OCEA is the recognized employee organization certified to provide exclusive representation over wages, hours of work, and other terms and conditions of employment for 103 non-exempt Sanitation District 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.

The MOUs between the Sanitation District and OCEA expired on June 30, 2019.

Based on Board direction, the Sanitation District issued a counter proposal to OCEA on July 9, 2019, including three-year contracts with a 3% salary increase for each year of the contract. OCEA distributed the proposal to their membership for voting and OCEA's membership ratified the proposal by majority vote on July 17, 2019.

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, 2019.
2. Article 2, Duration: Agreement terminates on June 30, 2022; language cleanup to align with Employer-Employee Relations Resolution (EERR).
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. Development Pay: Certification/License- \$15.24 per pay period per certificate/license with a maximum of three (3).
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; floating holiday to be used within calendar year granted.
5. Article 19, Standby Pay: Standby Pay increased to five hundred (500) dollars per week.
6. Article 20, Insurance: Reopener to discuss establishment of Health Retirement Account (HRA) for all employees; no commitment to District funding.
7. 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. With reasonable cause, employee may be required to furnish evidence of family member's death and/or of familial relationship.
8. 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

FINANCIAL CONSIDERATIONS

The total cost is \$1,890,944 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 19-09
- OCEA Administrative and Clerical Unit (redlined version)
- OCEA Technical Services MOU (redlined version)
- OCEA Engineering MOU (redlined version)