



TO THE HONORABLE MAYOR AND COUNCIL:

DATE: November 18, 2014

SUBJECT: AMENDMENT TO THE MEMORANDUM OF UNDERSTANDING BETWEEN THE CITY OF CONCORD AND THE INTERNATIONAL BROTHERHOOD OF TEAMSTERS LOCAL UNION NO. 856 REPRESENTING THE EMPLOYEES IN ADMINISTRATIVE, CLERICAL & TECHNICAL AND FIELD & OPERATIONS UNITS FOR THE PERIOD JULY 1, 2014 THROUGH JUNE 30, 2015

Report in Brief

For many years, the City Council and its employees have worked together to address the City's fiscal challenges and the organization's structural budget deficit. The Teamsters Local Union No. 856 employees in both the Administrative, Clerical & Technical and the Field and Operation units have reduced their pay and benefits over the years in multiple ways including unpaid furlough days, cessation of salary increases, and employees picking up costs associated with retirement and medical benefits, to name a few. Although some of these concessions have been eliminated, the City Council and its employees are still working together to further remedy the City's fiscal challenges.

On April 7, 2014, the Teamsters Local Union No. 856 ("Teamsters") approached the City to request modifications to its Memorandum of Understanding ("MOU") that expired June 30, 2014. Representatives from the City and the Teamsters met to discuss the requested modifications, and reached a tentative agreement to extend the current MOU to June 30, 2015. Consequently, the Council is being asked to approve these deal terms, as described in the tentative agreement and this staff report.

Approval of this proposed action restores the organization's work schedule by re-opening City facilities that were previously closed on business days between December 26 and December 31, thereby allowing the community to once again conduct its business with City staff during normal work hours on these days. Prior to this change, the City was closed for business during this period each year, and employees were required to take time off without pay or use their leave balances in order to be compensated for this time off.

This proposed action provides a cost of living adjustment of 2.5% (which approximates the rate of inflation) for all Teamster unit employees, and 12 hours of compensatory time off in the first full pay period following the proposed adoption of these resolutions. The City will also conduct a total compensation survey of the Police Dispatcher classification and meet with the Teamsters in December, 2014 to discuss the results of the survey. Additionally, as soon as employees complete and submit the appropriate forms, the City will

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begin a classification study regarding Administrative Clerk II and Administrative Clerk III classifications for positions within Police Records with regard to title and classification specification (not wages).

The parties have also agreed that benefit costs are a priority and expect to continue discussions on this topic in future negotiations. Additionally, the City and Teamsters have agreed to meet and discuss retiree healthcare benefits in an attempt to address the City's goal of reducing Other Post-Employment Benefits ("OPEB") liabilities.

If approved by the City Council this evening, staff will prepare and execute an Amendment to the Memorandum of Understanding incorporating the agreed upon changes.

Discussion

City employees reduced their compensation over the past several years to help address major structural shortfalls in the City's budget primarily caused by the Great Recession and increases in the cost of employee benefits. Concord employees provide excellent public services and are deeply committed to the City. They have unquestionably made significant sacrifices to help the City address the budget shortfalls it has faced over the years. The City has been working to restore City services and some of the concessions given up by its employees. This proposal eliminates the unpaid closure days between December 26 and December 31, and provides a cost of living adjustment for Teamsters unit employees of 2.5%. It also provides for 12 hours of compensatory time off for all Teamsters unit employees.

In summary, the agreement provides the following changes to the Memorandum of Understanding:

- Effective the first full pay period following adoption of Resolution 14-4735.10, all employees will receive a 2.5% cost of living increase and 12 hours of compensatory time off.
- Beginning Fiscal Year 2014-2015, City office will be open between December 26 and December 31. Employees will work during their regularly scheduled days during this time unless they have been approved to take vacation per the City's vacation usage policy. Prior to this agreement, the City was closed for business during this time period, and employees were not paid unless they used their leave balances in order to be compensated during the closure.
- The parties agree to meet in good faith during the term of the MOU in an effort to reach a mutual agreement over changes to retiree medical benefits for incorporation into a successor MOU.
- The parties agree to extend the current MOU by 12 months until June 30, 2015.
- City agrees to perform a total compensation survey of the Dispatcher classification, and agrees to a reopener in December, 2015 to look at the total compensation for the Dispatcher classification.

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- As soon as employees complete and submit the appropriate forms, the City will begin a classification study regarding the Administrative Clerk II and Administrative Clerk III classifications for positions within Police Records with regard to title and classification specification (not wages).
- The parties agree to amend the MOU to incorporate PEPRA changes, including retirement formula, employee contribution, and limitations on pensionable compensation for “new members”.
- Parties agree to remove outdated language from the MOU.
- All remaining provisions of the MOU not specifically addressed in the agreement remain intact.

Fiscal Impact

The cost of the compensation adjustments is \$256,256 over Fiscal Year 2014-2015. No budget adjustments are necessary for FY 2014-15 since sufficient funds are available in the adopted FY 2014-15 budget.

Public Contact

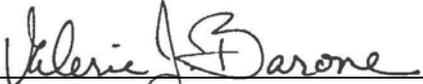
Posting of Council Agenda and notification to the Teamsters Local 856.

Recommendation for Action

Staff recommends that the Council approve the following Resolution:

1. Adopt Resolution No. 14-4735.10 approving an Amendment to the Memorandum of Understanding between the City of Concord and the Teamsters Local Union No. 856 representing the Employees in Administrative, Clerical & Technical and Field & Operations Units for the period July 1, 2014 through June 30, 2015.

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Attachment 1: Tentative Agreement with Teamsters Local 856

Attachment 2: Resolution No. 14-4735.10

**City of Concord
and
Teamsters Local 856**

**Tentative Agreement
October 29, 2014**

1. **TERM:**

1 Year (July 1, 2014 - June 30, 2015).

2. **WAGES**

Effective the first full pay period following adoption by the City Council, scheduled for the regular Council meeting on November 18, 2014, base wage for all bargaining unit classifications will be increased by **2.5%**.

3. **CTO**

Effective the first full pay period following adoption by the City Council, scheduled for the regular Council meeting on November 18, 2014, all bargaining unit employees will be credited with **twelve (12) hours** of compensatory time off.

4. **HOLIDAY CLOSURE**

Eliminate the Holiday Closure effective fiscal year 2014-15.

5. **HEALTH AND WELFARE**

- Active Medical - Maintain status quo (50/50 split)
- Medical in Lieu – Maintain Status Quo
- Include the following in the Agreement: “The parties agree that benefit costs are a priority and the Union expects to continue discussions around the 50/50 split while the Council expects to continue discussions around the medical in lieu.”

6. **DISPATCHERS**

- City to perform Total Compensation Survey of Dispatcher classification
- Reopener in December on the issue of total compensation for the Dispatcher Classification

**City of Concord
and
Teamsters Local 856**

7. POLICE RECORDS

As soon as employees complete and submit the appropriate forms, the City will begin a classification study regarding Admin II's and Admin III's working in Police Records with regard to title and classification specification (not wages).

8. RETIREMENT

Amend MOU to incorporate PEPRA changes, including retirement formula, employee contribution, and limitations on pensionable compensation for "new members."

9. RETIREE MEDICAL

The City and the Teamsters Local 856 agree to meet and discuss retiree healthcare benefits.

Either the City or Teamsters may provide notice to the other of its request to meet and discuss. Upon such notice, the parties shall begin these meetings within ten (10) calendar days after the City or Teamsters receives notice from the other. The City and Teamsters shall continue to meet in good faith during the term of this MOU in an effort to reach a mutual agreement over changes to retiree medical benefits for incorporation into a successor MOU.

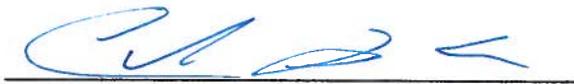
Such discussions do not constitute "*meet and confer*" or a waiver of the MOU, or an agreement to reopen the MOU. It is the intention of the Union to engage in meaningful discussions in an attempt to address the City's concerns and objectives over OPEB liabilities. Any changes to retiree medical benefits during the term of this MOU shall be by mutual agreement.

10. General MOU Cleanup

Remove outdated language, etc.

Dated: October 29, 2014

For City of Concord:



For Teamsters:



Russ Gardner

**BEFORE THE CITY COUNCIL OF THE CITY OF CONCORD
COUNTY OF CONTRA COSTA, STATE OF CALIFORNIA**

**A Resolution Approving an Amendment to the
Memorandum of Understanding between the City of
Concord and the International Brotherhood of
Teamsters Local Union No. 856 Representing the
Employees in Administrative, Clerical & Technical
and Field & Operations Units for the Period July 1,
2014 through June 30, 2015**

Resolution No. 14-4735.10

WHEREAS, the Memoranda of Understanding between the City of Concord and the International Brotherhood of Teamsters, Local Union No. 856 (“Teamsters”) representing the employees in the Administrative, Clerical & Technical and Field & Operations Units expired on June 30, 2014; and

WHEREAS, City representatives and the duly appointed representatives of the Teamsters have met and conferred in accordance with Section 3500 et seq. of the California Government Code; and

WHEREAS, the membership of the Administrative, Clerical & Technical Unit and the members of the Field & Operations Unit ratified the attached agreement on October 30, 2014; and

WHEREAS, the City Manager and City staff recommend the terms and conditions of the Memorandum of Understanding amendment be approved by City Council.

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF CONCORD DOES RESOLVE AS FOLLOWS:

Section 1. Approves the Amendment to the Memoranda of Understanding between the City of Concord and the Teamsters, representing the Administrative, Clerical & Technical Unit and the Field & Operations Unit to include the attached agreement.

Section 2. Directs staff to prepare a written Amendment to the Memorandum of Understanding between the City of Concord and the Teamsters representing the Administrative, Clerical & Technical Unit and the Field & Operations Unit incorporating the agreed-upon-changes and such further technical and clarifying changes as may be approved by Teamsters representatives and the City Manager.

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Section 3. Authorizes the City Manager to execute the amendment of the Memorandum of Understanding on behalf of the City.

Section 4. This resolution shall become effective immediately upon its passage and adoption.

PASSED AND ADOPTED by the City Council of the City of Concord on November 18, 2014, by the following vote:

AYES: Councilmembers -

NOES: Councilmembers -

ABSTAIN: Councilmembers -

ABSENT: Councilmembers -

I HEREBY CERTIFY that the foregoing Resolution No. 14-4735.10 was duly and regularly adopted at a regular meeting of the City Council of the City of Concord on November 18, 2014.

Joelle Fockler, CMC
City Clerk

APPROVED AS TO FORM:

Mark S. Coon
City Attorney