



City of Chula Vista

Staff Report

File#: 14-0480, **Item#:** 4.

A. RESOLUTION NO. 2014-164 OF THE CITY COUNCIL OF THE CITY OF CHULA VISTA APPROVING AGREEMENTS BETWEEN THE CITY OF CHULA VISTA AND THE CHULA VISTA EMPLOYEES ASSOCIATION SEIU-LOCAL 221 (CVEA/ SEIU), MID-MANAGERS/ PROFESSIONAL/ SEIU LOCAL 221 (MM/ PROF/ SEIU), AND WESTERN COUNCIL OF ENGINEERS (WCE) BARGAINING UNITS RELATED TO SALARY ADJUSTMENTS (PROVIDED IN ACCORDANCE WITH MOU SALARY ADJUSTMENT REOPENERS); AUTHORIZING THE CITY MANAGER TO EXECUTE ANY NECESSARY DOCUMENTS AND/OR MOU REVISIONS AS MAY BE REQUIRED TO IMPLEMENT THE ABOVE SALARY ADJUSTMENTS

B. RESOLUTION NO. 2014-165 OF THE CITY COUNCIL OF THE CITY OF CHULA VISTA APPROVING THE AMENDED COMPENSATION SUMMARY FOR ALL UNREPRESENTED EMPLOYEES TO REFLECT A 2% SALARY INCREASE

C. RESOLUTION NO. 2014-166 OF THE CITY COUNCIL OF THE CITY OF CHULA VISTA AMENDING THE FISCAL YEAR 2014/15 BUDGET TO ACCOUNT FOR THE PROPOSED SALARY INCREASES FOR CVEA/SEIU, MM/PROF/SEIU, WCE, AND UNREPRESENTED EMPLOYEES (EXECUTIVES, SENIOR MANAGERS, MID MANAGERS, PROFESSIONALS, CONFIDENTIAL, AND UNCLASSIFIED HOURLY CLASSIFICATIONS) (4/5 VOTE REQUIRED)

D. RESOLUTION NO. 2014-005 OF THE CHULA VISTA HOUSING AUTHORITY AMENDING THE FISCAL YEAR 2014/15 PERSONNEL SERVICES BUDGET OF THE CV HOUSING AUTHORITY FUND TO ACCOUNT FOR SALARY INCREASES (4/5 VOTE REQUIRED)

RECOMMENDED ACTION

Council adopt resolutions A, B and C, Authority adopt resolution D.

SUMMARY

The City and the Chula Vista Employees Association/SEIU Local 221 (CVEA/SEIU), Mid-Managers/Professional/SEIU Local 221 (MM/PROF/SEIU), and the Western Council of Engineers (WCE) have two-year Memorandums of Understanding that expire June 30, 2015. During the term of the Memorandums of Understanding with CVEA/SEIU, MM/PROF/SEIU, and WCE members of these bargaining groups have received two salary adjustments. The Memorandums of Understanding between CVEA/SEIU, MM/PROF/SEIU, and WCE have reopeners for a third set of salary adjustments. In compliance with the Memorandum of Understandings' reopener provisions, the City and the respective bargaining unit representatives have met and conferred in good faith and agreement has been reached with the bargaining groups on the third salary adjustment, consisting of a 2% salary adjustment per bargaining unit. Staff also recommends that these salary adjustments be extended to the following unrepresented employee groups - Executives, Senior Managers, Mid Managers, Professionals, Confidential, and Unclassified Hourly.

ENVIRONMENTAL REVIEW

The Development Services Director has reviewed the proposed activity for compliance with the California Environmental Quality Act (CEQA) and has determined that the activity is not a "Project" as defined under Section 15378(b)(2) of the State CEQA Guidelines because it is a personnel related action; therefore, pursuant to Section 15060(c)(3) of the State CEQA Guidelines the activity is not subject to CEQA. Thus, no environmental review is necessary.

BOARD/COMMISSION RECOMMENDATION

NA

DISCUSSION

The City and the Chula Vista Employees Association (CVEA/SEIU), Mid-Managers/Professional (MM/PROF/SEIU), and the Western Council of Engineers (WCE) have two-year Memorandums of Understanding that expire on June 30, 2015. During the term of the Memorandums of Understanding with CVEA/SEIU, MM/PROF/SEIU, and WCE, members of these groups have received two salary adjustments. The Memorandums of Understanding between the City and CVEA/SEIU, MM/PROF/SEIU, and WCE bargaining units have reopeners for a third set of salary adjustments. The City and CVEA/SEIU, MM/PROF/SEIU, and WCE bargaining units have met and conferred in good faith, as required by the Meyers-Miliias-Brown Act (Govt. Code Section 3500 *et. seq.*; "MMBA") and reached the following agreement with regards to the salary adjustment required by the reopener provisions:

Chula Vista Employees Association (CVEA/SEIU):

- All CVEA/SEIU represented members shall receive a 2% salary adjustment.
- The City's proposal included a condition for limited retroactivity which will make the agreed upon salary adjustment retroactive to June 27, 2014

Mid-Managers/Professional (MM/PROF/SEIU)

- All MM/PROF/SEIU represented members shall receive a 2% salary adjustment.
- The City's proposal included a condition for limited retroactivity which will make the agreed upon salary adjustment retroactive to June 27, 2014

Western Council of Engineers (WCE)

- All WCE represented members shall receive a 2% salary adjustment.
- The City's proposal included a condition for limited retroactivity which will make the agreed upon salary adjustment retroactive to June 27, 2014

Unrepresented Classifications

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The City workforce consists of both represented and unrepresented employees. It has long been a practice of the City (with few exceptions) to update the compensation and benefit summary for all unrepresented employees (the same or similar benefit provided to represented employees) after the ratification of the represented bargaining units' MOU. The unrepresented employees are in the following employee groups: Confidential Unclassified, Confidential Classified, Confidential Middle Managers/Professional, Unclassified Middle Manager/Professional, Senior Management, Executives (including those with employment contracts), and Unclassified Hourly. The salary for elected officials (Mayor, Council Members, and City Attorney) is set by the City Charter. Salary adjustments for elected officials are not included in the following recommendation and are presented in separate report being considered by the City Council this afternoon.

Salary adjustments for unrepresented employees are the following:

- All unrepresented employees (excluding elected officials) shall receive a 2% salary adjustment.
- In order to be consistent with the represented bargaining groups, staff recommends limited retroactivity which will make the proposed salary adjustment retroactive to June 27, 2014

The Compensation Schedule has been updated to reflect the salary increases for CVEA/SEIU, MM/PROF/SEIU, WCE, Executives, Senior Managers, Unclassified and Confidential Mid Managers/Professionals, Confidential, and Unclassified Hourly classifications. The proposed Compensation Schedule is that "Pay Schedule" required by CalPERS pursuant to 2 CCR 570.5. Approval of Compensation Schedule is included in a separate item being consider by the City Council this afternoon.

DECISION-MAKER CONFLICT

Staff has determined that the action contemplated by this item is ministerial, secretarial, manual, or clerical in nature and, as such, does not require the City Council members to make or participate in making a governmental decision, pursuant to California Code of Regulations Title 2, section 18702.4 (a). Consequently, this item does not present a conflict under the Political Reform Act (Cal. Gov't Code § 87100, et seq.). Staff is not independently aware, and has not been informed by any City Council member, of any other fact that may constitute a basis for a decision maker conflict of interest in this matter.

LINK TO STRATEGIC GOALS

The City's Strategic Plan has five major goals: Operational Excellence, Economic Vitality, Healthy Community, Strong and Secure Neighborhoods and a Connected Community. These changes support City Initiative 1.2.3 Retain and attract quality employees under the Operational Excellence goal. Employee compensation is instrumental to recruiting and retaining quality employees.

CURRENT YEAR FISCAL IMPACT

The fiscal year 2014/15 implementation costs related to salary increases for CVEA/SEIU, MM/PROF/SEIU, WCE, as well as for the unrepresented employee groups - Executives, Senior Managers, Unclassified and Confidential Mid Managers/Professionals, Confidential, and Unclassified Hourly classifications are estimated at \$1.2 million for all funds.

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General Fund Fiscal Impact - The fiscal year 2014/15 General Fund adopted budget includes \$1.0 million in the Non-Departmental budget for salary increases. Since the adoption of the budget, the City received information from the County regarding assessed property values (AV) for the City of Chula Vista. The adopted budget reflected 4% growth in AV however based on the County's most recent report, the City should experience 6% growth in AV. This results in an additional \$1.0 million in anticipated revenues in property tax and motor vehicle license fee revenues. Staff recommends recognizing these additional revenues and using these funds for employee salary increases. Staff recommends allocating a portion of these funds to address the salary increases for CVEA/SEIU, MM/PROF/SEIU, WCE, and unrepresented employee groups. The City's negotiating team is still working with the Chula Vista Police Officer's Association ("CVPOA") and the International Association of Fire Fighters, Local 2180, ("IAFF") to reach new Memorandum of Understanding with these groups.

Staff is requesting a transfer of funds from the Non-Departmental budget to the impacted General Fund departments to address the changes to employee compensation. At this time staff is also requesting that the additional unanticipated property tax and motor vehicle license fee revenues of \$1.0 million be appropriated to Non-Departmental to be used as a resource for employee salary increases. These transfers and revenue appropriation result in a positive impact to the General Fund of approximately \$1.1 million. The tables below outline the transfer amounts by department and fund.

Summary of General Fund Transfers

General Fund by Department	Transfer Amount
City Council	\$ 10,741
City Clerk	\$ 10,823
City Attorney	\$ 35,124
Administration	\$ 43,017
Information Technology Services	\$ 39,655
Human Resources	\$ 32,094
Finance	\$ 60,972
Animal Care Facility	\$ 34,964
Development Services Fund (GF)	\$ 42,049
Police	\$ 161,295
Fire	\$ 26,867
Public Works	\$ 298,465
Recreation	\$ 51,685
Library	\$ 50,772
General Fund Total	\$ 898,525
Non Departmental Transfer	\$ (898,525)
General Fund - Net Impact of Transfer	\$ -

These salary increases also impact positions budgeted outside of the General Fund. Due to

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available grant funds, the Local Law Enforcement Block Grant and Federal Grant Fund will not be able to absorb the increased personnel costs as a result of this salary increase. Staff further recommends a transfer from the General Fund to these two grant funds to address the additional costs; this will result in an additional impact to the General Fund of \$5,565.

Other Funds - Staff is also requesting appropriations to address the salary increases for positions budgeted outside of the General Fund. The table below reflects the recommended appropriations by fund.

Summary of Other Fund Appropriations

Fund	Appropriation
Advanced Life Support Program	\$ 3,404
Police Dept Grants Fund	\$ 59,151
Local Law Enforcement Block Grant	\$ 1,202
Federal Grants Fund	\$ 4,459
Environmental Services	\$ 9,838
Energy Conservation Fund	\$ 2,802
CV Housing Authority Fund	\$ 9,942
Central Garage Fund	\$ 16,386
Development Services Fund	\$ 95,979
Sewer Service Revenue (Wastewater)	\$ 71,487
Other Funds	\$ 274,650

Appropriations for the following funds will be made from the available fund balance of each fund - Advanced Life Support Program, Environmental Services, Energy Conservation Fund, CV Housing Authority, Central Garage Fund, Development Services, and Sewer Service Revenue (Wastewater). As discussed previously, the appropriations for the Local Law Enforcement Block Grant and Federal Grants Fund will be offset by a transfer from the General Fund. The appropriation for the Police Department Grants fund will be offset by reimbursement from HIDTA funding.

ONGOING FISCAL IMPACT

The annualized costs for the salary changes will be incorporated into the fiscal year 2015/16 baseline budget and will be brought to Council for approval as part of the normal budget process.

The Five Year Financial Forecast that was presented to the City Council in May 2014 indicated a deficit during the forecast period. Since then, the City has reached agreements CVEA/SEIU, MM/PROF/SEIU, and WCE. The City has also received positive information regarding assessed values that will help mitigate the impact of the wage increases. The Five Year Financial Forecast will be updated once fiscal year 2013/14 has been closed, updated revenue information is received, and negotiations with the bargaining groups have concluded. The updated Five Year Financial Forecast will be provided to City Council in the Fall.

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ATTACHMENTS

- 1) Reopener Salary Adjustment Agreement - SEIU Local 221/CVEA
- 2) Reopener Salary Adjustment Agreement - SEIU Local 222/MM/PROF
- 3) Reopener Salary Adjustment Agreement - WCE

Staff Contact: Irene Mosley