June 29, 2010

TO: MAYOR and CITY COUNCIL

FROM: DIANNA R. GARCIA, Director of Human Resources


RECOMMENDATION

It is recommended that the City Council adopt and approve a resolution to make amendments to the Memorandum of Understanding between the City of Stockton and Stockton Police Management Association for new wages, hours, and other terms and conditions of employment through June 30, 2012. It is further recommended that the resolution authorize the City Manager to take whatever actions are appropriate to carry out the purpose and intent of this resolution.

SUMMARY

The City of Stockton, by and through its Employee Relations Officer, has met and conferred with representatives of the Stockton Police Management Association, the recognized employee organization representing the interests of the Police Lieutenants and Police Captains in the Stockton Police Department, for the purpose of reaching an agreement on amendments to the Memorandum of Understanding for new wages, hours, and other terms and conditions of employment for the term agreement July 1, 2010, through June 30, 2012.

On June 21, 2010, the members of Stockton Police Management Association ratified the contents of the tentative agreement and, in accordance with section 2-207.F of the Employer-Employee Relations Ordinance (Stockton Municipal Code §§ 2-200, et seq.), staff is presenting the written agreement to the City Council for its approval.

DISCUSSION

Background

On March 5, 2010, the City of Stockton began negotiations with the Stockton Police Management Association. The City discussed with the Association, the current state of the City’s financial deficit and asked that it assist the City in meeting budgetary targets. For this Association, it meant continuing and/or waving prior concessions that were scheduled to be restored, such as furloughs and a salary increase, as well as making

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(additional concessions.)

The City and the Association met on several occasions and on June 9, 2009, a final meeting took place without any resolution. As a result, the City declared impasse pursuant to the Meyers-Milias-Brown Act, submitted its last, best, and final offer, and requested an impasse meeting. The Association responded with a counter and final offer.

Present Situation

On June 15, 2010, the City of Stockton and Stockton Police Management Association were able to reach and agreement for new wages, hours, and other terms and conditions of employment. The key provisions of the Memorandum of Understanding, respectively, are:


- **Wages** – The Cost-of-Living salary increase scheduled for June 30, 2010 and previously postponed from the 2009-2010 fiscal year budget, will not be received and will be eliminated.

- **Furloughs** – Continue the furlough program at 4.62% for the term of the contract. Stockton Police Management Association and the City of Stockton will meet and discuss continued need for furlough July 1, 2011.

- **Deferred Compensation** – Deferred Compensation will be converted to salary effective July 1, 2010.

- **PERS** – Effective July 1, 2010 the employee shall pay a 4.5% stipend toward PERS. Effective July 1, 2011 the employee shall pay an additional 4.5% stipend toward PERS. The stipend paid by the employee shall be reported such that pursuant to section 20516 and/or 20692 of the California Government Code, the final year of compensation of the employee shall be reported to PERS to facilitate the same benefit as EPMC as special compensation as outlined in GC 20692.

- **Medical** – The employee shall share costs with the City on a medical plan that has 80/20 as the base formula, with the employee responsible for the 20% of the
monthly tiered rate, applicable to the individual employee (employee, employee plus one, or family), based upon annual rates set by the City’s actuary. Implement the plan design changes as recommended by the Health Advisory Committee as of May 10, 2010. Meet and confer mid-term regarding further plan changes.

- **Retiree Medical** – SPMA will continue discussions with the City pertaining to the future funding and rates for the retiree medical plan. These discussions will honor the original intent of the development of the trust, however; take into account the need to create a formula that is financially sustainable for the City and its employees.

- **Grievance Procedure** – SPMA will continue discussions with the City pertaining to streamlining the language in the MOU pertaining to the definition of a Grievance.

- **Uniform Allowance** – The uniform allowance shall be reduced to $1500 per year for the term of the contract.

- **Pension Reform** – When employees that promote into this unit change to a second tier retirement model, this unit will adopt the change and new employees moving into this unit shall be at the new tier.

- **Hours** – The SPMA will meet and confer with the City on any proposed changes in work schedule.

- **MOU** – All other terms hours and conditions shall remain in place.

**FINANCIAL SUMMARY**

With this agreement, the City is expected to save a total of $639,000, with 100% of this savings from the General Fund, for fiscal year 2010-11.

Respectfully submitted,

DIANNA R. GARCIA
DIRECTOR OF HUMAN RESOURCES

APPROVED:

KEVIN O’ROURKE
INTERIM CITY MANAGER

Attachment

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Resolution No. __________

STOCKTON CITY COUNCIL

RESOLUTION AUTHORIZING THE CITY MANAGER TO APPROVE AND ADOPT THE MEMORANDUM OF UNDERSTANDING BETWEEN THE CITY OF STOCKTON AND THE STOCKTON POLICE MANAGEMENT ASSOCIATION

The Director of Human Resources, in her capacity as the Employee Relations Officer, along with the negotiating team, met and conferred with officials of the Stockton Police Management Association, and reached a tentative agreement for new wages, hours, and other terms and conditions of employment, and reduced the agreement to writing. The employee unit ratified the agreement on June 21, 2010, by a majority vote of the members; and

The City of Stockton and the Stockton Police Management Association, have in good faith completed their meet and confer obligation regarding new wages, hours, and other terms and conditions of employment; now, therefore,

BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF STOCKTON, AS FOLLOWS:

1. That the Memorandum of Understanding between the City of Stockton and the Stockton Police Management Association, attached and made a part hereof by this reference, is hereby approved and adopted.

2. That the City Manager is hereby authorized and directed to execute the Memorandum of Understanding, to be effective July 1, 2010.

3. That the City Manager and the Employee Relations Officer are authorized to take whatever actions are appropriate to carry out the purpose and intent of this resolution.

PASSED, APPROVED and ADOPTED ________________________________.

ANN JOHNSTON, Mayor
of the City of Stockton

ATTEST:

KATHERINE GONG MEISSNER
City Clerk of the City of Stockton

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CITY ATTY REVIEW __________________________
DATE June 23, 2010