



**CITY OF LODI
COUNCIL COMMUNICATION**

AGENDA TITLE: Approve Resolution amending Memorandum of Understanding between the City of Lodi and the Lodi Police Mid-Management Organization for the period July 1, 2007 through September 30, 2011.

MEETING DATE: August 1, 2007

PREPARED BY: Deputy City Manager

RECOMMENDED ACTION: Approve Resolution amending Memorandum of Understanding between the City of Lodi and the Lodi Police Mid-Management Organization for the period July 1, 2007 through September 30, 2011.

BACKGROUND INFORMATION: The Memorandum of Understanding (MOU) between the City of Lodi and the Lodi Police Mid-Management Organization (LPMO) expired on June 30, 2007. The MOU was extended from July 1, 2006 for one year through June 30, 2007 with no Cost of Living Adjustments or any other salary modifications. Prior to the expiration of the MOU, representatives from the LPMO, City staff and an outside negotiator (Bill Avery from Avery and Associates) began negotiations for the purpose of extending the MOU for another four years. The recommended elements of the MOU (as included in the attached tentative agreement, Exhibit A) are as follows:

- A salary survey was conducted, which included total compensation (salary, Public Employee Retirement System-employee contributions, health insurance premiums paid by employer, education incentives, certification pay, longevity pay and deferred compensation contributions by employer), for 15 cities as previously agreed upon in the current MOU. The survey results show that the LPMO is 11.7% below the median total compensation of the 15 comparative cities.
- Effective July 1, 2007 the Police Lieutenant Salary would be adjusted by 11.7% and will be used as the benchmark for the Police Captain and Sergeant salary that will be 20% and 20% below (respectively) the Lieutenant's salary range.
- Salary adjustments on July 1, 2008, July 1, 2009 and July 1, 2010 will be based on the results of salary surveys to be based on the total compensation amounts of the 15 cities as of July 1st of each year as calculated on July 30th.
- If City of Lodi General Fund revenues do not increase by at least 1% in any of the years starting after July 1st 2007, then the salary and benefits adjustments will be based on negotiations between the City of Lodi and LPMO.
- All other elements of the MOU remain unchanged.

APPROVED: 
Blair King, City Manager

These terms include paying the bargaining unit employees based on market conditions and at the same time gives the City of Lodi an opportunity to re-negotiate should its financial condition change dramatically. Although General Fund revenues have not increased by less than 1% at any time over the last few years, staff is recommending that this escape clause be included in order to allow for the possibility of revenue declines in the last three years of the **MOU**.

FISCAL IMPACT: The current year salary modifications as recommended, would impact the General Fund by approximately \$200,000 per year. In subsequent years, the impact would vary depending on the results of total compensation surveys to be completed in those years and if revenues do not materialize, then the fiscal impact would vary in depending on renegotiated terms.

FUNDING AVAILABLE: The increase of \$200,000 to salary and benefits are available in the General Fund; and if the modification to the MOU is approved, there would be an adjustment to the various accounts in the Police Department budget to implement the needed adjustments to the 2007-08 budget.


James R. Krueger, Deputy City Manager

Attachments

RESOLUTION NO. 2007-159

A RESOLUTION OF THE LODI CITY
COUNCIL APPROVING MEMORANDUM OF
UNDERSTANDING WITH THE LODI POLICE
MID-MANAGEMENT ORGANIZATION

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NOW, THEREFORE, BE IT RESOLVED that the Lodi City Council does hereby approve the Memorandum of Understanding between the City of Lodi and the Lodi Police Mid-Management Organization for the period July 1, 2007 through September 30, 2011, as shown on Exhibit A attached hereto; and

BE IT FURTHER RESOLVED that the City Manager is hereby authorized to execute the Memorandum of Understanding on behalf of the City of Lodi.

Dated: July 18, 2007

I hereby certify that Resolution No. 2007-159 was passed and adopted by the City Council of the City of Lodi in a regular meeting held July 18, 2007, by the following vote:

AYES: COUNCIL MEMBERS – Hansen, Katzakian, Mounce, and Mayor Johnson

NOES: COUNCIL MEMBERS – Hitchcock

ABSENT: COUNCIL MEMBERS – None

ABSTAIN: COUNCIL MEMBERS – None


RANDI JOHL
City Clerk

EXHIBIT A

Tentative Agreement

Article I-Salary and Term

Article 1.1

The City of Lodi and the LPMO mutually agree the Lieutenant position is the benchmark position for all members of this bargaining unit for determining employee's compensation.

Article 1.2

The Lieutenants salary increases will be calculated using the following formula

The City of Lodi and LPMO shall establish a salary **survey** to include the following areas of comparison:

Salary
PERS employee contribution paid by employer
Health Care Contributions paid by employer
Education Incentives
POST Certificate Pay
Longevity Pay
Deferred Compensation Contributions

Effective July **1,2007**, once the survey is complete the LPMO and the City of Lodi will calculate the Median of the survey and the median will be used to calculate the Lieutenants salary increases. Each year's survey called for herein will be based on July 1st numbers calculated as of July 31st.

Article 1.3

Sergeant's salary increases will be calculated by dividing the Lieutenants salary by 1.20, creating a 20% separation between Lieutenant and Sergeant.

Article 1.4

Captain's salary increases will be calculated by multiplying the Lieutenants salary by 1.20, creating a 20% separation between Lieutenant and Captain.

Article 1.5

July 1st, 2007 a salary survey will be conducted using the formula in section 1.2. Salaries will be increased effective July 1st 2007 based on the survey. (Notwithstanding any changes occurring after the date of this Tentative Agreement, the first year increase will equal 11.7% for Lieutenants. Captains and Sergeants will be calculated as provided in Article 1.3 and 1.4.)

Article 1.6

July 1st 2008 a salary survey will be conducted using the formula in section 1.2. If City of Lodi General Fund Revenues increase by 1% or more (using audited revenues for the year ended June 30, 2006 in comparison with audited revenues for the year ended June 30, 2007) , then salaries will be increased effective July 1st 2008, based on the survey. If General Fund Revenues do not increase by at least 1%, then LPMO and the City of Lodi will reopen negotiations with regard to salary **and** benefits.

Article 1.7

July 1st 2009 a salary survey will be conducted using the formula in section 1.2. If City of Lodi General Fund Revenues increase by 1% or more (using audited revenues for the year ended June 30, 2007 in comparison with audited revenues for the year ended June 30, 2008) , then salaries will be increased effective July 1st 2009, based on the survey. If General Fund Revenues do not increase by at least 1%, then LPMO and the City of Lodi will reopen negotiations with regard to salary and benefits.

Article 1.8

July 1st 2010 a salary survey will be conducted **using** the formula in section 1.2. If City of Lodi **General Fund Revenues increase by 1% or more (using audited revenues for the year ended June 30, 2008 in comparison with audited revenues for the year ended June 30, 2009) . then salaries will be increased effective July 1st 2009, based on the survey.** If General Fund Revenues do not increase by at least 1%, then LPMO and the City of Lodi will reopen negotiations with regard to salary and benefits.

Article 1.9

The terms and conditions of this MOU shall **continue** in effect during the term of **this** MOU. The City of Lodi and LPMO agree that the term is July 1st, 2007 through September 30, 2011

Article 1.10

The City of Lodi and the LPMO agree to commence negotiations no later than **(3) months** prior to expiration of the MOU or three months prior to July 1st 2008 if City revenues do not increase by at least 1% (**as per Article 1.6**) and three months **prior** to July 1st **2009** if City revenues do not increase by at least 1% (as per Article 1.7) and three months prior to July 1st 2010 if City revenues do not increase by at least 1% (**as per Article 1.8**).

Article 1.11

The City of Lodi and the LPMO agree that the salary survey cities shall **be** as follows:

Chico
Clovis
Davis
Fairfield
Manteca
Merced
Modesto
Redding
Roseville
Stockton
Tracy
Turlock
Vacaville
Visalia
Woodland

Article 1.12

LPMO will dismiss, and pursue no further administrative or legal action regarding, its grievance filed *in 2007* under its MOU dated **July 1 2006-June 30,2007** concerning the Lodi Mid **Management** Association's grant of a **4% COLA** and whether that action triggered LPMO's "Me Too" clause.

Article 1.13

Except as modified herein, all other terms of the MOU shall be the same as those for the LPMO MOU effective July 31,2003-June 30,2007.

Article 1.14

Article 35.4 of the LPMO MOU effective July 31,2003-June 30,2007 shall be amended to read as **follows**:

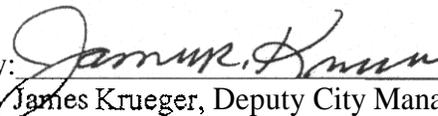
If a grievance is not resolved in Step One, Step two shall be the presentation of the grievance by the Association Representative, in writing, to the City Manager who shall answer, in writing, within fifteen work days of receipt of the grievance, the City Manager's decision shall be final and binding regarding the City's Administrative Process.

This Tentative Agreement only represents the tentative agreement **of the** negotiating parties. In order for it to become binding and effective it must first be approved by the Lodi City Council and the membership of the LPMO.

LPMO

THE CITY OF **LODI**, a municipal corporation

By: 
Lance Hayden, President

By: 
James Krueger, Deputy City Manager

APPROVED AS TO FORM:


D. Stephen Schwabauer, City Attorney