



CITY OF LODI
COUNCIL COMMUNICATION

K-2

AGENDA TITLE: Authorize Staff to Modify Labor Unit Memorandum of Understandings (MOUs) according to signed Tentative Agreements (TAs)

MEETING DATE: June 3, 2009

PREPARED BY: City Attorney and Human Resources Manager

RECOMMENDED ACTION: Staff recommends Council Authorize Staff to Modify Labor Unit Memorandum of Understandings (MOUs) according to signed Tentative Agreements (TAs).

BACKGROUND INFORMATION: Following general City Council direction, staff has sought to ensure a balanced 2009/10 General Fund budget applying similar percentages of the General Fund to each department in 2009/10 as in 2008/09. This has necessitated reducing expenditures within City departments to include employee salaries and benefits. Accordingly, staff has negotiated tentative modifications to four bargaining units/group's salary and benefits. As the members of each bargaining unit may have different interests/needs in terms of salary and benefits, the structure of each tentative modification differs. However, modifications center around a combination of furloughs, salary reductions, overtime restrictions, limits on cash-out of benefits, and elimination of deferred compensation matching programs.

Staff has reached the following tentative agreements for FY 09/10:

1) Lodi Police Dispatchers Association

- Amend Article 1: Salary reduced by 58 hours of unpaid furlough leave.
- Amend Article 10.2 to eliminate cash-out provisions of holiday leave.

2) Police Officers Association of Lodi

- Amend Article 1: Salary reduced by 48 hours of unpaid furlough leave.
- Amend Article 5.5 to eliminate cash-out provisions of comp leave.
- Amend Article 22.6 to eliminate cash-out provisions of holiday leave.
- Amend Article 17.1 allowing members to resume the monthly uniform allowance starting July 1, 2009.

Police Department did not budget FY 09/10 overtime expenses of \$360,000. However, the Police Association agreed to use Compensatory Time Off rather than request payment of overtime, thus saving the City \$360,000¹.

¹ The Fair Labor Standards Act does not permit a requirement that overtime be taken on a compensatory rather than a cash basis. Instead the units have agreed to cooperate with the City to avoid overtime with the understanding that use of overtime would result in mid year budget cuts.

APPROVED:

Blair King, City Manager

3) Lodi Police Mid-Management Association.

- Amend Article 1: Salary reduced by 108 hours of unpaid furlough leave.
- Amend Article 2.1 to eliminate uniform allowance.
- Amend Article 4.2 to eliminate cash out provisions of comp leave.
- Amend Article 27.3 to eliminate cash out provisions of holiday leave.
- Amend Article 11.2 allowing members to resume receiving the City's 3% deferred compensation match effective July 1, 2009.

4) Lodi City Mid-Management Association.

- Amend Article 1: Salary reduced by 96 hours of unpaid furlough leave.
- Amend Article 3.2 to eliminate City deferred compensation match.

Staff had previously reached agreements with the following groups for the FY 09/10: IBEW, Unrepresented Confidential Employees, Executive Management, and Council Appointees.

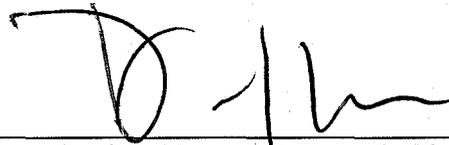
FISCAL IMPACT: The above reduces the City's General Fund salary and benefit obligations by \$749,329 for FY 09/10.

FUNDING AVAILABLE: Not applicable.

Respectfully submitted,



D. Stephen Schwabauer, City Attorney



Dean Gualco, Human Resources Manager



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MEMORANDUM

City of Lodi Human Resources Office

To: Mayor and Members of the City Council

Through: Blair King, City Manager

From: City Attorney and Human Resources Manager

Date: June 3, 2009

SUBJECT: Item K-2

Subsequent to submittal of Agenda Item K-2, Staff recommends Council approve modifications to the AFSCME Maintenance and Operator MOU as follows:

- Amend Article 1: Salary reduced by **48** hours of unpaid furlough leave.

This modification provides some savings to the City but not sufficient to avoid layoffs within this bargaining unit.

As a result of this agreement, the fiscal impact of employee contributions increases from \$749,329 to \$777,529 for FY 09/10.

Additionally, the Lodi Police Mid-Management Association modified their MOU to increase the number of furlough hours in exchange for reinstatement of uniform allowance payments. Therefore, the City does need to Amend Article 2.1 allowing members to retain their uniform allowance effective July 1, 2009.

Attached please find the Tentative Agreements for the following units: Lodi Police Dispatchers Association, Police Mid-Management Association, Police Officers Association of Lodi, and Lodi City Mid-Management Association. Staff is currently completing the Tentative Agreement with AFSCME Maintenance and Operators regarding the 48 hours of unpaid furlough leave as referenced above.

SIDE LETTER TO THE LODI POLICE DISPATCHERS ASSOCIATION MOU
May 2009

- A. The City of Lodi and the Lodi Police Dispatchers Association currently operate under a Memorandum of Understanding effective November 6, 2007 through April 30, 2011, as amended by Addendum dated February 2009.
- B. This Addendum is entered for the purpose of addressing the continued significant and unanticipated budget crisis caused by the current economic downturn.

For the above reasons the parties agree that members of the bargaining group will:

Accept ~~58 hours~~ ⁹ unpaid furlough hours in lieu of a 2.8% salary reduction in the FY 09-10. Furlough hours shall be scheduled based on availability and shall be deducted from salary in equal installments across all fiscal year pay periods (2.3 hours per paycheck).

Furlough hours must be used by the expiration of the current unit MOU.

In the event a member's employment terminates during the fiscal year, furlough hours shall be prorated by the percentage of the year worked. Furlough hours used in excess of prorated hours shall be deducted from other available leave balances, and if other leave balances are inadequate, repaid to City.

Notwithstanding the above, overtime on July 4th shall be on a paid rather than a Compensatory time off basis.

The parties agree that they will work cooperatively to minimize overtime expenditures in the department to avoid mid year budget cuts that would be required to meet the overtime expenditures.

Finally, as a result of the additional furlough hours granted by this agreement, holiday leave hours accrued during the pay periods in which January 1, 2009 through December 31, 2009 must be used by October 31, 2010.

This Addendum shall not become effective until approved by the Lodi City Council.

CITY OF LODI,
a municipal corporation

Lodi Police Dispatchers Assn.

BLAIR KING, City Manager

By Kimberly A. Santassey
President

ATTEST:

RANDI JOHL, J.D., City Clerk

APPROVED AS TO FORM:

D. STEPHEN SCHWABAUER - City Attorney

**SIDE LETTER TO THE POLICE MID MANAGEMENT ASSOCIATION
OF LODI MOU - May 2009**

- A. The City of Lodi and the Police Officers Association of Lodi currently operate under a Memorandum of Understanding effective October 9, 2007 through October 8, 2011 as amended by Addendum dated February 2009.

- B. This Side Letter is entered for the purpose of addressing the continued significant and unanticipated budget crisis caused by the current economic downturn.

For the above reasons the parties agree:

Furlough Time:

Accept 108⁹ hours unpaid furlough hours in lieu of a 5.2% salary reduction in the FY 09-10. Furlough hours shall be scheduled based on availability and shall be deducted from salary in equal installments across all fiscal year pay periods (4.15 per paycheck).

Furlough hours must be used by the expiration of the current unit MOU, and may also be used any time in lieu of sick leave.

In the event a member's employment terminates during the fiscal year, furlough hours shall be prorated by the percentage of the year worked. Furlough hours used in excess of prorated hours shall be deducted from other available leave balances, and if other leave balances are inadequate, repaid to City.

Compensatory Time:

Bargaining unit members agree that they shall not cash out any compensatory time off from July 1, 2009 through June 30, 2010. Moreover, members acknowledge that the 09/10 Police Department budget does not include any expenditures for overtime. The parties agree that they will work cooperatively to minimize overtime expenditures in the department to avoid mid year budget cuts that would be required to meet the overtime expenditures.

Fourth of July:

Overtime on July 4th shall be on a paid rather than a Compensatory time off basis.

Deferred Comp:

Effective July 1, 2009, members will resume receiving the City's 3% deferred compensation match.

Uniform Allowance:

Effective July 1, 2009, members will resume receiving the City's uniform allowance on a monthly basis.

Holidays:

included in POAL's contributions to the budget shortfall is the provision added by the February 2009 Addendum stating: However, all holiday leave accrued during the pay periods in which January 1, 2009 through December 31, 2009 fall must be used by October 31, 2010 and may not be banked or cashed out. This limitation shall not apply to members retiring during the 2009-2010 fiscal year.

This Side Letter shall not become effective until approved by the Lodi City Council, and the particulars of this Side Letter will be evaluated during the Mid-year budget process.

CITY OF LODI,
a municipal corporation

BLAIR KING, City Manager

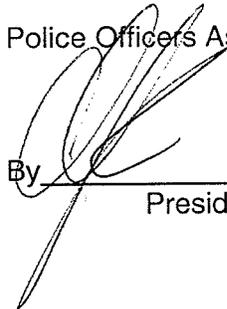
ATTEST:

RANDI JOHL, J.D., City Clerk

APPROVED AS TO FORM:

D. STEPHEN SCHWABAUER
City Attorney

Police Officers Association of Lodi

By 

President

**SIDE LETTER TO THE POLICE OFFICERS ASSOCIATION
OF LODI MOU
May 2009**

- A. The City of Lodi and the Police Officers Association of Lodi currently operate under a Memorandum of Understanding effective October 9, 2007 through October 8, 2011 as amended by Addendum dated February 2009.

- B. This Side Letter is entered for the purpose of addressing the continued significant and unanticipated budget crisis caused by the current economic downturn.

For the above reasons the parties agree:

Furlough Time:

Accept 48 hours unpaid furlough hours in lieu of a 2.3% salary reduction in the FY 09-10. Furlough hours shall be scheduled based on availability and shall be deducted from salary in equal installments across all fiscal year pay periods (1.9 hours per paycheck).

In the event a member's employment terminates during the fiscal year, furlough hours shall be prorated by the percentage of the year worked. Furlough hours used in excess of prorated hours shall be deducted from other available leave balances, and if other leave balances are inadequate, repaid to City.

Furlough hours must be used by the expiration of the current unit MOU.

Compensatory Time:

Bargaining unit members agree that they shall not cash out any compensatory time off from July 1, 2009 through June 30, 2010. Moreover, members acknowledge that the 09/10 Police Department budget does not include any expenditures for overtime.

The parties agree that they will work cooperatively to minimize overtime expenditures in the department to avoid mid year budget cuts that would be required to meet the overtime expenditures.

Uniform Allowance:

Effective July 1, 2009, members will resume receiving the City's uniform allowance on a monthly basis.

Fourth of July:

Overtime on July 4th shall be on a paid rather than a Compensatory time off basis.

Holidays:

Included in POAL's contributions to the budget shortfall is the provision added by the February 2009 Addendum stating: However, all holiday leave accrued during the pay periods in which January 1, 2009 through December 31, 2009 fall must be used by October 31, 2010 and may not be banked or cashed out. This limitation shall not apply to members retiring during the 2009-2010 fiscal year.

This Side Letter shall not become effective until approved by the Lodi City Council, and the particulars of this Side Letter will be evaluated during the Mid-year budget process.

CITY OF LODI,
a municipal corporation

Police Officers Association of Lodi

BLAIR KING, City Manager

By  ST 6-1-09

President

ATTEST:

RANDI JOHL, J.D., City Clerk

APPROVED AS TO FORM:

D. STEPHEN SCHWABAUER
City Attorney

**SECOND ADDENDUM TO THE LODI CITY MID-MANAGEMENT
ASSOCIATION
MOU.**

April, 2009

- A. The City of Lodi and the Lodi City Mid Management Association currently operate under a Memorandum of Understanding effective January 1, 2008 through December 31, 2009 as amended by Addendum dated February 2009.

- B. This Addendum is entered for the purpose of addressing the continued significant and unanticipated budget crisis caused by the current economic downturn.

For the above reasons the parties agree:

Article I Salary and Term shall be amended as follows:

- 1.6 Add new section 1.6 as follows: Bargaining unit members agree to accept an unpaid furlough of one day per month from July 1, 2009 through June 30, 2010.

This Addendum shall not become effective until approved by the Lodi City Council. Moreover, it is entered with the understanding that Similar Operational Savings will be implemented with respect to all City bargaining units and Executive Management. Similar Operational Savings shall include but not be limited to savings achieved by any individual or combination of reductions including but not limited to furloughs, salary reductions, minimum staffing reductions, overtime restrictions, limits on cash out of benefits, and elimination of deferred compensation matching programs.

CITY OF LODI,
a municipal corporation

BLAIR KING, City Manager

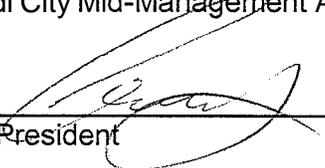
ATTEST:

RANDI JOHL, J.D., City Clerk

APPROVED AS TO FORM:

D. STEPHEN SCHWABAUER
City Attorney

Lodi City Mid-Management Assn.

By 

President