



City of Arts & Innovation

# City Council Memorandum

**TO: HONORABLE MAYOR AND CITY COUNCIL      DATE: SEPTEMBER 20, 2022**

**FROM: HUMAN RESOURCES DEPARTMENT      WARDS: ALL**

**SUBJECT: REVISIONS TO THE MEMORANDUM OF UNDERSTANDING WITH THE SERVICE EMPLOYEES' INTERNATIONAL UNION (SEIU) LOCAL 721 – GENERAL UNIT; REVISIONS TO THE MEMORANDUM OF UNDERSTANDING WITH THE RIVERSIDE POLICE ADMINISTRATORS' ASSOCIATION (RPAA); REVISIONS TO THE UNREPRESENTED EMPLOYEE'S COMPENSATION AND BENEFITS PACKAGE; AND RELATED REVISIONS TO THE FRINGE BENEFIT AND SALARY PLAN – SUPPLEMENTAL APPROPRIATION**

**ISSUE:**

Approve a successor Memorandum of Understanding with the Service Employees' International Union (SEIU) Local 721 – General Unit; approve a successor Memorandum of Understanding with the Riverside Police Administrators' Association (RPAA), and revisions to the compensation and benefits package for Unrepresented employees.

**RECOMMENDATION:**

That the City Council:

1. Approve the attached Memorandum of Understanding (MOU) for SEIU-General unit effective July 1, 2021, through June 30, 2025, which incorporates the negotiated revisions, and authorize the City Manager or designee, to execute the Memorandum of Understanding on behalf of the City;
2. Approve the attached Memorandum of Understanding (MOU) for RPAA effective January 1, 2022, through December 31, 2023, which incorporates the negotiated revisions, and authorize the City Manager or designee, to execute the Memorandum of Understanding on behalf of the City;
3. Approve the changes to the compensation and benefits package for Unrepresented Employees;
4. Adopt the attached Resolution amending the Master Fringe Benefits and Salary Plan to reflect the revised MOU provisions as outlined in Exhibit A and Exhibit B attached thereto; and
5. With at least five affirmative votes, authorize the Chief Financial Officer or designee to record supplemental appropriations in the approximate amounts of \$22,088,000 in fiscal year 2022/23 and \$15,240,000 in fiscal year 2023/24 in the applicable accounts.

**BACKGROUND:**

The City began labor negotiations with the Service Employees’ International Union, Local 721 – General Unit in January of 2022, as the prior MOU had expired on June 30, 2021. Labor negotiation meetings continued through August 2022 until a mutual agreement was reached. The City also began labor negotiations with the Riverside Police Administrators’ Association in August 2022 until a mutual agreement was reached.

**DISCUSSION:**

The City entered into and has successfully concluded labor negotiations with the SEIU General Unit and the Riverside Police Administrators’ Association. Provisions of the tentative agreements have been ratified by both SEIU General unit and RPAA members as of the date of this council meeting. The tentative agreements reached between the City and the Union is herein presented for the City Council’s approval. In addition, City Council authorized a compensation and benefits package for employees in the Unrepresented units as shown below.

**SEIU – GENERAL UNIT SUMMARY OF TERMS**

- Labor Contract Period: July 1, 2021, through June 30, 2025.
- Salaries:

Date	Salary Increase
Year 1: Effective the first pay period following July 1, 2022	5% increase to base salary
Year 1: Per the terms of the previous SEIU General MOU, the City met in good faith regarding a classification and compensation study of all bargaining unit classifications. As a result, the City agreed to implement the study at 100% of the January 1, 2020 average effective the first pay period following July 1, 2022.	Various (Exhibit A and SEIU Compensation Study – Attachment 3)
Year 2: Effective the first pay period following July 1, 2023	3% increase to base salary
Year 3: Effective the first pay period following July 1, 2024	3% increase to base salary
All represented (SEIU General) City employees, as of the date payment is made, will receive a one-time non-PERSable stipend of \$10,000 to be paid with the first pay period following City Council approval.	

- Holidays: Add Juneteenth holiday effective 2023.
- Deferred Compensation: The City will contribute \$25 per month toward the employee’s deferred compensation plan provided the employee contributes a minimum of \$25 per month effective the pay period following City Council approval.
- Dental Insurance: Effective December 2022 paycheck for January 2023 premium, the City will increase the monthly City contribution from \$45 to \$85 for employees enrolled in the City’s dental plan.

- Life Insurance: The City will increase the amount of City-provided term life insurance from \$10,000 to \$100,000.
- Other changes: Additional miscellaneous changes have been made to non-economic terms throughout the contract, as reflected in the attached, red-lined MOU.

**UNREPRESENTED EMPLOYEES SUMMARY OF TERMS**

Unrepresented employees in the Executive, Senior Management, Management, Professional, Supervisory and Confidential groups shall be eligible for the following compensation and benefits as noted below:

- Salaries:

Date	Salary Increase
Year 1: Effective the first pay period following July 1, 2022	5% increase to base salary
Year 2: Effective the first pay period following July 1, 2023	3% increase to base salary
Year 3: Effective the first pay period following July 1, 2024	3% increase to base salary
All unrepresented City employees, as of the date payment is made, will receive a one-time non-PERSable stipend of \$10,000 to be paid with the first pay period following City Council approval.	

- Holidays: Add Juneteenth holiday effective 2023.
- Deferred Compensation: The City will contribute \$100 per month toward the employee’s deferred compensation plan provided the employee contributes a minimum of \$25 per month effective after City Council approval.
- Medical Insurance: Effective December 2022 paycheck for January 2023 premium, the City will increase the monthly City contribution by:
  - Employee Only Coverage: \$50
  - Employee + One: \$75
  - Employee + Family: \$100

Based on existing monthly city contribution amounts per coverage level, the new monthly city contribution amounts will be as follows for employees enrolled in an HMO or PPO medical plan:

Coverage Level	HMO Plan City Contribution	PPO Plan City Contribution
Employee Only Coverage	\$914	\$969
Employee + One	\$1178	\$1287
Employee + Family	\$1516	\$1640

*Title Changes and Other Salary Adjustments for SEIU Classifications and Unrepresented Classifications*

In order to maintain the existing salary differential between various SEIU represented classifications that were identified by the compensation study as being behind the labor market average and to

avoid salary compaction issues with various SEIU classifications and/or Supervisory/Management classifications, specific SEIU and Unrepresented classifications, including any respective Trainee classifications, have been identified as needing various salary adjustments as indicated in Exhibit A. In addition, as part of the classification study, a number of SEIU classifications have been recommended for title changes to more closely align with industry standard job titles.

Additional SEIU Classifications with salary adjustments are listed below (refer to Exhibit A):

<b>Job Code</b>	<b>Classification Title</b>
7120	Associate Engineer
7121	Associate Traffic Engineer
5345	Fire Mechanic
7760	Fire Safety Inspector II
3940	Minibus Driver/Dispatcher/Scheduler
0090	Public Information Representative
9661	Senior Communications Technician
7610	Senior Construction Inspector
2880	Senior Custodian
2615	Senior Forensic Specialist
5340	Senior Mechanic
5342	Senior Mechanic Specialist
2422	Senior Parking Control Representative
7155	Utilities Associate Water Engineer

Unrepresented Classifications with salary adjustments are listed below (refer to Exhibit A):

<b>Job Code</b>	<b>Classification Title</b>
8230	Accountant I
8270	Accountant II
0347	Administrative Assistant
9261	Business Systems Analyst
7631	Chief Construction Inspector
3015	Park Supervisor
0091	Public Information Representative
9257	Senior Business Systems Analyst
1250	Senior Procurement/Contracts Specialist
8280	Senior Accountant
0353	Senior Administrative Assistant
7130	Senior Engineer
0086	Senior Office Specialist
7930	Senior Planner
7225	Senior Traffic Engineer
7180	Utilities Senior Electrical Engineer
7160	Utilities Senior Water Engineer

## RPAA – SUMMARY OF TERMS

- Labor Contract Period: January 1, 2022 through December 31, 2023.
- Salaries:

Date	Salary Increase
Year 1: Effective with pay period beginning July 8, 2022 and after City Council approval, all members of the bargaining unit shall receive a five percent (5%) increase to their base salary.	5% increase to base salary
Year 2: Effective the first pay period following July 1, 2023	5.5% increase to base salary
All represented RPAA City employees, as of the date payment is made, will receive a one-time non-PERSable stipend of \$10,000 to be paid with the first pay period following July 1, 2022, or the first pay period after City Council approval, whichever is later.	

- Holidays - Add Juneteenth Holiday – Administrative revision
- Deferred Compensation - Increase City contribution to the deferred compensation plan to \$335 per month effective after City council approval.
- Retirement: Upon approval of MOU and effective with the first pay period following City Council approval of the CalPERS contract amendment, represented employees in Retirement Tier 1 shall pay an additional portion of the required employer contribution equal to one percent (1%) of pensionable income pursuant to the cost-sharing provisions set forth in California Government Code Section 20516(f).

Effective the first pay period following July 1, 2023, represented employees in Retirement Tier 1 shall pay an additional portion of the required employer contribution equal to one percent (1%) of pensionable income pursuant to the cost-sharing provisions set forth in California Government Code Section 20516(f).

- Educational Incentive - 2.5% premium pay for employees possessing a POST Management certificate effective as noted in MOU.
- Patrol Premium Stipend – Change from 5% to 2.5% effective as noted in MOU.
- Retirement Health Savings Plan - The RPAA bargaining unit and the city agree to meet and confer no later than the first quarter of 2023 to discuss a Retiree Health Saving Plan. The purpose of the meeting will be to discuss available options for members to transfer the full pre-tax monetary value of any eligible banked sick time (up to 50%) at the time of retirement from the City, into an individual retirement health savings fund. The items to be discussed will include but not limit the potential companies to manage the funds. The establishing of the plan shall be by mutual agreement of the parties.
- Other changes: Additional miscellaneous changes have been made to non-economic terms throughout the contract, as reflected in the attached, red-lined MOU.

**STRATEGIC PLAN ALIGNMENT:**

This council item contributes to **Strategic Priority, Goal 5.1**. Attract, develop, engage and retain a diverse and highly skilled workforce across the entire City organization.

This item aligns with each of the Cross-Cutting Threads as follows:

1. **Community Trust** – Fairly negotiated salary and benefits provide the City the ability to retain and attract skilled employees that can provide high quality of public service and increase community trust and engagement. The salary and benefits package is published and presented in this City Council Agenda to ensure all elements are visible and transparent.
2. **Equity** – The Union negotiation process ensures that employees receive fair wages, competitive benefits and good working conditions resulting in a workforce that, in turn, also serves the community in a fair and equitable way.
3. **Fiscal Responsibility** – To ensure responsible management of the City’s financial resources all fiscal impacts were carefully assessed by the City’s Finance and City Manager’s Departments.
4. **Innovation** – The City and Union engaged in creative discussions and sought solutions that would allow both parties to benefit from the updated/new provisions in the contract. Creative ideas from both parties were shared that allowed for a successful agreement.
5. **Sustainability & Resiliency** – The City of Riverside is committed to meeting the needs of its changing workforce while also implementing contracts that are sustainable to the City.

**FISCAL IMPACT:**

The total cumulative cost over the life of the MOUs and the updated Master Fringe Benefits and Salary Plan is approximately \$57.7 million\*. The cumulative fiscal impact is approximately \$22,088,000 in FY 2022/23, \$15,240,000 in FY 2023/24, and \$20,335,000 in FY 2024/25. Sufficient funds for the requested supplemental appropriations are available in fund reserves of the respective funds. With Council approval, supplemental appropriations will be recorded to the previously adopted FY 2022-2024 Biennial Budget as listed in the following table, subject to immaterial changes based on the employee population as of the date of payment.

Fund	FY 2022/23			FY 2023/24
	Stipend	Ongoing	Total	
101 - General Fund	\$ 6,965,000	\$ 5,055,000	\$ 12,020,000	\$ 8,244,000
110 - Measure Z Fund	397,500	288,500	686,000	470,000
170 - Development	-	18,000	18,000	32,000
215 - Grants and Restricted Programs	30,000	16,000	46,000	27,000
220 - CDBG-Community Development	40,000	24,000	64,000	39,000
223 - Development Grants	20,000	1,000	21,000	1,000
260 - NPDES Storm Drain	20,000	16,000	36,000	25,000
280 - Housing Authority	70,000	50,000	120,000	80,000
510 - Electric	2,520,000	2,139,000	4,659,000	3,432,000
520 - Water	520,000	450,000	970,000	720,000
530 - Airport	60,000	35,000	95,000	55,000
540 - Refuse	200,000	106,000	306,000	165,000
550 - Sewer	970,000	727,000	1,697,000	1,160,000
560 - Special Transit	250,000	147,000	397,000	230,000
570 - Public Parking	140,000	72,000	212,000	114,000
610 - Workers' Compensation Trust	40,000	27,000	67,000	43,000

Fund	FY 2022/23			FY 2023/24
	Stipend	Ongoing	Total	
630 - Liability Insurance Trust	40,000	27,000	67,000	42,000
640 - Central Stores	90,000	43,000	133,000	66,000
650 - Central Garage	290,000	184,000	474,000	295,000
<b>Total Supplemental Appropriation</b>	<b>\$ 12,662,500</b>	<b>\$ 9,425,500</b>	<b>\$ 22,088,000</b>	<b>\$ 15,240,000</b>

*\*The fiscal impact of the SEIU salary survey has not yet been determined due to the complexity of implementation and compaction impacts which may produce salary schedule adjustments in non-SEIU positions. Following the implementation of the salary schedule adjustments in all affected classifications and in-depth financial analysis to determine the fiscal impact to individual City funds, a mid-year budget adjustment will be presented for City Council approval, if necessary.*

Prepared by: Rene Goldman, Human Resources Director  
 Certified as to availability of funds: Edward Enriquez, Interim Assistant City Manager/Chief Financial Officer/City Treasurer  
 Approved by: Rafael Guzman, Assistant City Manager  
 Approved as to form: Phaedra A. Norton, City Attorney

Attachments:

1. Comprehensive Memorandum of Understanding for SEIU General Unit
2. Comprehensive Memorandum of Understanding for RPAA
3. Resolution Amending the Fringe Benefits and Salary Plan
  - a. Exhibit A – Job Code Table
  - b. Exhibit B – Amended Fringe Benefits and Salary Plan
4. SEIU Compensation Study – List of classifications behind market