



City of Arts & Innovation

# City Council Memorandum

TO: HONORABLE MAYOR AND CITY COUNCIL      DATE: SEPTEMBER 27, 2016  
FROM: HUMAN RESOURCES DEPARTMENT      WARDS: ALL  
SUBJECT: REVISIONS TO THE MEMORANDUM OF UNDERSTANDING WITH THE RIVERSIDE POLICE OFFICERS' ASSOCIATION (RPOA) POLICE UNIT AND RELATED REVISIONS TO THE FRINGE BENEFIT AND SALARY PLAN

**ISSUE:**

Approval of the successor Memorandum of Understanding with the Riverside Police Officers Association (RPOA).

**RECOMMENDATION:**

That the City Council:

1. Approve the attached Memorandum of Understanding (MOU) effective December 2, 2016 through December 31, 2021, which incorporates the negotiated revisions; and authorize the City Manager, or his designee, to execute the Memorandum of Understanding on behalf of the City; and
2. Adopt the attached Resolution amending the Master Fringe Benefits and Salary Plan to reflect the revised MOU provisions as outlined in Exhibit A attached thereto.

**BACKGROUND:**

The City entered into and has successfully concluded labor negotiations with the Riverside Police Officers' Association (RPOA) regarding a successor MOU to the current RPOA labor agreement, which is in effect until December 1, 2016.

This report is published on September 15, 2016 for the September 27, 2016 City Council Meeting. The MOU is still under review by the RPOA. The fundamental terms of the MOU have been agreed upon by the parties and are reflected in the Tentative Agreement signed by the parties. However, edits in drafting can cause changes to MOU language. Any such changes to the MOUs will not impact the fundamental terms of the agreement and therefore, will be appropriately brought to the City Council at the September 27, 2016 City Council meeting.

The labor negotiations were focused around the City's **Partnership Compensation Model** and the following core principles:

1. The City of Riverside and our employees are partners.

2. All employees should contribute a fair share to their pension, California Public Employees' Retirement System (PERS) costs.
3. Salary increases will be based on a Balanced Revenue Index (BRI) that ties employee raises to the performance of key General Fund revenues.

BRI is calculated by using the annual change in the four largest General Fund revenues: Sales Tax, Property Tax (general property tax only, excluding local measures), Hotel Tax and Utility Consumption Tax. The calculations are done at the end of a fiscal year to determine a salary raise for the following calendar year. Fifty percent of the BRI change from fiscal year (FY) 2015/16 to 2016/17 would be used to set the salary increase for January 2018; same will apply to future years. In this Model, the salary increases have a minimum amount and a maximum amount which act as a bracket around any salary changes indicated by the Model's formula.

**SUMMARY OF MOU TERMS:**

Provisions of the tentative agreements have been ratified by the union in September 2016 and are herein presented for the City Council's approval:

1. Labor Contract Period:

December 2, 2016 through December 31, 2021.

2. Salaries:

Year	Effective Date	Salary Increases
1	January 1, 2017	0%
2	January 1, 2018	All members of the bargaining unit will receive a minimum of 0% and a maximum of 6% based upon 50% of the rate of growth of the BRI for fiscal year 2016/2017.
3	January 1, 2019	All members of the bargaining unit will receive a minimum of 0% and a maximum of 6% based upon 50% of the rate of growth of the BRI for fiscal year 2017/2018.
4	January 1, 2020	All members of the bargaining unit will receive a minimum of 0% and a maximum of 6% based upon 50% of the rate of growth of the BRI for fiscal year 2018/2019.
5	January 1, 2021	All members of the bargaining unit will receive a minimum of 0% and a maximum of 6% based upon 50% of the rate of growth of the BRI for fiscal year 2019/2020.

3. PERS Retirement Contribution:

The City has three tiers of retirement benefits as a result of changes to CalPERS. The negotiated terms include that all Tier 1 employees (those hired prior to February 16, 2012 and for whom the City currently pays the 9% employee share of retirement) may contribute

up to 6% by the end of the contract. All Tier 2 and Tier 3 already pay the full employee share of retirement, i.e. 9% and 11.5%, respectively.

Year	Effective Date	Employee Pays
1	January 1, 2017	0%
2	January 1, 2018	If a salary increase is in excess of 2% during this year (based on the BRI calculation above), 1.5% of the total salary will be applied to the Employer Portion of PERS
3	January 1, 2019	If a salary increase is in excess of 2% during this year (based on the BRI calculation above), 1.5% of the total salary will be applied to the Employer Portion of PERS
4	January 1, 2020	If a salary increase is in excess of 2% during this year (based on the BRI calculation above), 1.5% of the total salary will be applied to the Employer Portion of PERS
5	January 1, 2021	If a salary increase is in excess of 2% during this year (based on the BRI calculation above), 1.5% of the total salary will be applied to the Employer Portion of PERS

4. Health Insurance:

Effective the first paycheck in December 2018, any increase in cost of health insurance premiums will be divided equally between the City and the employees. This provision shall not apply to individuals with employee only coverage until the premium exceeds the amount of the City’s monthly contribution.

5. Holidays:

The current RPOA MOU includes the Cesar Chavez day as a paid holiday – however, the union has been waiving this benefit. Effective January 2017, the waiver will stop, and the RPOA will resume getting holiday pay on the Cesar Chavez day (to be observed on the last Monday of March).

6. Release Time:

Release time of up to 528 hours per year will be granted to the RPOA President and Board of Directors. This is similar to the Fire union.

7. Special Assignment/Collateral Duty:

Employees will be required to have at least three (3) years of sworn service with the Riverside Police Department to qualify for all special assignments and collateral duties with the exception of Field Training Officer assignments.

8. Sick Leave Incentive:

In January of each year, every unit member with more than 10 years and less than 15 years of total service time with the Riverside Police Department shall have credited to his/her vacation bank an additional 20 hours if in the preceding calendar year the employee used less than 50 hours of sick leave. The effectiveness of this incentive will be assessed during the term of the contract for potential re-evaluation in the next contract.

9. Leave Approval:

For employees assigned to patrol, any request for time off (vacation) will not be denied on the basis of dropping below “minimum staffing” if it was made at least 14 days in advance. This may apply for up to two (2) days a year. The effectiveness of this provision will be assessed during the term of the contract for potential re-evaluation in the next contract.

10. Reopener Items:

The City and/or the RPOA may request a reopener no later than December 1, 2017 regarding longevity pay, restoration of positions/patrol staffing, and medical insurance in relation to items previously deferred to the Health Benefits Committee.

**FISCAL IMPACT:**

The fiscal impact of the proposed MOU for RPOA Police Unit is approximately \$179,000 in FY 2016/17 and \$519,000 in FY 2017/18. The total cost impact for the five-year MOU is approximately \$7 million. A full analysis for the combined fiscal impact for FY 2020/21 is included in Attachment 3. Upon completion of all bargaining unit negotiations, the Finance Department will provide an update to the City Council on the comparison between the union compensation model costs adopted in the Five-Year Plan and the final MOU agreements.

Prepared by:	Pia Rose, Interim Human Resources Director
Certified as to availability of funds:	Scott Miller, PhD, Chief Financial Officer/City Treasurer
Approved by:	Marianna Marysheva, Assistant City Manager
Approved as to form:	Gary G. Geuss, City Attorney

Attachments:

1. Comprehensive Memorandum of Understanding for RPOA Police Unit
2. Resolution Amending the Fringe Benefits and Salary Plan
  - a. Exhibit A – Amended Fringe Benefits and Salary Plan
3. RPOA Police Unit MOU Fiscal Impact