Memorandums of Understanding for the Atascadero Police Officers Association, Mid-Management/Professional Employees Association, Service Employees International Union Local 620, Atascadero Professional Firefighters Association Local 3600 and Resolution for Non-Represented Professional and Management Workers and Confidential Employees; Adoption of Two-Tier Pension System and Employee Contributions to PERS

RECOMMENDATION:

Council approve the Memorandums of Understanding (MOUs) for the Atascadero Police Officers Association, Mid-Management/Professional Employees Association, Service Employees International Union Local 620, Atascadero Professional Firefighters Association Local 3600, and adopt the Draft Resolution for Non-Represented Professional and Management Workers and Confidential Employees.

DISCUSSION:

Current Memorandums of Understanding for the Atascadero Police Officers Association (APOA), Mid-Management/Professional Employees Association (MMPEA), Service Employees International Union Local 620 (SEIU), and the Atascadero Professional Firefighters Local 3600 (APFA) are expiring on June 30, 2011. MOUs are agreements between the City and the employee associations that set specific language regarding wages, benefits, and working conditions. All associations are coming off of a one year agreement that consisted of no changes to benefits or salary. Raises have not been provided to employees under previous agreements since July 1, 2008.

These continue to be hard times for city governments and this has created a challenging environment for employees. Once again, the City staff has worked together as a team to get through these difficult times. The staff understands the financial realities facing the City and they have stepped up to be a part of the solution. The City’s staff does a great job day in and day out and their commitment to the City is commendable. This evening several members of the staff will address the Council to share with you their commitment to the community and the organization.
The City has completed negotiations for new contracts and agreement has been reached with each of the employee associations. All groups will be contributing towards their cost of the Public Employees Retirement System (PERS). All associations have shown excellent teamwork by negotiating the same terms in each of their MOU’s. Specifically these are:

- Two-year term (July 1, 2011 – June 30, 2013)
- Miscellaneous Employees to contribute an additional 2.55% of pay towards PERS costs for a total contribution per check of 4.7% of pay. Safety employees to begin contributing 4.7% of pay.
- Two-tier pension system will be implemented by July 1, 2012. The Miscellaneous benefit will move from 2.5% @ 55 to 2% @ 55 for new hires. The Safety benefit will change from 3% @ 50 to 3% @ 55 for new hires. Final benefit calculation will change from being based on single highest year to a three-year average.
- Employees will be able to use 16 hours of accrued sick leave per year for personal needs. Currently sick leave can only be used to care for oneself or immediate family members. This change does not result in any increase to existing sick leave accruals.

The attached Draft Resolution (Attachment E) addresses salary and benefits to the non-represented employees. In addition to the concessions being taken by all other employees, the Executive Management Team is again taking a voluntary reduction in salary of between 1-3% for a period of two years. This is reflected in the resolution. Other non-represented employees will have similar concessions as all other employees.

**FISCAL IMPACT:**

The MOUs will result in a budget savings of nearly $300,000 annually.

**ATTACHMENTS:**

A. **Memorandum of Understanding for Atascadero Police Association** (currently being routed for signature)
B. **Memorandum of Understanding for Mid Management/Professional Employees**
C. **Memorandum of Understanding for Atascadero Professional Firefighters Association** (currently being routed for signature)
D. **Memorandum of Understanding for Service Employees International Union Local 620**
E. **Resolution for Non-Represented Professional and Management Workers and Confidential Employees**