

# *unofficial*

MINUTES OF THE SPECIAL MEETING OF THE HONORABLE MAYOR AND CITY COUNCIL OF THE CITY OF CHANDLER, ARIZONA, held at the Chandler City Hall, 175 S. Arizona Avenue, 2<sup>nd</sup> Floor, Training Room, on Monday, April 4, 2011, at 5:08 p.m.

THE MEETING WAS CALLED TO ORDER BY MAYOR JAY TIBSHRAENY.

The following members answered roll call:

Jay Tibshraeny	Mayor
Trinity Donovan	Vice-Mayor
Kevin Hartke	Councilmember
Rick Heumann	Councilmember
Matt Orlando	Councilmember
Jack Sellers	Councilmember
Jeff Weninger	Councilmember*

\*Councilmember Weninger participated in meeting via telephone, joining the meeting at approximately 5:14 p.m.

Also in attendance:

Mary Wade	City Attorney
Marla Paddock	City Clerk
Dawn Lang	Assistant Director for Finance

1. MEET WITH EMPLOYEE ORGANIZATIONS FOR PRESENTATION OF AREAS OF DISPUTE IN NEGOTIATIONS PURSUANT TO CHANDLER CITY CODE 2-13.8.D.5C.

MAYOR TIBSHRAENY explained that the City Code had been changed by the former Council last fall, to allow dialogue between Employee Represented Unions and staff with the Council. He indicated that the only dialogue that was had previously would only occur at impasse. He noted it was the first time that the Council would be taking this step in the negotiations. He asked members of the audience who were interested in speaking in regards to any of the union contracts to fill out a Speaker/Comment Card.

City Attorney MARY WADE explained that in the past there had been areas of agreement and areas of dispute between the City and unions. She indicated that the only way to present the areas of disagreement to the Council was to either have an MOU that was not in dispute or by calling an impasse. She stated that the Council felt that there should be a mechanism for the areas that remain in dispute. She stated that the meeting would focus on the areas in dispute. She reminded the union representatives that items that had been agreed upon were not up for discussion and that it was the place for the unions to represent their issues of dispute to the Council. She further reminded everyone that City Management could also only come to the City Council one time as well.

COUNCILMEMBER ORLANDO believed that most issues would relate to revenue. He indicated that without knowing what had been agreed upon, he would not be able to ask appropriate questions in regards to an appropriate revenue stream or package that had been agreed to. He believed that he would be at a disadvantage.

CITY ATTORNEY WADE responded that the intent of the change was to bring forward the areas of dispute and not have to declare an impasse. She explained that the entire package on what is negotiated goes before the Council when an impasse is declared. The Council

could then change the whole thing. She stated that she did not want to open up the negotiations on every issue.

COUNCILMEMBER ORLANDO stated that the Council would have to weigh the issues and entire package at their April 14<sup>th</sup> meeting in order to provide guidance to the Acting City Manager to be able to negotiate. CITY ATTORNEY WADE concurred.

COUNCILMEMBER HARTKE asked if the entire package would be heard by the Council at their April 14<sup>th</sup> meeting in addition to the areas of dispute.

CITY ATTORNEY WADE concurred. She explained that the focus of the Executive Session was for management to get direction from the Council in the beginning in terms of the way negotiations will go and at the end in terms of the areas of dispute as well as the entire package.

*\*COUNCILMEMBER WENINGER joined the meeting via telephone.\**

### **Fire IAFF Local 493 Bargaining Unit**

MR. SCOTT WALL and MR. ROBERT ISAACSON introduced themselves as representatives for the Fire IAFF Local 493 Bargaining Unit.

Mr. Wall thanked the Council for being able to present before them. He indicated that he did not feel there was any negative connotation in regards to the negotiations as in prior years but believed that the Council would have final say on any issues. He then distributed to the Council information that included calculations for Fire positions amongst valley Cities.

Mr. Wall told the Council that they had tough decisions to make in terms of Economic Development and in terms of resources that are put towards the City. He explained to the Council that he and Mr. Isaacson were present to bring forward things that parties aren't able to agree on. He told the Council that he had been very pleased with the way that negotiations had gone on and that he felt real trust with the City Manager and Human Resources Director. He stated that his comments were both as a representative of the Fire IAFF Local 493 Bargaining Unit group but as well as a citizen of the City. He was grateful with the Acting City Manager and Human Resources Director with the way that they had been communicating.

Mr. Wall then spoke to the Council regarding the decision to maintain Chandler's salary range for Fire personnel at 4<sup>th</sup> position. He noted that CLEA and CLASA had both previously been given the ranking in prior negotiations. He indicated that the group realized that money would be an issue and as a result, the group recommended making a two-year M.O.U. with one-time funds for the first year. He told the Council that money could be rolled over if the City did better than first thought which could make the money into on-going cost. He acknowledged that it was the Council's job to make sure the City was not in financial jeopardy.

Mr. Wall commended staff for including language that would require the City Council to declare a fiscal crisis if needed. He told the Council that if the State were to slash the City's funds and a fiscal crisis were declared by the Council, the entire Fire M.O.U would be reopened. He stressed that their salaries and wages were in the M.O.U., that the union

would be willing to make adjustments as they had the previous year and that the group had opened up their M.O.U. to make adjustments for health insurance changes.

Mr. Wall told the Council that the other issue that they could not come to terms with was in regards to vacation accrual. He indicated that the group would like the vacation accrual to be adjusted to match that of the other groups. He added that another area that they were not able to come to terms with dealt with tuition reimbursement. He stated that staff felt the M.O.U. language should be changed. Mr. Wall hoped that the language was not taken out of the M.O.U. He felt that the most Senior Staff members had finished their education and that it did not have a high value to them. He felt that it would be a high value for people in the beginning or middle of their careers who are looking for advancement. He stated that they wanted people to stay in the City, go to school, work their way up and have the values and culture that Chandler has had pride in. He asked for the tuition reimbursement to be protected and stressed that he believed it was a benefit to the City and to the community. He noted that the current Fire Chief had worked his way up the ranks and had attended school and gotten degrees during his time with the City.

In response to a question from COUNCILMEMBER HEUMANN, Mr. Isaacson stated that the amount that they had designated as part of the merit was about \$212,000.00. He explained that that was the amount the group had played with in order to give up merit. He further stated that \$346,000.00 would be the cost to get the group to 4<sup>th</sup> position.

VICE-MAYOR DONVOAN questioned if the language in the current M.O.U. stated whether the funding for tuition reimbursement would be on-going or one-time funds.

MR. WALL responded that the language in the M.O.U. did not specify but stated that it would be received. He indicated that City Management wanted to change the language to say that tuition reimbursement would only be available should money be available.

MR. ISAACSON told the Council that as an average, the Fire Department had used under \$20,000.00 over the years.

VICE-MAYOR DONVOAN questioned if the group was referring to an increase in vacation accrual hours per pay period. MR. ISAACSON concurred.

In response to a question from COUNCILMEMBER HARTKE, Mr. Isaacson explained that he was unable to compare the union's vacation accrual rate to CLASA's due to not having those numbers available. He believed that the accrual rate for CLASA was similar to what their current rate was.

COUNCILMEMBER ORLANDO questioned if the City of Chandler typically compared itself to the same Cities every year. MR. ISAACSON replied that all Cities typically used the JIMS System which consisted of information from 8 Valley Cities (Chandler, Gilbert, Glendale, Mesa, Peoria, Phoenix, Scottsdale and Tempe).

COUNCILMEMBER ORLANDO recalled that back in the early 1990's, the City guaranteeing Fire Personnel the 90 percentile. He questioned how Chandler ranked so far low on the list. He noted that Chandler ranked 7<sup>th</sup> in one area.

MR. WALL told the Council that it had been a different situation during that time. He

indicated that Fire Personnel might be in the 90th percentile even though they rank 7<sup>th</sup>. He indicated that the group would like to rank in 4<sup>th</sup> position as established by other public safety.

COUNCILMEMBER ORLANDO asked Mr. Wall if he was suggesting that the City perhaps look at using a different metric in measuring the Fire Personnel, similarly to what had been done 15-20 years ago. MR. WALL responded that he recalled there being a time when the City looked at keeping Fire Personnel at the 3<sup>rd</sup> ranking during the time of growth. He indicated that the 90<sup>th</sup> percentile was added to the Ordinance. He stated that after that, a study was done every September to keep the group in that position. He clarified that he was not saying that Fire Personnel were underpaid and although he believed they were within a reasonable area, he stated that the group would like to rank in 4<sup>th</sup> position because it had been established with the other public safety agencies within the City. He was hopeful that the Council would speak to staff and come up with different scenarios where there would not be budget problems.

COUNCILMEMBER ORLANDO questioned if everyone would get a raise and move up if the group was moved to 4<sup>th</sup> position. MR. WALL concurred.

MR. ISAACSON clarified that the group had worked along with City staff in determining what would define them being in 4<sup>th</sup> position. He told the Council that City Staff were defining 4<sup>th</sup> position amongst Firefighters by taking the 3<sup>rd</sup> and 4<sup>th</sup> position and putting the City in between 3<sup>rd</sup> and 4<sup>th</sup>. He stated that the City wanted to keep all of the ranges the same. He believed that the spread of the range for a Firefighter was 40%. He stated that the position of Engineer was 5% above the topped out Firefighter. He added that the City was looking at moving the Firefighter ranking to 4<sup>th</sup> and having the other Fire positions move up because of that. He informed the Council that the raise itself would move 2.314% or \$1,380.00 to change the range to 4<sup>th</sup> position.

In response to a question from MAYOR TIBSHRAENY, Mr. Wall explained that the group was attempting to get the 4<sup>th</sup> position ranking in addition to the merit. He acknowledged that the group was aware of there being limited funds and would be a struggle for each group. He noted that the group had taken a pay cut 2 years ago and that he had been topped out for the last 3 years. He explained that he along with others had given up money to help give young employees merit.

MR. ISAACSON stated that 77% of the department was topped out. MR. WALL told the Council that the group felt they had to decide whether to take money away from the group of employees that were the least paid and were not topped out in order to give everyone a raise. He stated that the group hoped that money could be used to give everyone merit. He added that it would be one-time money at first but eventually moved to on-going.

COUNCILMEMBER ORLANDO questioned various scenarios that were detailed in the spreadsheet provided to the Council by the group. He asked if the majority of the Fire employees that were not topped out were Firefighters or Engineers.

MR. ISAACSON confirmed that the majority of the employees that were not topped out were Firefighters, with 3 or 4 Engineers and Captains not being topped out.

COUNCILMEMBER ORLANDO questioned if the group was asking for both the 4<sup>th</sup> ranking

position, as well as merit for those that qualify. MR. ISAACSON concurred.

In response to a question from COUNCILMEMBER HEUMANN, Mr. Isaacson stated that the other Cities that were compared to Chandler gave Fire personnel an extra day off which lowered their weekly hour work week.

COUNCILMEMBER HEUMANN noted that there was reference to a benefit increase of 18.27%. Mr. Isaacson explained that there were benefits that went along with increasing wages. He indicated that along with wage increases there would also need to be increases to industrial and disability benefits for employees.

COUNCILMEMBER HEUMANN believed that the formula used to calculate totals was high. MR. WALL replied that the numbers being presented to the Council were run through City Staff.

In response to a question from COUNCILMEMBER HEUMANN, Mr. Isaacson stated that City Staff had requested that pay ranges stay the same. He stated that they asked for the top range and the lower range of pay ranges to increase the same amount.

COUNCILMEMBER HEUMANN asked if the contract would be for two years. MR.WALL concurred.

COUNCILMEMBER HEUMANN stated that there would be a lump sum payment in the first year. He noted that there was also language that talked about revenue increase in the second year. He state that the City's revenue could be higher but noted that there were now things that the State has begun to charge the City that they were not charged before. He questioned if the number was the revenue number or a net number.

MR. ISAACSON replied that City staff presented the crisis language by stating that if the State lowered shared revenues and attacked the General Fund for more than \$2.1 million dollars, and then the City would be able to open the contract and deal with Article 3.

In response to questions from MAYOR TIBSHRAENY, Mr. Wall indicated that the contract would be a one-time for the first year but then move to on-going. He stated that the contract would become open should the State go after City revenues. He stated that the group would be receptive to changing language if there was concern amongst the Council over the State going after City revenue. He indicated that the group did not want to cause any economic crisis to the City. Mr. Wall indicated that if the City agreed to the contract, the group would be willing to sign the contract. He stressed that the contract would be able to be opened up later if there were financial concerns.

COUNCILMEMBER HARTKE asked what the parameters were for tuition reimbursement.

MR. WALL explained that their M.O.U. stated that the amount for employees was for \$3,200.00. He stated that technically everyone in the bargaining group could participate in the program. He clarified that the amount was to cover 24-hour credit courses but indicated that the tuition amount at the State had.

In response to a question from COUNCILMEMBER HEUMANN, Mr. Isaacson explained that Fire personnel had been consistent in the last 3 years in terms of tuition reimbursement. He

stated that the group fell under \$20,000.00.

COUNCILMEMBER HEUMANN stated that there could be a liability of \$600,000.00 if the 200 members were to participate in the program.

MR. ISAACSON stated that the employee had to be off of probation in order to participate in the program and the classes had to be in a related field. MR. WALL added that the Fire Chief had to approve the employee's participation ahead of time.

COUNCILMEMBER HARTKE asked if there was a dollar amount available for the vacation accrual rate that the group was asking for. MR. ISAACSON responded that City staff had not given the group a dollar amount to go by. He indicated that it was a tough number to project due to not more than 5 employees being able to have time off at a single time due to rollover spots.

Assistant Director for Finance DAWN LANG stated that the cost of the vacation accrual would be \$105,000.00.

COUNCILMEMBER HEUMANN asked if the group was looking to increase their vacation accrual to the number accrued by CLEA or SEIU. MR. ISAACSON replied that the group was looking to get to the number accrued by CLEA.

COUNCILMEMBER ORLANDO asked what the maximum number was that they could accrue. MR. WALL believed it was 240 for a 40-hr work week and 326 for a 56-hr work week. He stated there was a multiplier for the 56-hour work week but that the use/or lose vacation would kick in at 240.

In response to questions from COUNCILMEMBER HARTKE and VICE-MAYOR DONOVAN, Mr. Isaacson explained that the dollar amount for merit was \$212,000.00 and that merit was usually 5% for employees.

COUNCILMEMBER ORLANDO asked if the vacation accrual was for a maximum of 240 hours. MR. ISAACSON concurred.

### **Police Sergeants Bargaining Unit – CLASA**

Police Sergeants KEITH BENJAMIN, TOM LOVEJOY, DAN STOUT introduced themselves and addressed the Council regarding concerns on behalf of CLASA.

MR. BENJAMIN began by telling the Council that health insurance was one of the concessions given up by their members but stated that it was something that was going up for all employees. He told the Council that they would address vacation accrual and longevity pay. He stated that the group had previously inquired about vacation accrual. He stated that the former Labor Relations Administrator told the group years ago that vacation accrual could not be talked about due to it being related to years of service. He stated that the following year the City began negotiating vacation accrual with other unions. He stated that CLASA had gone 2 years as being the group with the lowest number of vacation accrual. He noted that there was an employee who was promoted as a Sergeant but accrues less hours of vacation time than he did when he was an officer. He believed it was a bad thing that an employee was promoted but had his benefits reduced.

MR. BENJAMIN said that the group had asked for the vacation rate to be raised from 240. He indicated that most people would want to save vacation on the books due to most people wanting to keep the vacation for the Retirement Savings account once the employee retires. He stated that most employees of the group would want to save the vacation for the retirement savings.

MR. BENJAMIN indicated that former City Manager Mark Pentz did not like the phrase "longevity pay", so the phrase was changed to "supervisory incentive pay" in the group's M.O.U. He stated that the group had proposed that employees be with the City for 10 years and be a supervisor for 5 years in order to get the pay. He stated that the group was about to sign the contract but were told by City management that they wanted to change the wording and require an employee to be 5 years in a class. He indicated that benefits were being taken away as people were being promoted.

MR. BENJAMIN asked that the City to consider the sick leave accrual. He stated that the rate had not been addressed for more than 20 year and stressed that the amount was less than that of other agencies across the valley.

MR. BENJAMIN further stated that Sergeants in CIS were given an allowance for uniforms. He stated that Detectives did not take advantage of the allowance. He stated that there was a cost savings of more than \$30,000.00 a year for Sergeants not getting the uniforms.

MR. BENJAMIN told the Council that the group had the same financial crisis language as the Fire group. He indicated that the group had no problem with opening the contract up if there was no money and they had to re-negotiate. He also stated that the group had no problem with the group not counting comp time as hours worked. He stated that it was hard for the employees to sign a two year contract where they would remain the group with the lowest number of vacation accrual. The group proposed being in between what the Police Officers and Lieutenants are. He indicated that in most scenarios, the group's rate was lower than non-represented employees who were civilian supervisors.

COUNCILMEMBER ORLANDO questioned if the group did not want to force employees to take their vacation time due to them working in such a high stress area and have them enjoy time with their families.

MR. BENJAMIN replied that employees were encouraged to take vacation time. He stated that a lot of people allowed their accrual to get to 240 and would then use the use or lose that they had. He said that a lot of people would save their vacation time in order to "dump" 40 hours of their vacation time into the Retirement Health Savings, and flex or take comp time in order to get days off. He said that people did that in order to put money into the account in order to have medical costs covered when they retire.

COUNCILMEMBER ORLANDO questioned if two weeks' worth of salary was worth time spent with family. MR. BENJAMIN replied that some people would take days off rather than taking a whole week off due to working piling up when they return.

COUNCILMEMBER ORLANDO asked how many sick days were accrued by the group. MR. BENJAMIN replied that the group accrued 3.7 sick hours per pay period.

COUNCILMEMBER ORLANDO asked if there were a maximum number of hours that the group could accrue of sick time.

MR. BENJAMIN replied that there was no limit to the amount of hours that could be accrued by employees. He stated that the sick time could be accrued until the time of retirement with the employee being able to put 50% of the accrued sick time in the Retirement Health Savings once the employee retires.

MR. BENJAMIN noted that there were some employees who were aware that they would lose some of their sick time, so they used as much as they could. While others, would want to save the sick time in order to put time in their Retirement Health Savings.

In response to questions for clarification from COUNCILMEMBER ORLANDO, Mr. Benjamin indicated that some employees save their sick time in case the employee or a family member becomes ill. He stated that some employee have had to use sick leave when spouses become ill and the employee has to care for children.

VICE-MAYOR DONOVAN questioned if there were any other benefits that employees lost out on when they were promoted.

MR. LOVEJOY explained that there were many cases in which employees did not receive the longevity pay due to the employees being promoted before they were eligible. He stated that the group wanted the benefits to continue as employees went up the ranks. He stated that the group wanted to take out the word "Sergeant" and replace it with "Supervisor" so that all employees would be eligible to receive the benefit. He stated that an employee could be a Sergeant for 2 years and a Lieutenant for 3 years and could still receive the benefit.

VICE-MAYOR DONOVAN asked if it would be retroactive.

MR. LOVEJOY concurred. He stated there were handful of Lieutenants and Commanders that don't receive the pay.

MR. BENJAMIN concurred with Mr. Lovejoy. He noted that the original language had stated that an employee had to be at the top of the range and wait for a year to receive the pay. He added that it did not matter how many years of service an employee had because they did not get the pay. He indicated that there were people that remained in a position and continued to get the pay. He reminded the Council that the group did not receive merit like Firefighters and Police Officers and had not received merit for 2 years. He credited that as being a reason as to why some people had not yet made it to the top of the range. He believed that the pay should be based on years of service and that the benefit should not be given up due to being promoted.

In response to a request from MAYOR TIBSHRAENY, Mr. Benjamin explained what the longevity pay was and how it worked. He said that an employee would receive two payments after reaching the top of their pay. He indicated that it took 4 years to reach the top of the range. After an employee reaches the top of the range, the employee waits until their next evaluation and receives one payment on the first evaluation date of 1% and another 14 pay periods later. He explained that with there being no merits, and employee could not reach the top of their range.

MAYOR TIBSHRAENY asked if the longevity payment was an automatic payment. MR. BENJAMIN stated that the employee had to reach the top of the range and then wait one more year in order to receive the pay. He stated that the payment consisted of 2 payments of 1% of the employee's gross salary. Mr. Benjamin believed that the pay began 3 years ago. He said that the employee had to also show that they "added value" in their evaluation. He said that the employee had to show that they did some sort of community service project.

MR. LOVEJOY stated that if he were to promote to a Lieutenant position, he would see a loss of \$8,500.00. He stated that he would not receive merit or longevity pay due to not being at the top of the range.

MAYOR TIBSHRAENY asked what the group's change would indicate. MR. BENJAMIN replied that their change would indicate that an employee would have to be with the City for 10 years and would have to serve 5 years as a Supervisor.

COUNCILMEMBER HEUMANN asked if an employee would be exempt if they went from being a Sergeant to Lieutenant. MR. BENJAMIN concurred.

In response to a question from VICE-MAYOR DONOVAN, Mr. Benjamin stated that the group was willing to have the language say "longevity pay" and stated that they wanted the pay to be about true longevity not about being topped out.

MR. BENJAMIN told the Council that moving the Sergeants and the Police Officers to 4<sup>th</sup> position made negotiations easier. He said that it had taken away a lot of the difficulties of the negotiations. He said that the group felt confident with that due to the group only getting a raise if everyone else got a raise. He stressed that moving to 4<sup>th</sup> position made things smoother for everyone and supported the Firefighters request to be moved to 4<sup>th</sup> position.

### **SEIU Local 5**

MR. TERRY LINCK, S.E.I.U. President and KEN PRENDERGAST, Head Negotiator addressed the Council on behalf of S.E.I.U.

Mr. Prendergast stated that the group wanted to work with the City and management and believed that they had been productive. He then presented his PowerPoint presentation.

Mr. Prendergast told the Council that that Chandler has the 2<sup>nd</sup> lowest staffing ratio in the Valley. He highlighted concessions that had been made by employees in the last 2 years including merit. He indicated that the health insurance premiums increased dramatically for employees in the last year. He stated that some employees saw up to a 261% increase. He added that some employees would see 513% increase next year and an increase up to 708% by the 3<sup>rd</sup> year. He stated that the average monthly increase regardless for what plan, option or salary the employee had would be \$80.19. He noted that there were various increases for various things due to the economy including gas and food.

Mr. Prendergast stated that the City had \$760,299.00 in on-going expenses for S.E.I.U. employees. He stated that S.E.I.U. was asking for an additional \$708,000.00 in one-time money to help for the additional expenses. He said that the number would come out to \$100

per month or \$1,200.00 for the year. He stated that the City had a sound budget and almost \$70 million dollars in reserves. He noted that the economy was turning around.

Mr. Prendergast stated that employees wanted to see the \$760,299.00 be used as a .62 cent hour increase for everyone as oppose to a percentage increase. In addition, the group wanted to see \$100.00 one-time money used monthly.

In response to a request for clarification from MAYOR TIBSHRAENY, Mr. Prendergast stated that there might need to be some tweaking done to the .62 cent increase. He explained that they had calculated and taken the \$760,299.00 and divided it by the number of hours worked. MAYOR TIBSHRAENY noted that the amount would change due to payroll taxes and other factors.

MR. PRENDERGAST noted that staff had a problem with there being a fixed amount rather than a percentage. Mr. Prendergast recognized that Chandler was a well-run City compared to other Valley Cities. He stated that group was told that money could be put into a COLA or that some of the sacrifices that employees made could be restored. He noted that the City's Human Resources Division called these things "buying things back". He stressed that employees chose to distribute the amount equally.

Mr. Prendergast reminded the Council of the JIMS system and how information from 8 Valley Cities was entered to the system. He indicated that in that system were benchmark positions. He told the Council that he took a low end S.E.I.U. position and a position on the high end. He indicated that the group looked at various similar job descriptions listed that were in Chandler and in other Cities. He indicated that Chandler ranked 4<sup>th</sup>. He stated that they interpreted Staff as not wanting to move significantly away from its current position.

COUNCILMEMBER ORLANDO asked if the issue had to do with the financial system.

MR. PRENDERGAST replied that they had been told that the classification system in Chandler and in other Cities would be affected. COUNCILMEMBER ORLANDO stated that he was struggling with how each salary classification would have to be raised by \$1200. He questioned how the class would be moving.

MR. PRENDERGAST stated that Staff was concerned about the expansion and contraction of salary ranges. He did not think that Staff was addressing the fact that the salary range is expanded anytime a percentage is done.

Mr. Prendergast clarified that he was only speaking about employees that they represented, which he said were the lowest paid employees of the City of Chandler as a group.

MAYOR TIBSHRAENY asked if the group was trying to get more money to the lowest paid employees. MR. PRENDERGAST concurred.

COUNCILMEMBER ORLANDO understood the talks being about the method about how it was spread across the board and what it does to the labor categories. MR. PRENDERGAST noted that staff had recommended a .95% across the board decrease 2 years ago.

COUNCILMEMBER HEUMANN asked whether that was a staff recommendation or whether it had been a proposal brought forth by the group. MR. PRENDERGAST clarified his statement and said that the decrease had been agreed to. He stressed that he misspoke.

COUNCILMEMBER HEUMANN stated that the 2 issues for the group were the .62 cents being spread out and the extra \$1,200.00 and questioned if the employees that had been surveyed consisted of represented or paying only members.

MR. LINCK indicated that Union Reps went back to speak with employees at the water plant, parks and admin and clerical areas. He indicated that those spoken to wanted to break the amount down so that everyone got the same amount. He believed it would help morale.

COUNCILMEMBER ORLANDO asked if the amount would be one-time only for the coming year. MR. PRENDERGAST concurred.

COUNCILMEMBER ORLANDO noted that the group would still be hit with health care premiums next year. He questioned what they would do next year. MR. PRENDERGAST replied that the group would look at what was going on with the City in terms of its budget, economy, and revenues. He added that there was a wage re-opener next year.

COUNCILMEMBER WENINGER questioned if the group had numbers, percentages or harder facts that would show how many people supported having the .62 cents across the board. MR. PRENDERGAST replied that a formal survey was not done but rather people spoke to as many coworkers as they could. He indicated that it had not been limited to union workers.

COUNCILMEMBER WENINGER asked if the group had considered doing a definitive survey. MR. PRENDERGAST responded that they had thought about it but he stated that the group did not look to do a survey due to the response being so universal. He stressed that people liked the idea, so they chose not to go through a formal process.

COUNCILMEMBER WENINGER clarified the group was agreeable with the on-going amount of \$760,299.00, and is asking for an extra \$708,000.00 in one-time funds. MR. PRENDERGAST concurred.

COUNCILMEMBER SELLERS asked if the request was for one-year. MR. PRENDERGAST replied that the one-year request was for the one-time money and that the .62 cents would be on-going.

In response to a question from COUNCILMEMBER SELLERS, MR. PRENDERGAST explained that there were 2 re-openers in the agreement. One re-opener was in case the State did something catastrophic to the City's budget. He added that the second re-opener was an automatic re-opener to allow the union and the City talk if the City's financial situation should improve.

In response to a question from VICE-MAYOR DONOVAN, Mr. Prendergast stated that there was no other element that would increase the cost of \$760,299.00.

COUNCILMEMBER HARTKE asked if the one-time payment of \$708,000.00 only applied to union members. MR. PRENDERGAST clarified that the one-time payment was for represented employees. He added that he had been told that employees in a non-represented group typically received what S.E.I.U. employees received. He mentioned that the Council could decide to do a percentage to the non-represented employees but the all across .62 cents to S.E.I.U.

COUNCILMEMBER HARTKE questioned how many non S.E.I.U. were outside of the bargaining unit.

MR. PRENDERGAST responded that he could only tell the Council that S.E.I.U. represented 590 employees and that there were 1509 full-time employees with the City. He stated that the group represented 39.1% of the City employees.

MR. LINCK indicated that the employees were polled in various areas including employees at the Library. He stated that almost all employees were on board with the flat rate. He stressed that both due paying members and non-paying members were supportive.

### **Police Officers Bargaining Unit – CLEA**

MR. SHAWN HANCOCK and MR. NATE MOFFAT presented as representatives of CLEA.

MR. HANCOCK indicated that negotiations had been going well. He told the Council that the group was before them due to one issue. He told the Council that the group had made many concessions over the years and was doing so again for the coming year. He noted that CLEA had worked with the City in regards to extra duty and the health benefits plan. He added that CLEA would be working with the City to eliminate any retroactive pay during salary survey times. He acknowledged that CLEA was willing to make it easier to the City.

Mr. Hancock stated that the issue that brought CLEA before them was the 17/3 Program. He explained that the once an Officer reaches year 17 of their career and they have a minimum of 240 hours of vacation hours in their bank and 1,000 hours of sick leave accrued; the Officer can then opt to have the remaining accrual for the next 3 years until they retire, paid into their checks instead going back to their bank.

MAYOR TIBSHRAENY asked if the program was for both vacation and sick leave.

MR. HANCOCK concurred. He stated that 6 of their members were eligible but did not represent a number of who was actually considering in entering the program. He stated that there were not that many people participating in the program due to people having issues with sick leave. He stated that CLEA had encouraged its members to preserve their sick leave. He added that there were very few people who qualified in terms of time and leave accrual.

Mr. Hancock stated that the City gave CLEA numbers indicating that the maximum liability vacation was \$39,000.00 and sick time was at \$19,020.00 for those that were potentially eligible. Mr. Hancock indicated that in their last negotiation offer, the City was going to give the vacation portion but not the sick. He stated that the max cost for the sick would be \$20,000.00 and wouldn't be realized at a minimum of 3 years. He reiterated that the

program was a good benefit for those that had been topped out. He added that it would make most sense for an employee to enroll the program once they knew they were going to retire.

In response to a question from COUNCILMEMBER HEUMANN, Mr. Hancock said that once the employee decided to enroll in the program, their banks would no longer accrue leave time for sick or vacation.

MAYOR TIBSHRAENY asked if an employee could opt out of the program should the employee need to use their sick leave.

MR. HANCOCK did not believe there was current language to opt out of the program. He reiterated that the program was for 1,000 hours of sick.

MR. MOFFAT told the Council that the contract was for 2 years with a salary re-opener for 2012-13. He added that the program would not go into effect until 2012-13. He stated that both provisions under their negotiations were being asked for 2012-13.

MAYOR TIBSHRAENY asked if the only issue would be a salary re-opener. MR. HANCOCK concurred. Mr. Hancock noted that among other concessions being done by CLEA was that the group would be giving up comp time. He said that CLEA was giving up comp time to count during the 40-hr work week.

COUNCILMEMBER HEUMANN asked if there was an additional number of people that would be interested or would qualify for the 17/3 program in the next year. MR. HANCOCK acknowledged that that could be a possibility but he did not have those numbers available.

COUNCILMEMBER HEUMANN noted that the number could potentially be more than \$20,000.00 if there were currently only 6 members interested. MR. MOFFAT responded that the program was optional and that there were many people who plan on reaching year 17 of their career but plan on working much longer than that.

COUNCILMEMBER HEUMANN questioned if there had been discussions on capping the number so that the liability to the City wouldn't be more than \$20,000.00.

MR. HANCOCK indicated that there had not been any discussions about a cap. Mr. Hancock believed that there were very few people in the City who managed their sick leave enough to qualify for the program. COUNCILMEMBER HEUMANN stressed he was looking at the potential liability.

COUNCILMEMBER ORLANDO expressed concern that staff was not being encouraged to take time off. He believed that it was important for the employees to take time off. He stated that there was a lot of encouragement for staff to not take time off.

MR. HANCOCK concurred. He stated that the Department had felt lean even prior to downturn of the Department. He said it was his experience that employees could not take time off when they want to due to others already being off or there already being minimal staffing. He said that led to people calling in sick. He stressed that it was hard to get time off, particularly for Officers that work patrol.

MR. MOFFAT clarified that an Officer has to meet the minimum number of hours to get into the program but the employee does not need to maintain it. He indicated that an employee could still take 80 hours off each year for the last 3 years.

COUNCILMEMBER ORLANDO stated that the employee could use the 240 hours and still get paid. MR. MOFFAT concurred.

MAYOR TIBSHRAENY asked if there was a conversion on the vacation. He noted that there was a 50% conversion on sick time. MR. HANCOCK responded that the conversion was 100% on vacation time.

MR. MOFFAT told the Council that there were 7 employees who could do the program. He added that there would be close to 30 employees that would reach year 17 when the City enters 2012-13. In addition, he explained that there were a low number of CLEA employees that had high level of seniority due to employees moving up the ranks.

MR. HANCOCK told the Council that 50% of sick leave gets dumped into employee's Retirement Health Savings Account when an employee retires or when they separate from the City. He indicated that many employees feel that since they will not be getting paid for the entire amount then they should use up an amount of the leave before they leave employment with the City.

MR. SCOTT WALL expressed his support to CLEA and stated that he believed the program would save the City money in the long run.

COUNCILMEMBER ORLANDO stated that the meeting was very helpful.

MAYOR TIBSHRAENY concurred. He believed it was good to have the communication. He could see how without this step, things ended up how they did last year. He stated the Council would meet with the Acting City Manager and the City's negotiating team in order to give the team direction so they could get back to the bargaining teams.

Adjournment: The meeting was adjourned at approximately 7:10 p.m.

ATTEST: \_\_\_\_\_  
City Clerk

\_\_\_\_\_  
MAYOR

Approved: April 14, 2011

#### CERTIFICATION

I hereby certify that the foregoing minutes are a true and correct copy of the minutes of the special meeting of the City Council of Chandler, Arizona, held on the 4<sup>th</sup> day of April 2011. I further certify that the meeting was duly called and held and that a quorum was present.

DATED this \_\_\_\_\_ day of April, 2011.

\_\_\_\_\_  
City Clerk