

#44

JUN 14 2012

Chandler



Chandler · Arizona
Where Values Make The Difference

MEMORANDUM

DATE: June 14, 2012
TO: Mayor and Council
THRU: Rich Dlugas, City Manager *RD*
FROM: Debra Stapleton, Human Resources Director *DAS*
SUBJECT: SEIU Memorandum of Understanding

RECOMMENDATION: Approve the FY 12/13 Amendment to the Memorandum of Understanding between the City of Chandler and SEIU.

BACKGROUND: The City and SEIU commenced negotiations in late February to discuss the wage reopener and tuition for the third year of the three-year Memorandum of Understanding (MOU). After several months of negotiations, the City and SEIU were able to reach a complete agreement.

DISCUSSION:

SEIU had carryover on-going dollars available to them from FY 11/12 negotiations in the amount of \$137,000. SEIU proposed and the City agreed to apply these monies as a .04% across the board wage and salary range adjustment for all SEIU represented employees for FY 12/13. The City also agreed that one-time dollars for the City-wide tuition reimbursement program will be made available in FY 12/13.

RECOMMENDATION: The approval of this amendment is required to provide the above benefits to SEIU and to denote that funds will not be available for on-going merit increases in FY 12/13.

MOTION: Approve the FY 12/13 Amendment to the Memorandum of Understanding between the City of Chandler and SEIU.

Copy: MaryLou Zavala, SEIU Chapter Chairperson
Ken Prendergast, SEIU Bargaining Chairperson
Don Carr, SEIU Arizona Local 48

**AMENDMENT TO THE
MEMORANDUM OF UNDERSTANDING
BETWEEN
CITY OF CHANDLER
AND
SERVICE EMPLOYEES INTERNATIONAL UNION (SEIU), LOCAL 5**

Effective July 1, 2012

WHEREAS, the FY2010 - FY2013 Memorandum of Understanding ("MOU") between the City of Chandler ("City") and the Service Employees International Union, Local 5 ("SEIU") (collectively "the Parties") commenced on July 1, 2010, and does not terminate until June 30, 2013.

WHEREAS, the MOU contains a provision requiring a wage reopener for the second and third years of the MOU.

WHEREAS, the Parties have engaged in meet and confer discussions pursuant to the wage reopener for FY 2012/13.

NOW, THEREFORE, as a result of the wage reopener, the MOU shall be amended to modify Section 3-1 (A), Wages;; Section 3-1 (D), Merit Pay; Section 4-7 (A)(3), and Tuition Reimbursement; and to ADD Section 3-6 (C), Fiscal Crisis, as set forth below.

ARTICLE III – WAGES & COMPENSATION

Section 3-1: Wages

A. Wages

1. Effective July 5, 2009, rates of pay were decreased by 0.95% for merit eligible employees only. All classification salary ranges were reduced by 0.95% as of July 5, 2009. Employees at the top of the then-existing range were redlined above the new reduced maximum until the top of the range reaches their wage rate.

This issue will be discussed in the wage reopener in the second and third years of the MOU.

2. Effective July 3, 2011, salary ranges for all classifications will be increased by two and one quarter percent (2.25%). Rates of pay for unit members shall be increased by 2.25% or the amount that brings the unit member's redlined (i.e., above the range) pay rate to the new top of the pay range for the unit member's job classification, whichever amount is lower.

3. Unit members who were redlined above the pay range in accordance with Section 3-1(A)(1)

of this MOU and accordingly will receive less than the full 2.25% wage increase as described in Section 3-1(A)(2) of this MOU, will receive a one-time payment representing the difference between a 2.25% pay rate increase and the actual pay rate increase the unit member will receive to bring the member's pay rate to the new top of the pay range. This one-time payment will be determined by calculating the annualized value of the 2.25% increase of the unit members' actual pay rate as of July 3, 2011, less the annualized amount of the actual increase the unit members received to bring them to the top of the new pay range. The difference will be paid in one lump sum in the pay period effective July 17, 2011.

4. Both parties agree to discuss the allocation of the remaining \$137,000 of on-going funds in year three of this MOU.

5. Effective, July 1, 2012, salary ranges for all classifications will be increase by four-tenths of a percent (0.4%). Rates of pay for unit members shall by increased by 0.4% to be funded by the \$137,000 of on-going funds referenced under subsection 4, above.

D. Merit Pay

1. The City will continue current practice of up to 5% on-going merit increase, applied on the date of the unit members' current job classification paid on the first pay date following the date of the unit member's current job classification, until the unit member is at the top of his pay grade.
 2. Funds were not allocated for merit pay in the City budget for FY 10/11. Merit pay will be an item of discussion as part of the wage reopener in the second and third year of the MOU.
 3. As part of the wage reopener in the second year, for FY 11/12, the City made funds available in an amount equivalent to a 5% on-going merit increase that was allocated to an across-the-board pay rate increase pursuant to Section 3-1 (A) of this MOU.
 4. Merit pay will be an item of discussion as part of the wage reopener in the third year of the MOU.
- 4.1 Funds were not allocated for on-going merit pay in the City budget for FY 12/13.

Section 4-7: TUITION REIMBURSEMENT

- A. The City will allocate sufficient funds in the City budget for FY 2012-2013 to assist SEIU unit members in their pursuit of additional formal education from an institute in areas related to a City career field by providing tuition reimbursement.
1. Any unit member who has successfully completed at least six (6) months of the initial probationary period and is eligible for vacation benefits is eligible for consideration of tuition reimbursements.

2. Courses of education or training must be in areas related to a City career field and must meet the following requirements:
3. The maximum reimbursement allowed per tax year is a total of \$3,200.00. The date of reimbursement will determine to which tax year the cost will be charged. If the employee completes courses, which exceed the maximum allowable reimbursement, the employee shall be responsible for the payment of the balance.
4. Reimbursement shall include only tuition costs and is not authorized to cover the cost of normal academic expenses such as special fees, laboratory fees, registration fees, books, supplies and other such materials and services.
5. The amount of reimbursement shall be reduced by any financial assistance the employee receives from any outside source. When applying for tuition reimbursement, the employee must indicate on the Tuition Reimbursement Application form any financial assistance received from and outside source, which the employee is not required to repay.
6. Tuition costs, to the amount authorized, may be paid to the employee upon presentation of proof of tuition payment and a passing grade of "C" or higher.
7. If an employee terminates from City employment for any reason within twelve months of completion of the course, the employee shall return to the City 100% of the reimbursement.

Section 3-6: FISCAL CRISIS

- C. Unit members eligible for payment under Section 3-6 B may voluntarily elect to have all or a portion of their payment distributed into their 457 deferred compensation plan account. The deferred compensation election may be requested on the ICMA Deferred Compensation Plan Amount of Deferral Change Form obtainable through SEIU, and shall be submitted to Human Resources no later than August 27, 2012.

Except as set forth herein, all other terms and conditions of the Parties' MOU shall remain in full force and effect.

IN WITNESS WHEREOF, the parties have executed this Amendment to the MOU this ___ day of _____, 2012, to become effective, upon approval by the Mayor and City Council, on July 1, 2012, or as set forth herein.

CITY OF CHANDLER:

SEIU:

Mayor

Employee Organization Representative

SEIU Local President

Bargaining Team Chairperson

Attest: _____
City Clerk

Approved as to form:

City Attorney