



MEMORANDUM

DATE: June 12, 2014
TO: Mayor and Council
THRU: Rich Dlugas, City Manager *RD*
Debra Stapleton, Human Resources Director *dAS*
FROM: Rae Lynn Nielsen, Human Resources Manager *RN*
SUBJECT: SEIU Memorandum of Understanding

RECOMMENDATION: Approve the FY 14/15 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, tuition, and language changes for the upcoming health plan additions for the second year of the two-year Memorandum of Understanding (MOU). After four negotiation meetings, the City and SEIU were able to reach a complete agreement.

DISCUSSION: SEIU utilized the amount of money offered by the City to fund up to a 3.75% merit for all merit eligible represented employees, as well as a 1.33% across the board wage and salary range adjustment for all SEIU represented employees for FY 14/15. The City agreed to the removal of a 10-year service requirement for those employees participating in the deferred compensation program who are contributing \$15.00 or more per pay period. The removal of the language allows any SEIU represented employee making this contribution to receive a match of \$15.00 by the City.

Housekeeping changes were made to the language in the tuition reimbursement section based on the city-wide policy changing effective July 1, 2014. Additional language in the health insurance section was included to allow for more flexibility in the premium/contribution structure in anticipation of the high deductible health plan implementation in 2015.

MOTION: Approve the FY 14/15 Amendment to the Memorandum of Understanding between the City of Chandler and SEIU.

CC: Mark Hardenberg, SEIU Chapter Chairperson
Maya Castillo, SEIU Arizona Local 48
Dennis DeMaio, SEIU International

**AMENDMENT TO THE
MEMORANDUM OF UNDERSTANDING
BETWEEN
CITY OF CHANDLER
AND
SERVICE EMPLOYEES INTERNATIONAL UNION (SEIU)
LOCAL 48**

Effective July 1, 2014

WHEREAS, the FY 2013 – FY 2015 Memorandum of Understanding ("MOU") between the City of Chandler ("City") and Service Employees International Union, Local 48 ("SEIU"), (collectively "the Parties") commenced on July 1, 2013, and does not terminate until June 30, 2015.

WHEREAS, the MOU contains a provision requiring a wage reopener for the second year of the MOU.

WHEREAS, the Parties have engaged in meet and confer discussions pursuant to the wage reopener for FY 2014/15.

NOW, THEREFORE, as a result of the wage reopener, the MOU shall be amended to modify Article III-Wages and Compensation: Section 3-2, Merit; Section 3-3, General Salary Adjustment; Section 3-5, Deferred Compensation; Article IV-Hours of Work & Working Conditions: Section 4-7, Tuition Reimbursement; and Article V-Benefits: Section 5-1 (A), Health Insurance as set forth below.

Article III. WAGES & COMPENSATION

Section 3-2: MERIT PAY

For FY 14/15, the City will fund a merit increase of up to 3.75% for eligible unit members, effective on the first day of the pay period in which the date of the unit member's current job classification falls, until the unit member is at the top of the pay grade.

Section 3-3: GENERAL SALARY ADJUSTMENT

Effective July 1, 2014, pay ranges for all SEIU classifications will be increased by 1.33%. Rates of pay for unit members shall be increased by 1.33% or the amount that brings the unit member's pay to the new top of the pay range for the unit member's job classification, whichever amount is lower.

If a unit member's pay is above the adjusted pay range for his/her classification, the unit member will not receive any pay increases.

Section 3-5: DEFERRED COMPENSATION

The City shall contribute a matching deferred compensation contribution as follows:

<u>Employee contribution</u>	<u>City match</u>
At least \$5 but less than \$10 per pay period	\$5 per pay period
\$10 or more per pay period	\$10 per pay period
\$15 or more per pay period	\$15 per pay period

Article IV. HOURS OF WORK & WORKING CONDITIONS

The City of Chandler and SEIU mutually agreed to open and amend section 4-7 Tuition Reimbursement.

Section 4-7: TUITION REIMBURSEMENT

- A. Fiscal conditions permitting, the City will assist regular unit members in their pursuit of additional formal education from an institution in areas related to a City career field. A policy and procedure shall be established by which tuition reimbursement will be administered and which will reimburse unit members.
 - 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) The maximum reimbursement allowed per tax calendar year for a regular full time employee is a total of \$5,000.00. The maximum reimbursement allowed per tax calendar year for a regular part time employee is a total of \$3,200.00. The date of reimbursement will determine the tax year the cost will be charged. If the employee completes courses which exceed the maximum allowable reimbursement the employee shall be responsible for payment of the balance.

Article V. BENEFITS

Section 5-1: HEALTH AND DENTAL BENEFITS

The City of Chandler and SEIU mutually agreed to open and amend section 5-1 (A).

A. Health insurance:

During the term of this Memorandum of Understanding the City will pay a minimum of 80% and employees will pay a maximum of 20% of the cost of the monthly premium of the City's medical insurance benefit.

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 _____, 2014, to become effective, upon approval by the Mayor and City Council, on July 1, 2014, or as set forth herein.

CITY OF CHANDLER:

SEIU:

By: _____
Mayor

By: 
Association Representative

Attest: _____
City Clerk

(SEAL)

Approved to form:

City Attorney *REV*

ATTEST: _____
