



● **Board of Directors**
Organization, Personnel and Technology Committee

2/9/2016 Board Meeting

8-5

Subject

Approval to enter into salary agreements between the Metropolitan Water District of Southern California and American Federation of State, County and Municipal Employees, Local 1902 (AFSCME), the Management and Professional Employees Association (MAPA), and the Supervisors Association (Association). [Conference with labor negotiators; to be heard in closed session pursuant to Gov. Code Section 54957.6. Metropolitan representative: Stephen V. Lem, Manager of Labor Relations and EEO Investigations Section. Employee organizations: The Employees Association of The Metropolitan Water District of Southern California/AFSCME Local 1902; the Management and Professional Employees Association MAPA/AFSCME Chapter 1001, and the Supervisors Association]

Executive Summary

The Memoranda of Understanding (MOU) for the three bargaining units provide two opportunities to reopen negotiations over salary increases. The first reopener negotiations began in May 2015, and the second reopener was scheduled for May 2016. These agreements resolve both salary reopeners, and as a result there shall be no further salary negotiations during the term of the current MOU.

Details

AFSCME, Local 1902 represents 1,232 employees representing a wide array of rank-and-file job classifications, from skilled trades, to professional and administrative support staff in nearly every Group throughout Metropolitan. MAPA represents 292 managerial and senior professional staff, including Section Managers, Unit Managers, and Team Managers throughout Metropolitan. The Association represents 93 employees, primarily field supervisors concentrated in the Water System Operations Group. The MOUs for all three bargaining units expire on December 31, 2016. Contained in each individual MOU is the opportunity to reopen negotiations on or about May 1, 2015, and again on or about May 1, 2016, to negotiate over salary increases for those respective years.

On May 5, 2015, Metropolitan staff initiated salary reopener negotiations with bargaining unit representatives, consistent with parameters authorized by the Board. After seven months of negotiations, the bargaining units declared a negotiation impasse on November 30, 2015, pursuant to the Impasse Procedures contained in Metropolitan's Administrative Code. Following an initial impasse meeting held on January 7, 2016, and subsequent authorization at the Board's Organization, Personnel and Technology Committee meeting on January 12, 2016, the parties reached a tentative agreement to resolve both the 2015 and 2016 salary reopener negotiations.

If the proposed salary agreements are approved by the Board, effective July 1, 2015, there would be an across-the-board salary increase of 2.5 percent. A 0.7 percent salary increase was already implemented effective this date, pursuant to MOU provisions which mandated a minimum Consumer Price Index-based increase if no agreement had been reached by July 15, 2015. Therefore, the remaining 1.8 percent salary increase would be paid retroactively to July 1, 2015.

If approved, effective July 1, 2016, there would be an across-the-board salary increase equal to 100 percent of the three-year average increase to the Los Angeles-Riverside-Orange County Consumer Price Index (CPI-W/All Items Index), measured May-to-May each of the past three years and rounded up to the nearest tenth of a percent or a 1.5 percent salary increase, whichever of the two is greater.

The estimated cost of these agreements is \$10.5 million, which is for a 2.5 percent salary increase in 2015, and a presumed salary increase of 1.5 percent in 2016. This includes the impact on an additional 131 employees represented by the Association of Confidential Employees (ACE). The MOU between Metropolitan and ACE contains a “favored nations” provision, permitting ACE to receive whatever salary adjustments are negotiated by the other bargaining units.

Policy

Metropolitan Water District Administrative Code Section 6101(k): Definitions – “Meet and Confer in Good Faith”

Metropolitan Water District Administrative Code Section 6101(l): Definitions – “Memorandum of Agreement”

Metropolitan Water District Administrative Code Section 6101(m): Definitions – “Memorandum of Understanding”

Metropolitan Water District Administrative Code Section 8121(a): General Authority of the General Manager to Enter Contracts

California Environmental Quality Act (CEQA)

CEQA determination for Options #1 and #2:

The proposed action is not defined as a project under CEQA because it involves continuing administrative activities, such as general policy and procedure making (Section 15378(b)(2) of the State CEQA Guidelines). In addition, the proposed action is not subject to CEQA because it involves other government fiscal activities, which do not involve any commitment to any specific project which may result in a potentially significant physical impact on the environment (Section 15378(b)(4) of the State CEQA Guidelines).

The CEQA determination is: Determine that the proposed action is not defined as a project and is not subject to CEQA pursuant to Section 15378(b)(2) and 15378(b)(4) of the State CEQA Guidelines.

CEQA determination for Option #3:

None required

Board Options

Option #1

Adopt the CEQA determination that the proposed action is not defined as a project and is not subject to CEQA, and

Approve entering into salary agreements as recommended.

Fiscal Impact: The estimated cost of these agreements is \$10.5 million, which is for a 2.5 percent salary increase in 2015 and a presumed salary increase of 1.5 percent in 2016, applied to all four Metropolitan bargaining units.

Business Analysis: If approved, these agreements will successfully resolve both the 2015 and 2016 salary reopener negotiations with the bargaining units.

Option #2

Adopt the CEQA determination that the proposed action is not defined as a project and is not subject to CEQA and modify recommendation.

Option #3

Reject recommendation and direct staff to continue negotiations with the bargaining units.

Business Analysis: If rejected, salary negotiations will need to recommence to resolve salary adjustments for both 2015 and 2016.

Staff Recommendation

Option #1



Diane Pittman
Director of Human Resources

1/27/2016

Date



Jeffrey Nightlinger
General Manager

1/28/2016

Date

Ref# hr12641722