



The City of San Diego

Staff Report

DATE ISSUED: October 26, 2017

TO: City Council

FROM: Human Resources Department

SUBJECT: A Resolution of the City Council approving an amendment to the Memorandum of Understanding between the City of San Diego and the San Diego Police Officers Association, regarding terms and conditions of employment for Fiscal Years 2019 and 2020.

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Council District(s): All

OVERVIEW:

This action is to approve an amendment to the Memorandum of Understanding between the City of San Diego (City) and the San Diego Police Officers Association (SDPOA), regarding terms and conditions of employment for Fiscal Years 2019 through 2020.

PROPOSED ACTIONS:

A resolution approving an amendment to the Memorandum of Understanding between the City of San Diego (City) and the San Diego Police Officers Association (SDPOA), regarding terms and conditions of employment for Fiscal Years 2019 through 2020.

DISCUSSION OF ITEM:

By San Diego Resolution R-309613 (April 22, 2015), the San Diego City Council approved a five-year Memorandum of Understanding (MOU) between the City and SDPOA regarding terms and conditions of employment for Fiscal Years 2016 through 2020. Article 46, section K of the MOU provides that the City and the SDPOA may reopen the MOU to meet and confer regarding terms and conditions of employment for Fiscal Years 2019 and 2020.

The City's Management Team began meeting and conferring with SDPOA on July 11, 2017. On October 17, 2017, the City and SDPOA reached a tentative agreement to amend Article 25 regarding salaries in its entirety and Article 13, section B regarding flexible benefits. On October 23, 2017, SDPOA members ratified the agreement. The Meyers-Miliias-Brown Act (MMBA) and Council Policy 300-06 require a final approval of the agreement by the City Council.

The agreement provides for a general salary increase of 8.3% the first full pay period following July 1, 2018; a general salary increase of 5% the first full pay period following January 1, 2019; a general salary increase of 7.3% the first full pay period following July 1, 2019; an add-on pay of 5% for employees covered by the MOU who have 20 or more years of sworn service effective the first full pay period following July 1, 2019; a general salary increase of 5% the first full pay period following January 1, 2020; and elimination of additional FY2020 flexible benefits plan allotment of \$6,728 for employees covered by the MOU with eight (8) or more years of sworn service.

This multi-year agreement requires a two-thirds vote of the City Council to take effect, as well as a determination by the City Council that the agreement is in the best interests of the City, in accordance with San Diego Charter section

11.2. The City's Management Team and the Mayor recommend approval of the agreement, in order to improve recruitment and retention of City employees.

Prior to establishing the initial bargaining position, an actuarial study was obtained pursuant to San Diego Charter section 70.2 and was updated and made available to the public ten days prior to submittal of the tentative agreement and MOU to the City Council for a final determination.

The City Council must approve the amendment to the SDPOA MOU by a two-thirds vote, in accordance with San Diego Charter section 11.2.

The staff's recommendation is to approve the resolution.

City Strategic Plan Goal(s)/Objective(s):

Goal #3: Create and sustain a resilient and economically prosperous City.

Objective #3: Diversify and grow the local economy.

Objective #5: Enhance San Diego's global standing.

Fiscal Considerations:

The estimated increased cost to the General Fund of the SDPOA-represented employees pensionable compensation increases included in the Tentative Agreement are \$18.0 million in Fiscal Year 2019 and \$47.9 million in Fiscal Year 2020, which is inclusive of impacts to the City's annual Actuarially Determined Contribution (ADC) to the San Diego City Employee Retirement System (SDCERS). The Fiscal Year 2020 estimated increase includes a one-time savings of \$9.0 million as a result of SDPOA-represented employees with eight (8) or more years of sworn service having their additional Fiscal Year 2020 flexible benefits plan allotment of \$6,728 eliminated. This one-time savings in Fiscal Year 2020 will be an ongoing expense beginning in Fiscal Year 2021.

The actual impact of the tentative agreement on the City's annual pension payment or ADC has been determined by SDCERS' actuary in accordance with City Charter Section 70.2.

Environmental Impact:

This activity is not a project as defined by the California Environmental Quality Act Section 21065 and State CEQA Guidelines Section 15378(b)(5), as it is an organizational or administrative activity of government that will not result in direct or indirect physical changes in the environment. The determination that this activity is not subject to CEQA, pursuant to Section 15060(c)(3), is not appealable and a Notice of Right to Appeal the Environmental Determination (NORA) is not required.

Equal Opportunity Contracting Information (if applicable):

N/A

Previous Council and/or Committee Actions:

San Diego Resolution R-309613 (April 22, 2015) approving the MOU between the City and SDPOA.
San Diego Ordinance O-20817 (April 25, 2017), Fiscal Year 2018 Salary Ordinance.

Key Stakeholders and Community Outreach Efforts:

San Diego Police Officers Association

Judy von Kalinowski

Ronald H. Villa

Department Director

Deputy Chief Operating Officer