
File No.: 16-0350

Agenda Date: 5/24/2016

Item No.:

SUPPLEMENTAL BOARD AGENDA MEMORANDUM

SUBJECT:

Consideration of the Side Letter of Agreement Between Santa Clara Valley Water District and Professional Managers Association, Local 21, IFPTE Regarding District Classification and Compensation Study, Compensation Implementation

REASON FOR SUPPLEMENTAL MEMORANDUM:

This Supplemental Agenda Memorandum is required to transmit a Further Side Letter of Agreement between the Santa Clara Valley Water District and the Professional Managers Association, Local 21 IFPTE (Local 21) regarding the District Classification and Compensation Study for the Board's consideration and approval. Following execution of the initial side letter agreement between the parties (attached to the original Board memorandum), Local 21 requested to further meet and confer over the issue of anniversary dates. The values selected as anniversary dates dictate the time in which further step increases may be realized by Local 21 members. Based upon these discussions, further agreement was reached with regards to anniversary dates, and a Further Side Letter of Agreement was executed on May 9, 2016, which modifies the original side letter agreement by replacing its Attachment 3 in its entirety. (see changes in sections with *)

RECOMMENDATION:

- A. Approve the side letter with the Professional Managers Association (PMA) regarding the compensation implementation of the District Classification and Compensation Study as an amendment to the 2015-2017 Memorandum of Understanding (MOU) between the Santa Clara Valley Water District and Professional Managers Association (IFPTE Local 21).
- B. *Approve the Further Side Letter of Agreement with PMA regarding the District Classification and Compensation Study as an amendment to the 2015-2017 MOU between the Santa Clara Valley Water District and IFPTE Local 21

SUMMARY:

*Following months of compensation negotiations with PMA arising from the District's Classification and Compensation Study (DCCS), on October 13, the parties reached an impasse in their negotiations.

Both the District and PMA declared impasse, and PMA requested appointment of a factfinder from

the Public Employment Relations Board (PERB). The parties participated in a factfinding hearing in January 2016 before a panel chaired by neutral Norm Brand.

On March 4, 2016, the panel (with a dissent by the union's panel member) formally issued its report and recommendations.

The majority of the panel recommended that the parties implement all of their agreements, including those agreements embodied in the final last offer of the District. They also recommended that four over-market employees be Y-rated. The recommendation was that these four should continue to receive their current salary until, through general increases to bargaining unit salaries; the District's proposed top step equals or exceeds their current salary. At that point they should move to the proposed top step salary and thereafter receive general increases.

Based upon the March 4, 2016, factfinding report and recommendations, in a letter dated March 10, 2016, Labor Relations Officer Michael Baratz conveyed the District's comprehensive settlement proposal to PMA and indicated that it would be withdrawn if not accepted by the close of business on March 21, 2016. PMA subsequently requested a brief extension so that a membership meeting could be held on the matter, and the District agreed to extend the deadline to March 28, 2016. Following the PMA membership meeting and a March 28, 2016 vote on the matter, on March 28, 2016, IFPTE Local 21 Business Agent Stan Young advised Michael Baratz that the union had voted to accept the District's offer, and the parties executed a side letter (Original Side Letter) to memorialize the agreement subject to approval by the Board of Directors.

Following execution of the Original Side Letter, PMA requested the opportunity to meet and confer further with regards to anniversary dates for its members. The values selected as anniversary dates dictate the time in which further step increases may be realized by Local 21 members. Based upon the discussions that followed, the parties reached agreement regarding what anniversary dates to use, and a Further Side Letter of Agreement was executed to memorialize this agreement subject to approval by the Board of Directors. Because anniversary dates were reflected in the Original Side Letter, the Further Side Letter of Agreement essentially amends those terms and replaces its Attachment 3 with a new Attachment 4.

Taken together, the side letters implement the compensation portion of the mid-managers classification study. They include the new salary schedule which will be incorporated and included as an amendment to the 2015-2017 MOU with PMA. They describe how managers will be placed on the new salary schedule; outline how Y-rated managers are treated; and include a chart identifying each manager, review classification and job description title, salary range, salary step and anniversary date.

FINANCIAL IMPACT:

*Estimated cost of implementing individual salary increases related to this side letter is \$231,000 for the remainder of the 2015-2017 MOU periods (3/2016 to 12/2017).

The FY16 and FY17 budget for District salary is sufficient to cover this projected increase. The

increase for FY18 will be included in the FY18 budget.

CEQA:

The recommended action does not constitute a project under CEQA.

ATTACHMENTS:

*Supplemental Attachment 1: Further Side Letter

*Supplemental Attachment 2: Attachment 4-Chart Identification for Changes

UNCLASSIFIED MANAGER:

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