

SIDE LETTER OF AGREEMENT #4

BETWEEN

CITY OF PICO RIVERA

And

**SERVICE EMPLOYEES INTERNATIONAL UNION
LOCAL 721, DIRECTOR BARGAINING UNIT**

This Side Letter of Agreement (Agreement) between the City of Pico Rivera (City) and the Service Employees International Union Local 721, Director Unit (SEIU 721-Directors) (collectively Parties) is entered into with respect to the following:

WHEREAS, the Parties entered into a Memorandum of Understanding (MOU) in effect from July 1, 2017 to June 30, 2020 for employees in this bargaining unit and the MOU includes language that allows for updates when agreed upon by the Parties; and

WHEREAS, the term of the MOU was extended to June 30, 2021 pursuant to the terms of Side Letter Agreement #3; and

WHEREAS, Article I of the MOU provides that "should any recognized Pico Rivera City (city) bargaining unit reach a signed agreement that results in a higher benefit than provided to members of the Pico Rivera Director's bargaining unit, the city agrees to adjust the specified benefit to an equivalent amount;" and

WHEREAS, the Parties will work on finalizing an MOU for the period of July 1, 2021 to June 30, 2024 (MOU in Progress).

NOW THEREFORE, the Parties agree that for all employees of SEIU 721-Directors, the following terms will be included in the MOU in Progress:

1. A salary increase of four percent (4%) retroactive to the period of July 1, 2021 to June 30, 2022.
2. A salary increase of three percent (3%) retroactive to July 1, 2022 and continuing through June 30, 2023.
3. A salary increase of three percent (3%) for the period of July 1, 2023 through June 30, 2024.
4. The MOU in Progress will include additional items for consideration by the City.
5. The above terms will become effective after City Council approval.

The terms of this Agreement shall supersede only the applicable terms contained in the MOU. All other unchanged terms of the MOU will remain in full force and effect.

[END OF TEXT. SIGNATURE PAGE TO FOLLOW.]

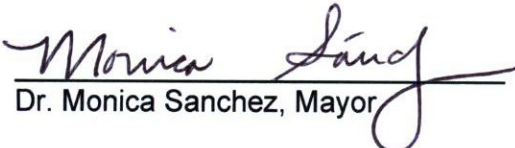
FOR THE CITY:



Steve Carmona, City Manager

9-28-22

Date

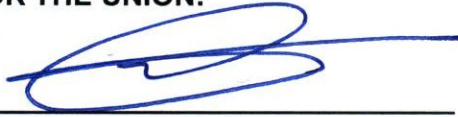


Dr. Monica Sanchez, Mayor

9/21/22

Date

FOR THE UNION:



Jane Guo, President

9/27/2022

Date

ATTEST:



Anna M. Jerome, City Clerk

APPROVED AS TO FORM:



Arnold M. Alvarez-Glasman, City Attorney



To: Mayor and City Council

From: City Manager

Meeting Date: September 13, 2022

Subject: APPROVE A SIDE LETTER BETWEEN THE CITY OF PICO RIVERA AND SERVICE EMPLOYEES INTERNATIONAL UNION DIRECTORS UNIT MEMBERS FOR A THREE YEAR TERM, JULY 1, 2021 THROUGH JUNE 30, 2024

Recommendation:

1. Approve a resolution ratifying Side Letter #4 of the Memorandum of Understanding (MOU) between the City of Pico Rivera and the Service Employees International Union – Directors Unit (SEIU Directors) for a three-year period (July 1, 2021 - June 30, 2024); and
2. Approve the salary schedule effective for the period of July 1, 2021 through June 30, 2024 for the job classifications belonging to the Service Employees International Union – Directors Unit Members.

Fiscal Impact:

The "Discussion" section of this agenda report lists all of the negotiated items updated in the successor Memorandum of Understanding (MOU) should the City Council approve it. Some of the negotiated items have associated costs. Those items having a direct fiscal impact to the City during the term of the MOU (Exhibit A of Attachment 1) are described more fully below.

Discussion:

Class and Compensation Study

Earlier this year, the City conducted a class and compensation study for certain classifications for which the City experienced a recruitment or retention problem. This was agreed to by the Service Employees International Union – Local 721 Full-Time Unit and the Mid-Managers and Professional and Confidential Employees Association (CEA) through side letters. Per the terms of the agreement, "classifications that are found to be below market and that have a recruitment and retention deficiency will be

CITY COUNCIL AGENDA REPORT – MEETING OF SEPTEMBER 13, 2022
APPROVE A SIDE LETTER BETWEEN THE CITY OF PICO RIVERA AND SERVICE
EMPLOYEES INTERNATIONAL UNION DIRECTORS UNIT MEMBERS FOR A
THREE YEAR TERM, JULY 1, 2021 THROUGH JUNE 30, 2024
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eligible for market increases that will not trigger across-the-board “me too” language. In total, 16 positions were examined, and included four (4) within the Directors Unit, eight (8) from the SEIU Local 721 Full-Time Unit, and four(4) from the CEA group.

Staff surveyed ten (10) cities in the Gateway Cities area, as agreed upon with the two bargaining units, as we all regionally compete with these neighboring cities for recruitments. The survey was a comparison of salaries as of June 30th, 2021, to align with the most current salary schedules of the City of Pico Rivera. Of the 16 positions reviewed, ten (10) resulted in salary increases as a result of the survey.

In terms of the Directors Unit, the results showed that for these executive-level positions, current salaries were not in line with our neighbors, which makes it difficult for us to compete for executive talent with surrounding cities that have both higher salaries and, in some cases, greater benefits packages. It is an additional hurdle to climb in an environment, both public and private that is already in a labor shortage. The City is in need of attracting well-qualified and experienced subject-matter experts, and over the last year, has found it extremely difficult to do so. Staff believes adjustments are needed to the salary schedule for these executive level positions to bring them to the average salary for the region. Those positions are listed in Enclosure 3 and it is estimated that the net fiscal impact of adjustments totaling \$355,800 for the three-year period of this agreement for the SEIU Directors Unit.

Salary Increases

Article 1 of the Service Employees International Union – Directors Unit (SEIU Directors) MOU provides that “should any recognized Pico Rivera City (City) bargaining unit reach a signed agreement that results in a higher benefit than provided to members of the Pico Rivera Director’s bargaining unit, the City agrees to adjust the specified benefit to an equivalent amount”.

As part of the September 13th Regular City Council Meeting Agenda, City Council will vote on the Successor MOU’s, which include salary increases as follows:

1. A salary increase of four percent (4%) retroactive to the period of July 1, 2021 to June 30, 2022.
2. A salary increase of three percent (3%) retroactive to July 1, 2022 and continuing through June 30, 2023.
3. A salary increase of three percent (3%) for the period of July 1, 2023 through June 30, 2024.
4. Effective the first full pay period following City Council Adoption of this MOU, employees within this bargaining unit hired on or before July 1, 2021 shall

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receive a one-time, non-pensionable, incentive bonus in the amount of one thousand dollars (\$1,000).

As is required by the SEIU Directors Unit MOU, this group's salaries must be adjusted accordingly. The total amount of these salary increases for the three years noted above total \$513,227. The Salary Schedules in Enclosure 3 include the revised salaries. The one-time bonus totals \$6,000.

Conclusion:

The City will continue to negotiate with the SEIU Directors. Upon finalization, the successor MOU will be brought forward for consideration and approval.



Steve Carmona

SC:AG:sp

- Enclosures: 1) Side Letter #4 – Directors Unit
2) Resolution/Exhibit A
3) Salary Survey Results – Directors' Unit.

RESOLUTION NO. 7226

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF PICO RIVERA, CALIFORNIA, APPROVING, RATIFYING, AND ORDERING IMPLEMENTATION OF SIDE LETTER #4 BETWEEN THE CITY OF PICO RIVERA AND THE PICO RIVERA SERVICE EMPLOYEES' INTERNATIONAL UNION – DIRECTORS UNIT FOR A TERM FROM JULY 1, 2021 THROUGH JUNE 30, 2024

WHEREAS, the Parties entered into a Memorandum of Understanding (MOU) in effect from July 1, 2017 to June 30, 2020 for employees in this bargaining unit and the MOU includes language that allows for updates when agreed upon by the Parties; and

WHEREAS, the term of the MOU was extended to June 30, 2021 pursuant to Side Letter Agreement #3; and

WHEREAS, Article I of the MOU provides that "should any recognized Pico Rivera City (City) bargaining unit reach a signed agreement that results in a higher benefit than provided to members of the Pico Rivera Director's bargaining unit, the city agrees to adjust the specified benefit to an equivalent amount;" and

WHEREAS, the Parties will work on finalizing an MOU for the period of July 1, 2021 to June 30, 2024 (MOU in Progress).

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Pico Rivera as follows:

SECTION 1. That the Parties agree that for all employees of SEIU 721-Directors, the following terms will be included in the MOU in Progress:

1. A salary increase of four percent (4%) retroactive to the period of July 1, 2021 to June 30, 2022.
2. A salary increase of three percent (3%) retroactive to July 1, 2022 and continuing through June 30, 2023.
3. A salary increase of three percent (3%) for the period of July 1, 2023 through June 30, 2024.

SECTION 2. Exhibit A reflects the salary schedule for all job classifications covered by this Memorandum of Understanding and represented by the SEIU Local 721 – Directors' Unit, which will be effective the first full payroll period commencing on or after July 1, 2021.

SECTION 3. That the MOU in Progress will include additional items for consideration by the City.

SECTION 4. That the City Clerk shall certify to the adoption of this resolution, and it shall become effective immediately upon adoption.

APPROVED AND PASSED this 13th day of September 2022.



Dr. Monica Sanchez, Mayor

ATTEST:

APPROVED AS TO FORM:



Anna M. Jerome, City Clerk



Arnold M. Alvarez-Glasman, City Attorney

AYES: Camacho, Elias, Lara, Lutz, Sanchez
NOES: None
ABSENT: None
ABSTAIN: None

Exhibit A

Position	Group	Applicable Zones and Ranges			
		Zone A 2021-22 4%	Zone B 2021-22 4%	Zone C 2021-22 4%	Zone D 2021-22 4%
Assistant City Manager	VII				\$15,156 - \$18,829
Director	VII	\$11,989 - \$13,787	\$13,788 - \$15,442	\$15,443 - \$16,665	
Deputy Director	VII				\$10,750 - \$12,824
City Clerk	VII				\$9,494 - \$11,643

Position	Group	Applicable Zones and Ranges			
		Zone A 2022-23 3%	Zone B 2022-23 3%	Zone C 2022-23 3%	Zone D 2022-23 3%
Assistant City Manager	VII				\$15,611 - \$19,394
Director	VII	\$12,349 - \$14,201	\$14,202 - \$15,905	\$15,906 - \$17,165	
Deputy Director	VII				\$11,073 - \$13,209
City Clerk	VII				\$9,779 - \$11,992

Position	Group	Applicable Zones and Ranges			
		Zone A 2023-24 3%	Zone B 2023-24 3%	Zone C 2023-24 3%	Zone D 2023-24 3%
Assistant City Manager	VII				\$16,079 - \$19,976
Director	VII	\$12,719 - \$14,627	\$14,628 - \$16,382	\$16,383 - \$17,680	
Deputy Director	VII				\$11,405 - \$13,605
City Clerk	VII				\$10,072 - \$12,352

CITY OF PICO RIVERA
 SALARY SURVEY - DIRECTORS UNIT
 6/30/2021

	ACM			Directors		
	Min	Mean	Max	Min	Mean	Max
Pico Rivera (Monthly):	\$14,573	\$15,302	\$16,031	\$10,130	\$12,532	\$14,934
Average of 10 Cities (Monthly)	\$14,526	\$16,315	\$18,105	\$11,528	\$13,776	\$16,024
Proposed 6/30/21 Salary Schedule:	\$14,573		\$18,105	\$11,528		\$16,024

	Deputy Directors			City Clerk		
	Min	Mean	Max	Min	Mean	Max
Pico Rivera (Monthly):	\$10,337	\$11,061	\$11,785	\$7,864	\$9,134	\$10,403
Average of 10 Cities (Monthly)	\$10,201	\$11,266	\$12,331	\$9,129	\$10,162	\$11,195
Proposed 6/30/21 Salary Schedule:	\$10,337		\$12,331	\$9,129		\$11,195