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DATE: March 25, 2008
TO: Mayor and City Council
FROM: Human Resources Director
SUBJECT: Adoption of Resolution to Approve Contract with the Hayward Association of Management Employees (HAME)

RECOMMENDATION

That Council adopts the attached resolution approving a new four-year agreement with HAME effective July 1, 2007, pertaining to wages, hours, benefits, and other terms and conditions of employment.

BACKGROUND

In 2004, the City and HAME agreed to a two-year extension of the then-existing Memorandum of Understanding (MOU), which was set to expire in June, 2005. The two-year agreement extended the expiration date to June 30, 2007. As part of the extension, HAME agreed to forego salary increases for the two-year contract extension period. HAME represents non-sworn management classifications throughout the organization.

It is current City policy that the City pay its employees at least at the average of the rates identified through a structured survey of multiple surrounding, and mutually agreeable, municipal jurisdictions. For the HAME contract, these are Alameda, Berkeley, Daly City, Fremont, Livermore, Palo Alto, Richmond, San Leandro, San Mateo, Santa Clara, and Vallejo. Equity adjustments identify those adjustments needed in individual classifications to align those position salaries with Council policy (i.e., up to at least the average salary rate of the agencies surveyed).

As part of the agreement reached for the above described two-year contract extension, the City agreed to make every effort to implement 100% of the equity adjustments identified in the salary survey for all HAME positions when contract negotiations resumed for the next contract period beginning July 1, 2007. In addition, the City and HAME agreed on benchmark positions on which to base the survey in order to identify any needed equity adjustments.

In April, 2007, City negotiators began meeting with members of the HAME Negotiating Team to negotiate wages, hours, benefits, and other terms and conditions of employment, including reaching

agreement on the aforementioned equity adjustments. The process resulted in a new four-year contract from July 1, 2007 to June 30, 2011 with the terms and conditions as defined below.

DISCUSSION

After ten months of negotiations, City negotiators and HAME reached an agreement on a new four-year contract, which was ratified by HAME members on March 14, 2008. The HAME contract runs concurrently with the City’s fiscal year. The principal economic components of the new contract include (a) Cost of Living Adjustments (COLA) of 3% in FY 2008, 3% in FY 2009, 4% in FY 2010, and 4% in FY 2011; and (b) equity adjustments for sixty-eight HAME job classifications over the first three years of the contract.

In addition to the above, the City and HAME agreed to changes in the provision of health care and Workers’ Compensation payments that will reduce costs to the City. The City currently pays the full cost of health insurance regardless of the plan chosen by the employee. Effective January 1, 2009, the City will pay 100% of active employee health care premiums up to the second highest health care family plan offered, which is currently Blue Shield. Employees selecting a more costly plan will pay any additional costs. Effective with the approval of this contract, employees off work due to an on-the-job injury will only be entitled to full salary for up to one year every three years regardless of the number of injuries incurred during that time period. They will continue to receive temporary disability payments as required by law which covers about two-thirds of an employee’s salary. Employees had been entitled to a full year of salary for each injury.

These changes meet the City Council’s direction to both achieve savings within the contracts and make the contracts uniform. The workers’ compensation provisions are now in effect for all non-safety employees. The changes in health care provision is in effect in all of the contracts the City has negotiated in recent months.

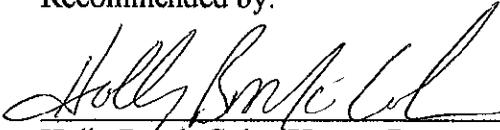
The HAME contract negotiated is within the cost parameters contained in the currently adopted budget and are within the parameters of authority established by Council. A full description of both economic and non-economic elements of the agreement can be seen in Attachment A. Due to the length of the contract document it is not attached, but it may be reviewed in the Clerk’s office during business hours.

FISCAL IMPACT

The Fiscal Impact of Salary Adjustments over four years is as follows:

	FY 2008	FY 2009	FY 2010	FY 2011
Equity Adj.	\$231,287	\$249,936	\$270,155	\$0
COLA	\$167,771 (3%)	\$180,303 (3%)	\$258,422 (4%)	\$269,021 (4%)
Total Salaries	\$5,760,150	\$6,190,388	\$6,718,964	\$6,994,547

Recommended by:



Holly Brock-Cohn, Human Resources Director

Approved by:



Gregory T. Jones, City Manager

Attachment: Attachment A
Draft Resolution (1)

**CITY OF HAYWARD
and
HAYWARD ASSOCIATION OF MANAGEMENT EMPLOYEES**

SUMMARY OF PROVISIONS

Following is a list of the changes in the Memorandum of Understanding between the City of Hayward and the Hayward Association of Management Employees.

1. Term: Four years. July 1, 2007 – June 30, 2011.
2. Salaries: July 1, 2007 – 3% Plus 1/3 applicable market adjustment
July 1, 2008 – 3% Plus 1/3 applicable market adjustment
July 1, 2009 – 4% Plus 1/3 applicable market adjustment
July 1, 2010 – 4%
Equities over 25% will be paid over four years.

3. Medical Benefits:

Employees eligible for 100% of the city contribution for the second highest CalPERS health plan, currently Blue Shield. Employees currently enrolled in PERS Care eligible for 100% City payment until December 31, 2008.

4. Retiree Medical Benefits:

Continue monthly benefit of \$274.72 per month. Parties to meet during term of MOU to discuss plans or programs to provide post retirement medical benefits.

5. Alternate Medical Benefits:

Increase monthly alternative benefits to \$150 (employee only), \$270 (employee and one dependent) and \$350 (employee and two or more dependents).

6. Holidays:

Christmas Eve has been added as a full day holiday. If Christmas Eve falls on a Sunday, the holiday shall be observed on the previous Friday. If a holiday falls on a Saturday, the previous Friday shall be observed as a holiday. Employees shall have the last half (four hours) of New Years off. If a holiday falls on an employee's regular day off, the employee shall be credited with equivalent time to either compensatory time or vacation leave.

Attachment A

7. Dispute Resolution

Claims for Supervisory Differential exempted from 60 day limit on retroactivity.

8. Uniform Allowance:

Increase from \$275 to \$350.

9. Educational Reimbursement Fund

Expansion of scope of Educational Reimbursement Fund to use for conference registration and professional meeting costs; initial funding of \$5000 per fiscal year.

10. Safety Shoes

Increase from \$175 to \$195.

11. Recognition

Update list of represented positions.

12. Administrative Leave

Credited first pay period of January each year; not subject to pro-ration, cash out, carry over.

13. Flexible Scheduling

Employees may flex up to 1.5 hours at beginning, during or end of work day if it does not hinder department operations.

14. Leaves

Modification of language to provide that vacation, sick and other leaves to run concurrently with state and federal unpaid leave entitlements; employee eligible for up to one year industrial disability leave during any three year period.

15. Retirement Formula

The City will request an actuarial report from PERS for the 2.7 % @ 55 formula during the Fall 2010.

