

City Council Agenda Memo

From: Paul M. Briseno, City Manager

Council Meeting: October 13, 2020

Subject: 2020-2021 Teamster Local Union No. 120 City General Union Agreement

Person(s) Responsible: Paul Briseno, City Manager

Summary:

Annually, the City and Union leadership meet and confer to develop an agreed contract which guides its members and City relationships. Teamsters Local Union No. 120 represents City General employees under this contract. The existing agreement covers two (2) years and will expire December 31, 2021. The only automatic opener for 2021 is salaries. Due to COVID 19 and future uncertainties, both parties have agreed to no merit or wage adjustment. However, the proposed agreement does allow for a one-time increase and pay plan adjustments based on the outcome of 2020 sales tax.

Background:

City management meets annually with Union leadership to meet and confer and develop an agreement for the future. The City General employees are covered under a union agreement which expires December 31, 2021. Teamsters Local Union No. 120 represents City General employees under this contract. Historically, the City has opted for three year agreements. Due to the fluctuation of sales tax, it's essential the City allows salaries as an annual opener to ensure expenses of increased pay does not out pace revenues.

Discussion:

A proposed contract was negotiated for January 1, 2020 to December 31, 2021. This two-year agreement only allows wage as the sole opening item. The City Manager and the Human Resources Director worked with Union Stewards and the Teamsters Business Agent for the City General group through multiple meet and confer sessions to finalize the proposed agreement.

The proposed agreement is contained with the approved 2021 budget. Sales tax is the city's primary revenue source for salary increases. Due to COVID 19s volatile impact to the economy, an agreement of no range movement or wage adjustment will be had for 2021. A tentative agreement allows for the implementation of a new wage plan and one-time pay increase for eligible employees based on the year-ending performance of the local sales tax. Below is the specific language change:

2020 sales tax is projected to end at negative eight percent (-8%).

Commencing January 1, 2021, wages will be adjusted based on 2020 Sales Tax Performance as follows:

- If 2020 sales tax ends as projected, there shall be no pay increase including COLA or Merit.
- If 2020 sales tax ends two percent (2%) better than projected, the new salary ranges will be implemented and there will be a one percent (1%) one-time payout for those who do not receive an increase when the new salary ranges are implemented*.
- If 2020 sales tax ends three percent (3%) better than projected, the new salary ranges will be implemented and there will be a two percent (2%) one-time payout for those who do not receive an increase when the new salary ranges are implemented*.
- If 2020 sales tax ends at or above four percent (4%) better than projected, the new salary ranges will be implemented and there will be a one percent (1%) salary increase for those who do not receive an increase when the new salary ranges are implemented*.

The City of Brookings will implement employees into their new salary range by mirroring the employee's relationship to their current midpoint, capped at their future midpoint. Employees whose current salary is at or above their future midpoint will not receive an increase during implementation of the new salary ranges, but will be eligible for a payout or salary increase based on 2020 Sales Tax Performance.

*Employee wages shall be adjusted to receive the minimum of the payout or salary increase. This may include a combination of an increase during implementation of the new salary ranges and payout or salary increase based on 2020 Sales Tax Performance to reach the full minimum.

The City General member group has accepted the proposed contract and City Council approval is needed to ratify the contract. This action will complete this process.

Legal Consideration:

There are no legal considerations at this time.

Financial Consideration:

The primary impact to the 2021 budget is at no increase. It's expected the potential increases outlined in the offer will be offset by the sales tax increases required to realize any one time or wage plan increases.

Options and Recommendation:

City Council has the following options:

1. Approve as recommended
2. Deny
3. Refer to a Work Session for further discussion
4. Do nothing

City Staff recommends approval of the agreement.

Supporting Documentation:

Agreement - clean

Agreement - marked