



CITY OF MENIFEE

SUBJECT: Memorandums of Understanding with the Menifee City Employees Association, General, Mid-Management and Professional Units

MEETING DATE: August 17, 2022

TO: Mayor and City Council

PREPARED BY: Rochelle Clayton, Assistant City Manager

REVIEWED BY: Rochelle Clayton, Assistant City Manager

APPROVED BY: Armando G. Villa, City Manager

RECOMMENDED ACTION

1. Adopt a resolution approving a successor Memorandum of Understanding (MOU) between the City and the Menifee City Employees Association (MCEA), General Unit, for the period of July 1, 2022 through June 30, 2024; and
2. Adopt a resolution approving a successor MOU between the City and the MCEA, Mid-Management Unit, for the period of July 1, 2022 through June 30, 2024; and
3. Adopt a resolution approving a successor MOU between the City and the MCEA, Professional Unit, for the period of July 1, 2022 through June 30, 2024; and
4. Authorize the City Manager or designee to execute and implement terms of the MOU and resolutions.

DISCUSSION

The preceding MOUs between the City of Menifee (City) and the Menifee City Employees Association (MCEA), General, Mid-Management and Professional Units expired on June 30, 2022. The City negotiation team had numerous communication exchanges and meetings with the MCEA representatives from all Units beginning in April 2022.

This is an unprecedented year for cities as well as the county, state, and country as a whole, with extraordinary inflation of gas, food, and essential goods, and the local consumer price index (CPI) drastically increasing from a pre-COVID 2019 average of 2.6% - 3.1% to 10% in 2022.

Accordingly, while the City cannot afford to keep up with that type of inflation, the City has negotiated some immediate relief for employees by way of an inflation stipend, or one-time

payment. With interest rates rising as a mechanism to slow inflation, it is anticipated that a reduction in CPI and cost of living will occur over the next one to two years and the market will stabilize. With that in mind, this agreement is for two years and all parties have come to agreement with all changes as indicated in the attached MOUs between the City and MCEA Units. The primary changes are summarized as follows:

Major Deal Points

- A two-year term from July 1, 2022 through June 30, 2024, retroactive upon adoption.
- Effective July 1, 2022 and 2023, all represented employees shall receive a cost of living adjustment (COLA) of 4%.
- An Inflation Stipend in the amount of \$2,500 shall be issued to each represented employee, employed on July 1, 2022 and/or on the date of Council ratification.
- Bilingual Pay increase of \$50 per month.
- Retention incentive of longevity pay in the amounts of an additional 3% for 10+ years, 4% for 15+ years and 5% for 20+ years of service with the City.
- Retention incentive of Sick Leave bank balance conversion to a Retirement Medical Trust – upon retirement from the City, employee may receive a payment of the balance (at retirement) into a Retirement Medical Trust at the rate up to the amount of 25% of balance for 10 years of service; 50% for 15 years of service; and 75% for 20 years of service.
- Remove the Holiday on the 2nd Monday in October (Columbus Day) in exchange for the closure of non-public safety City Facilities from December 24th to January 2nd.
- Vacation accrual rate increase of 40 hours per year for employees with 10+ years of service.
- An increase in annual administrative leave of 10 hours per year for Professional and Mid-Management units.
- Compensated Time Off (CTO) cap, in lieu of overtime, shall increase to 120 hours.

The MCEA MOU 2022-2024 for each Unit represents the full and complete negotiated and agreed upon MOU. Upon approval of the tentative agreement for the MOU and adoption of the attached Resolutions, the MCEA MOUs for General, Mid-Management and Professional Units shall be ratified and fully executed.

Background

Section 3505.1 of the Meyers-Milias-Brown Act provides that "If a tentative agreement is reached by the authorized representatives of the public agency and a recognized employee organization or recognized employee organizations, the governing body shall vote to accept or reject the tentative agreement within 30 days of the date it is first considered at a duly noticed public meeting. A decision by the governing body to reject the tentative agreement shall not bar the filing of a charge of unfair practice for failure to meet and confer in good faith. If the governing body adopts the tentative agreement, the parties shall jointly prepare a written memorandum of understanding". Once approved by the governing body of a local agency, a memorandum of understanding becomes a binding agreement between the employee organization and the local agency.

STRATEGIC PLAN OBJECTIVE

Responsive and Transparent Community Government

FISCAL IMPACT

The negotiated changes for the MCEA MOUs (all Units) salary and benefits outlined in the MOUs are included in the City's adopted budgets for fiscal year 2022-23 and result in a fiscal impact of approximately \$1.2 million. The compensation schedule (Authorized Positions & Compensation) shall be adjusted accordingly.

ATTACHMENTS

1. Resolution Approving Memorandum of Understanding – General Unit
2. Memorandum of Understanding, CEA General Unit
3. Resolution Approving Memorandum of Understanding – Mid-Management Unit
4. Memorandum of Understanding, CEA Mid-Management Unit
5. Resolution Approving Memorandum of Understanding – Professional Unit
6. Memorandum of Understanding, CEA Professional Unit