

# City of Hesperia

## STAFF REPORT



**DATE:** January 21, 2020

**TO:** Mayor and Council Members  
Chair and Board Members, Hesperia Water District

**FROM:** Nils Bentsen, City Manager

**BY:** Rachel Molina, Assistant to the City Manager  
Michael Blay, Assistant City Manager  
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Rita Perez, Human Resources Manager

**SUBJECT:** Memorandum of Understanding between the City of Hesperia and the Teamsters Local 1932 for the period of February 1, 2020 through January 31, 2022

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### RECOMMENDED ACTION

It is recommended that the City Council adopt Resolution No. 2020-003 and the Board of Directors of the Hesperia Water District adopt Resolution HWD 2020-02, approving the Memorandum of Understanding with the Teamsters Local 1932 (Teamsters Union).

### BACKGROUND

The current Memorandum of Understanding (MOU) between the City of Hesperia and the Teamsters Union is effective from February 1, 2018 through January 31, 2020, and shall remain in effect until a successor MOU is renegotiated or until such time that other provisions are concluded.

On September 24, 2019, the City and the Teamsters Union began the meet and confer process in order to negotiate a successor MOU. In December 2019, the City and the Teamsters Union reached a tentative agreement on a successor MOU to cover a two (2) year period beginning February 1, 2020 through January 31, 2022.

### ISSUES/ANALYSIS

The changes to the MOU agreed to by the City and the Teamsters Union are summarized as follows:

#### Article 4: Duration, Implementation and Re-openers

The term of the Teamsters Union MOU shall be for the duration of February 1, 2020 through January 31, 2022.

#### Article 13: Salary Ranges

Effective the first full pay period of Fiscal Year 2020-21, all salary ranges reflect in base salary a COLA increase based on the Consumer Price Index (CPI) – All Urban Consumers (Area: Riverside-San Bernardino-Ontario) measured by the annualized CPI from January 2019 to January 2020 no less than 3.0% and no more than 4.5%.

Effective the first full pay period of Fiscal Year 2021-22, all salary ranges reflect in base salary a COLA increase based on the Consumer Price Index (CPI) – All Urban Consumers (Area: Riverside-San Bernardino-Ontario) measured by the annualized CPI from January 2020 to January 2021 no less than 2.0% and no more than 4.5%.

Effective the first full pay period of Fiscal Year 2020-21, City agrees to implement the results of the salary study, so long as the City's Sales and Use Tax for FY 2020-21 increases by 2% or more. If the Sales and Use Tax does not increase for FY 2020-21 by 2% or more, then effective the first full pay period of Fiscal Year 2021-22, City agrees to implement the results of the salary study, so long as the City's Sales and Use Tax for FY 2021-22 increase by 2% or more.

Should the Sales and Use Tax increase by 2% or more, the following classifications will increase:

<b>Position</b>	<b>Range Change</b>
Building Inspector	+1.0
Code Enforcement Officer	+1.0
Senior Pump Maintenance Worker	+0.5
Senior Pump Operator	+0.5
Water Quality Specialist	+0.5
Engineering Technician	+1.5
Equipment Operator/Water	+0.5
Equipment Operator	+0.5
Pump Operator	+0.5
Water Quality Technician	+0.5

Employees currently in the classification on the effective day of the change will be placed at the new range at their current step.

Article 18: Tuition Reimbursement/Certification

Commercial Driver's License \$100 Certification Pay:

Employees maintaining a valid Class "A" California Driver's License, placed on the City's Department of Transportation Random list for testing and complies with the City's Drug and Alcohol Testing Program for Commercial Drivers shall receive a one-time payment of \$100 each fiscal year. This certification payment shall be made on or after February 1 each year for those employees who hold the License as of January 31<sup>st</sup>. This certification pay will not be considered special compensation and will not be reported to the California Public Employees' Retirement System.

Article 20: Health Insurance

Effective July 1, 2020, for the August 2020 insurance premiums, the City shall pay up to \$1,224 per month, with no difference received as cash, the employee shall be responsible for paying the difference, or the amount greater than \$1,224 through payroll deduction.

Effective July 1, 2021, for the August 2021 insurance premiums, the City shall pay up to \$1,324 per month, with no difference received as cash, the employee shall be responsible for paying the difference, or the amount greater than \$1,324 through payroll deduction.

Other Changes:

Employees can have a maximum of 400 vacation hours carry-over per fiscal year.

Employees now must have eighty (80) hours of vacation remaining before an employee can cash out twenty (20) or more hours of vacation.

A permanent employee may appeal a suspension of four (4) schedule work days or more.

Other minor cleanup language to the MOU as agreed upon during the labor negotiations.

**FISCAL IMPACT**

The total projected cost of implementing the Teamsters Union MOU for year 1 is \$296,296, which assumes an anticipated 3% CPI for the COLA. Year 2 is projected to cost an additional \$280,800, which too assumes that CPI will be 3%. The following table details the projected source of funding.

	<b>Year 1</b>	<b>Additional for Year 2</b>
Class "A" California Driver's License	\$ 1,900	\$ 0
Medical - Year 1 @ \$1,224 & Year 2 @ \$1,324	37,296	33,600
COLA (3% Assumption)	187,000	247,200
Salary Increase for Negotiated Positions	53,000	0
<b>Total Increase</b>	<b>\$ 279,196</b>	<b>\$ 280,800</b>

If approved, the FY 2020-21 Proposed Budget, which will be presented to the City Council during June 2020, will reflect increases to salaries and benefits.

**ALTERNATIVE(S)**

1. Provide alternative direction to staff.

**ATTACHMENT(S)**

1. Memorandum of Understanding
2. Resolution No. 2020-003
3. HWD Resolution No. 2020-02