



Agenda Date: 11/4/2020

Agenda Placement: 7D

Napa Sanitation District Board Agenda Letter

TO: Honorable Board of Directors

FROM: Cheryl P. Schuh for Timothy Healy - General Manager
NS-Administration

REPORT BY: Timothy Healy, GENERAL MANAGER - 258-6000

SUBJECT: Approve Memorandum of Understanding with Association of Management and Professionals of Napa Sanitation District

RECOMMENDATION

Approval of Memorandum of Understanding with Association of Management and Professionals of Napa Sanitation District (AMPNSD) Covering the Period July 1, 2020 through June 30, 2024.

EXECUTIVE SUMMARY

On October 15, 2020, the terms and conditions of a new MOU between the District and the Association of Management and Professionals of Napa Sanitation District (AMPNSD) was ratified. The Board has not yet approved the substantive terms and conditions of the MOU. Attached is the complete contract for approval.

If approved, the new contract will continue most terms and conditions of the prior contract, with the following significant changes:

- | Employees will continue to contribute toward the costs of the PERS retirement system. Beginning July 2020, Tier 1 employee contributions will increase by 0.5% to 7.25% and in July 2021, Tier 1 employee contributions will increase by 0.75% to 8%. Tier 2 employee contributions will increase in July 2020 by 0.25% to 7%;
- | Market rate adjustments to salaries are included and shall be phased in over a four year period. The phase in schedule of the adjustment is 35% in July 2020, 25% in July 2021, 20% in July 2022, and 20% in July 2023. Salary adjustments shall be retroactive to the first full pay period in July 2020.
- | Annual Cost-of-Living-Adjustments will be set each year by contract (2.75% for the first year and 2.5% for the

second year. Parties shall reopen the MOU to meet and confer regarding the appropriate salary increase in years 3 and 4, rather than being set by CPI;

- I The District will continue to provide education reimbursement to employees. The total annual education reimbursement budget shall increase from \$5,000 to \$8,000 with individual reimbursements to employees increasing from \$1,000 to \$2,000 per year;
- I Employees hired after 50% of the District's survey agencies adopt a defined contribution retiree medical benefit or eliminate their retiree medical benefit (not including the MEC required by CalPERS) shall receive a monthly contribution into a Retiree Health Savings Account based on their years of service. Employees in this Tier of retiree medical benefits shall not be eligible for any other defined health benefit program contracted by the District from CalPERS.
- I The vacation leave accrual for employees having completed 19 years of service shall increase from 23 to 25 days per year.
- I The contracts will have a four-year term, which provides stability and predictability in labor costs for the District's ratepayers. The contracts can be reopened in 2022 and 2023 to meet and confer regarding the appropriate salary increases for the third and fourth year of the MOU.

The Memorandum of Understanding is attached. Recommendation is to approve the MOU as presented.

FISCAL & STRATEGIC PLAN IMPACT

Is there a Fiscal Impact?	Yes
Is it currently budgeted?	No
What is the revenue source?	General Operating Fund
Is it Mandatory or Discretionary?	Discretionary
Discretionary Justification:	The District and the Association have negotiated this contract, and AMPNSD has already voted to accept the substantive terms and conditions.
Is the general fund affected?	Yes
Future fiscal impact:	Cost of Living Adjustment of 2.75% for the first year and 2.5% for the second year. Year three and four COLA to be negotiated later. Market rate adjustments to specified positions spread out over four years. Contract also includes contributions by employees toward retirement expenses up to 8% of salary. Health savings account contributions to new hires in lieu of retirement medical benefits after 50% of the District's survey agencies adopt a defined contribution retiree medical benefit or eliminate their retiree medical benefit (not including the MEC required by CalPERS).
Consequences if not approved:	District management employees will continue to work in the new fiscal year without a contract.
Additional Information:	

ENVIRONMENTAL IMPACT

None.

BACKGROUND AND DISCUSSION

None.

SUPPORTING DOCUMENTS

- A . Draft MOU redlined version
- B . Draft MOU Clean copy
- C . Attachment 1 to MOU

Napa Sanitation District: Approve

Reviewed By: Timothy Healy