



Agenda Date: 9/16/2020

Agenda Placement: 7D

## Napa Sanitation District Board Agenda Letter

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**TO:** Honorable Board of Directors

**FROM:** Timothy Healy - General Manager  
NS-Administration

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

**SUBJECT:** Approve Memorandum of Understanding with Teamsters Local 315 - Supervisory Unit

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### **RECOMMENDATION**

Approval of Memorandum of Understanding with Teamsters Local 315 - Supervisory Unit Covering the Period July 1, 2020 through June 30, 2024.

### **EXECUTIVE SUMMARY**

On July 8, 2020, the terms and conditions of a new MOU between the District and the Teamsters Local 315 Rank and File Unit 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 found not to be at the market mean of a 2019/2020 market analysis shall be adjusted over a four year period to bring them to the mean by 35% in July 2020, 25% in July 2021, 20% in July 2022, and 20% in July 2023;
- | 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;

- | All overtime worked contiguous with an employee's shift shall be paid at the employee's overtime rate;
- | 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;
- | Employees hired on or after July 1, 2020 shall receive a monthly contribution to a Retiree Health Savings Account based on years of service in lieu of receiving a retiree medical benefit; and
- | The vacation leave accrual for employees having completed 19 years service shall increase from 23 to 25 days.

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 Teamsters have negotiated this contract. The Teamsters have 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 increased employee contributions toward retirement expenses up to 8% of salary. Health savings account contributions to new hires in lieu of retirement medical benefits. |
| Consequences if not approved:     | District employees will begin the new fiscal year without a contract.  |
| Additional Information:           |  |

**ENVIRONMENTAL IMPACT**

ENVIRONMENTAL DETERMINATION: The proposed action is not a project as defined by 14 California Code of Regulations 15378 (State CEQA Guidelines) and therefore CEQA is not applicable.

**BACKGROUND AND DISCUSSION**

None.

**SUPPORTING DOCUMENTS**

- A . Draft Supervisor's MOU - redlined version
- B . Draft Supervisor's MOU - clean version

Napa Sanitation District: Approve

Reviewed By: Timothy Healy