



Sacramento Public Library Authority

June 18, 2012

Agenda Item 9.0: Memorandum of Understanding with International Union of Operating Engineers, Stationary Local 39, AFL-CIO

TO: Sacramento Public Library Authority Board Members

FROM: Denise M. Davis, Deputy Library Director

RE: Memorandum of Understanding with International Union of Operating Engineers, Stationary Local 39, AFL-CIO

RECOMMENDED ACTION(S):

Adopt Resolution #12-29 approving the Memorandum of Understanding Between the Sacramento Public Library Authority and International Union of Operating Engineers, Stationary Local 39, AFL-CIO Covering all Employees in the Library Unit, July 1, 2012 – March 31, 2015.

REASON FOR RECOMMENDATION

Per the Board’s instruction at the April 26, 2012 Authority Board meeting, Library Staff resumed negotiations with Local 39 to resolve terms and conditions of employment for the Library Unit.

Library staff recommends that the Library Authority Board approve the Memorandum of Understanding reached between the Sacramento Public Library Authority and the International Union of Operating Engineers, Stationary Engineers, Local 39 on a new agreement covering represented employees for the period July 1, 2012 to March 31, 2015. The agreement has been ratified by the Union membership.

Staff and Union officials reviewed and revised outdated language, and came to agreement on a number of economic issues to ensure stability of staffing, reduction of unfunded liabilities for the Authority, and continuing prudence regarding compensation and benefits.

SUMMARY OF TENTATIVE AGREEMENT
Term
Through 3/31/2015
Furloughs
One more furlough day in June 2012 (6/15) Up to 12 furlough days from 7/1/12 to 6/30/13 Up to 12 furlough days from 7/1/13 to 6/30/14 No furlough days 7/1/14 through 3/31/2015
Health & Dental Contribution
Through 12/31/12: \$720 employee only, \$850 employee plus one, \$1100 employee plus two Effective 1/1/13 – 3/31/15: for employee only lowest cost health and dental plans plus 75% of any increase; for employee plus one \$816.77 plus 75% of increase in lowest cost health and dental plan, for employee plus two \$1069.50 plus 75% of increase in lowest cost health and dental plan



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SUMMARY OF TENTATIVE AGREEMENT
PERS EE Pickup
Employees will pay the entire employee share of the PERS contribution. 7/1/12: employee contribution increases to 5.5% (an additional 1.5%). 7/1/13: employee contribution increases to 7.0% (entire employee share).
PERS Second Tier
7/1/12: New hires, increases eligible retirement age from 55 to 60.
Cash Back Limit Reduction/Elimination
\$200 is now in effect, reduced from \$430 1/1/13: reduce to \$100 1/1/14: reduce to \$0
Wage Adjustment
7/1/13: 2% increase 7/1/14: 1% increase if tax revenues are restored to 2009-10 levels
Parking & SRDT Passes
Equalize employer contribution to transit. Library will pay 100% for SRDT monthly passes and PUC-regulated transportation, or downtown parking not to exceed \$100.
PTO Accrual Cap
Reduce the unfunded liability of PTO balances from a maximum of 640 hours to between 400 and 520 hours depending on length of service.
Retiree Health Care Contribution (RHC)
Freeze the unfunded liability for the Authority. Effective 7/1/12 contribution will not be available for new hires.
Retiree Health Savings Plan (RHS)
Moves from unfunded liability (RHC) to pay-as-you-go plan for new hires. \$50 per month eff. 7/1/12 \$60 per month eff. 7/1/13 \$70 per month eff. 7/1/14 if tax revenues are restored to 2009-10 levels
Miscellaneous
Telecommute Policy: Refer through Labor Management Committee (new policy applicable to all Library employees)
Catastrophic Health for Part-time Employees : SPL will consult with Union

Fiscal Impact

Approval of the agreement by the Library Authority Board fulfills the Library's commitment to provide fair compensation and workforce stability through budget planning for the 2015-16 fiscal year as well as demonstrating effective stewardship of resources to the public.



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The following table outlines the estimated savings beginning July 2, 2012.

Reductions	Operating Savings Year One	Operating Savings Year Two
<i>Health/Dental insurance</i>	No measurable savings.	To be determined.
<i>Cash Back (opt out health insurance)</i>	\$150,000 - \$200,000 est.	\$150,000 - \$200,000 est.
<i>PERS – phased implementation of employee pickup</i>	\$170,000 - \$190,000 est. Total value of 5.5%	\$180,000 est.
<i>PERS – second tier</i>	NEW – savings are achieved by lowering the ARC and maintaining the 7% employee pickup of their contribution.	Lowers unfunded liability resulting in long-term structural change.
<i>Leave Incentive Credit</i>	\$36,400 est.	\$0 (eliminated last year).
<i>Transit Pass</i>	No savings; costs capped.	\$0 (reduced last year).
<i>PTO Cap, Accrual and Balance</i>	Capping accrual saves \$171,000-\$192,000 est. Stabilizes future liability, producing long-term structural changes.	Accrual cap stabilizes future liability.
<i>Retiree health contributions</i>	\$22,000 est.	Savings in future years would represent the difference of the contribution if it were still offered.
12 furlough days in FY 2012-13 and in FY 2013-14	\$493,400 in FY 2012-13	\$499,936 in FY 2013-14
Total estimated savings	\$767,000 to \$1,000,000 estimated savings.	\$829,900 to \$880,000 estimated savings.

Cost Increases	FY 2012-13	FY 2013-14
<i>COLA and Step Increases</i>		\$450,000, including step increases
<i>Retiree Health Savings (RHS)</i>	\$144,000	\$173,000
Total Estimated Savings	\$620,000 to \$1,000,000 total estimated savings.	\$200,000 to \$250,000 total estimated savings.



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ATTACHMENTS

Resolution #12-29 approving the Memorandum of Understanding Between the Sacramento Public Library Authority and International Union of Operating Engineers, Stationary Local 39, AFL-CIO Covering all Employees in the Library Unit, July 1, 2012 – March 31, 2015.

Exhibit A: Memorandum of Understanding with International Union of Operating Engineers, Stationary Local 39, AFL-CIO Covering all Employees in the Library Unit, July 1, 2012 – March 31, 2015.



Sacramento Public Library Authority

RESOLUTION NO. 12-29

Adopted by the Governing Board of the Sacramento Public Library Authority on the date of:

June 18, 2012

A RESOLUTION APPROVING THE MEMORANDUM OF UNDERSTANDING BETWEEN THE SACRAMENTO PUBLIC LIBRARY AUTHORITY AND INTERNATIONAL UNION OF OPERATING ENGINEERS, STATIONARY LOCAL 39, AFL-CIO COVERING ALL EMPLOYEES IN THE LIBRARY UNIT, JULY 1, 2012 – MARCH 31, 2015.

BE IT HEREBY RESOLVED BY THE GOVERNING BOARD OF THE SACRAMENTO PUBLIC LIBRARY AUTHORITY AS FOLLOWS:

BACKGROUND

- A. The existing Memorandum of Understanding (MOU) for the International Union of Operating Engineers, Stationary Engineers Local 39, AFL-CIO Covering All Employees in the Library Unit expired December 31, 2011.
- B. Pursuant to the Meyers-Millias-Brown Act governing public sector collective bargaining, following the unilateral implementation of new employment terms and conditions the Sacramento Public Library Authority (SPLA) has met and conferred with representatives of Local 39.
- C. The parties have reached a tentative agreement that is consistent with the obligations of SPLA to bargain in good faith, in line with SPLA's strategic goals and vital to SPLA's mission to offer quality, accessible library services to the community.

NOW THEREFORE BE IT RESOLVED BY THE GOVERNING BOARD OF THE SACRAMENTO PUBLIC LIBRARY AUTHORITY AS FOLLOWS:

- 1. The Memorandum of Understanding (MOU) covering the International Union of Operating Engineers, Stationary Engineers Local 39, AFL-CIO Covering All Employees in the Library Unit is approved, attached hereto as Exhibit A.
- 2. The Library Director is authorized to sign all documents related to this MOU within the approved terms.

Sophia Scherman, Chair

ATTEST:
Rivkah K. Sass, Secretary

By: _____
Brenda Haggard, Assistant Secretary



Sacramento Public Library Authority

ATTACHMENT:

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