NEGOTIATIONS SUMMARY AND RECOMMENDATION

City Employees Association (CEA)
OVERALL STRATEGY AND GOALS

- City of El Segundo and City Employees Association commenced the meet and confer process on August 24, 2014.

CITY OBJECTIVES DURING MEET AND CONFER PROCESS

- Create a financially predictable cost structure for the City where future expenses can be accurately planned and forecast.
- Have employees take on a greater share of the increasing retirement and health insurance costs to be offset with an increase in salary.
- Create consistency, where possible, between groups with respect to special compensations, such as education pay and longevity pay, and how overtime is calculated.
- Increase days of operation per week by moving to a 9/80 work week so that citizens and business can access services on Fridays.
- Seek to maintain/provide for a motivated, productive workforce by offering competitive salaries and benefits for both current and future employees.
NEGOTIATIONS AND IMPASSE PROCESS

- A total of eleven (11) meet and confer sessions were held.
- The City presented its Last, Best and Final Offer on December 9, 2015 consisting of either a three (3) year offer or an alternative one (1) year offer.
- On January 13, 2016 the City was informed that the CEA had taken a vote among their 59 members. 58 voted and of those 56 voted to reject the City’s Last, Best and Final Offer.
- Based on the CEA vote, the City initiated the impasse procedures in accordance with the City’s Employer-Employee Relations Ordinance.
- Both parties agreed to move to Mediation and two (2) separate Mediation meetings were conducted (March 14th and April 12th of 2016).
- Despite the two Mediation meetings, the CEA and the City of El Segundo were unable to reach agreement. Key issues of agreement and disagreement were as follows:
### Key Issues in Agreement

<table>
<thead>
<tr>
<th>Issue</th>
<th>City Proposal</th>
<th>CEA Proposal</th>
</tr>
</thead>
<tbody>
<tr>
<td>Salary</td>
<td>1) 7% Base Salary Increase upon ratification</td>
<td>Agreed</td>
</tr>
<tr>
<td></td>
<td>2) 3% Base Salary increase effective 10/1/2016</td>
<td></td>
</tr>
<tr>
<td>Employer Paid Member Contribution (EPMC)</td>
<td>Employees to pay the 7% Member Contribution upon ratification</td>
<td>Agreed</td>
</tr>
</tbody>
</table>
## Key Issues in Disagreement

<table>
<thead>
<tr>
<th>Issue</th>
<th>City Proposal</th>
<th>CEA Proposal</th>
</tr>
</thead>
<tbody>
<tr>
<td>Overtime Rate of Pay</td>
<td>Sick Leave and Vacation excluded hours worked for overtime calculations and Regular Rate of Pay and EPMC is not included</td>
<td>Vacation hours taken to count towards hours worked for overtime calculation. EPMC to be calculated into Rate Regular Rate of Pay and overtime calculations</td>
</tr>
<tr>
<td>Health Insurance</td>
<td>Increase from $1096.36 to $1160.71 fixed per mo. for F/T and $580.36/mo. for permanent P/T</td>
<td>Increase from $1096.36 to $1400.00 fixed per mo. For F/T and $700/mo. For permanent P/T</td>
</tr>
<tr>
<td>Education Incentive Pay</td>
<td>Eliminate for future employees</td>
<td>Retain for New Employees</td>
</tr>
<tr>
<td>Longevity Pay</td>
<td>Eliminate for future employees</td>
<td>Retain for New Employees</td>
</tr>
<tr>
<td>Work Schedule</td>
<td>Change to 9/80, every other Friday dark.</td>
<td>Keep 4/10 work schedule</td>
</tr>
<tr>
<td>Leave Payouts</td>
<td>Payout at “base salary hourly rate” and EPMC not calculated into pay rate.</td>
<td>Payout at “regular rate of pay”</td>
</tr>
<tr>
<td>Guaranteed No Layoff Language</td>
<td>Remove language</td>
<td>Keep language</td>
</tr>
</tbody>
</table>
FACT FINDING
Final Step of Impasse Procedure

- If requested by the union, the final step of the impasse procedure is to engage in the Fact Finding process
- CEA filed its petition for Fact Finding with the Public Employment Relations Board (PERB)
- On June 21, 2016 a Fact Finding hearing was conducted before a three member hearing panel; a neutral arbitrator assigned by PERB, and two panel representatives, one selected by CEA and one by the City.
- The resulting non-binding Fact Finding Report was received on November 5, 2016 and filed with the City Clerk’s Office and made publically available by posting it on the City’s website.
FACT FINDING
Final Step of Impasse Procedure

- In April 2017 City representatives informed CEA through their attorney, that the matter would be presented to the City Council for resolution at a Special meeting scheduled for May 9, 2017 with a recommendation to implement the terms of the City’s 1-Year Last, Best and Final Offer to the CEA bargaining unit.

- On April 27, 2017, the City Manager issued a written memorandum to members of the CEA bargaining unit to make them aware of the current status of negotiations and the Special Council meeting scheduled for May 9, 2017.
CONCLUSION AND RECOMMENDATION

- Over the past thirty-three (33) months despite conferring in good faith and having exhausted the impasse procedure; the parties remain unable to reach an agreement.

**Recommendation**

- City Council approval of the Resolution to implement the terms and conditions of employment set forth in the City’s one-year last, best and final.