



## **STATUS OF EMPLOYEE LABOR AGREEMENTS**

La Habra Ad Hoc Fiscal Review Committee

Thursday, October 17, 2019

# STATUS OF EMPLOYEE LABOR AGREEMENTS

- The City negotiates labor agreements with five separate bargaining groups:
  - Police Sworn Employees
  - Police Civilian Employees
  - Field Employees
  - General Employees
  - Professional Employees
- 3-year agreements with each represented group (July 1, 2018 – June 30, 2021)
- Executive and Management staff are unrepresented

# Current Bargaining Agreements (2018-21)

<b><i>Year 1</i> 2018-19</b>	<b>Police-Sworn</b>	<b>Police-Civilian</b>	<b>Field Employees</b>	<b>General Employees</b>	<b>Professional</b>
<b>Cost of Living Adjustment</b>	<b>4%</b>	<b>3.5%</b>	<b>3%- (except WST) 5%- Water Service series</b>	<b>3%</b>	<b>3%</b>
<b>One-Time Lump Sum Payment</b>	<b>2%</b>	<b>2%</b>	<b>1.5%</b>	<b>1.5%</b>	<b>2%</b>
<b>Insurance Benefits (Medical, Dental, Vision)</b>	<b>\$1,370/mo.</b>	<b>\$1,370/mo.</b>	<b>\$1,315/mo.</b>	<b>\$1,315/mo.</b>	<b>\$1,250/mo.</b>
<b>PERS - additional % of compensation paid by employee</b>	<b>1%</b>	<b>1%</b>	<b>1%</b>	<b>1%</b>	<b>1%</b>

# Current Bargaining Agreements (2018-21)

<b>Year 2 2019-2020</b>	<b>Police- Sworn</b>	<b>Police- Civilian</b>	<b>Field Employees</b>	<b>General Employees</b>	<b>Professional</b>
<b>Cost of Living Adjustment</b>	<b>3%</b>	<b>2.5%</b>	<b>2%- (except WST series) 5% -Water Service series</b>	<b>2%</b>	<b>2%</b>
<b>One-Time Lump Sum Payment</b>	<b>2%</b>	<b>2%</b>	<b>1.5%</b>	<b>1.5%</b>	<b>2%</b>
<b>Insurance Benefits (Medical, Dental, Vision)</b>	<b>\$1,410/mo.</b>	<b>\$1,410/mo.</b>	<b>\$1,385/mo.</b>	<b>\$1,385/mo.</b>	<b>\$1,300/mo.</b>
<b>PERS -additional % of compensation paid by employee</b>	<b>1%</b>	<b>_____</b>	<b>_____</b>	<b>_____</b>	<b>_____</b>

# Current Bargaining Agreements (2018-21)

<b><i>Year 3 2020-21</i></b>	<b>Police-Sworn</b>	<b>Police-Civilian</b>	<b>Field Employees</b>	<b>General Employees</b>
<b>Cost of Living Adjustment</b>	<b>3%</b>	<b>2%</b>	<b>2% (except WST) 5% Water Service series</b>	<b>2%</b>
<b>One-Time Lump Sum Payment</b>	<b>2%</b>	<b>2%</b>	<b>1.5%</b>	<b>1.5%</b>
<b>Insurance Benefits (Medical, Dental, Vision)</b>	<b>\$1,450/mo.</b>	<b>\$1,450/mo.</b>	<b>\$1,450/mo.</b>	<b>\$1,450/mo.</b>
<b>PERS -additional % of compensation paid by employee</b>	<b>1%</b>	<b>_____</b>	<b>_____</b>	<b>_____</b>











# Labor Negotiation – County Benchmark

- City operates on a philosophy of offering employee compensation (salary and benefits) based on what it can afford, but does compare employee compensation against County average compensation, as well as compensation levels in surrounding agencies
- HR staff routinely gathers compensation data to better understand current labor market trends and where La Habra employee compensation is relative to other similar sized cities
- Goal to be close to average (both in salary and total compensation) to keep competitive in the labor market
- **City Council has traditionally maintained a philosophy that employee compensation is limited by the City's available resources at time of negotiation**

# Labor Negotiation – County Benchmark

	<b>City of La Habra Comparison to County Benchmark for Select Positions</b>			
	<b>2010</b>	<b>2012</b>	<b>2016</b>	<b>2019</b>
<b>Police Officer</b>	-6% salary -8% total comp	-7% salary -10% total comp	-7% salary -8% total comp	+1% salary -1% total comp
<b>Police Records Specialist</b>	-9% salary -10% total comp	-12% salary -14% total comp	-10% salary -10% total comp	-3% salary -5% total comp
<b>Communications Operator (911 Dispatcher)</b>	-9% salary -12% total comp	-10% salary -12% total comp	-9% salary -10% total comp	-3% salary -5% total comp
<b>Associate Planner</b>	-17% salary -17% total comp	-19% salary -21% total comp	-15% salary -17% total comp	-9% salary -9% total comp
<b>Planning Manager</b>	-15% salary -15% total comp	-16% salary -18% total comp	-8% salary -10% total comp	-2% salary -4% total comp

# Labor Negotiation – County Benchmark

	<b>City of La Habra Comparison to County Benchmark for Select Positions</b>			
	<b>2010</b>	<b>2012</b>	<b>2016</b>	<b>2019</b>
<b>Account Clerk</b>	-13% salary -12% total comp	-15% salary -19% total comp	-13% salary -16% total comp	-6% salary -5% total comp
<b>Intermediate Clerk</b>	-12% salary -14% total comp	-14% salary -16% total comp	-11% salary -13% total comp	-5% salary -6% total comp
<b>Street Service Worker (M40)</b>	-13% salary -14% total comp	-15% salary -19% total comp	-13% salary -14% total comp	-8% salary -8% total comp
<b>Equipment Mechanic</b>	-15% salary -16% total comp	-19% salary -20% total comp	-14% salary -14% total comp	-9% salary -9% total comp
<b>Code Enforcement Officer</b>	-13% salary -14% total comp	-16% salary -19% total comp	-13% salary -15% total comp	-7% salary -8% total comp

# Police Vacant Positions

Vacancies in 2017 - two tier salary schedule\*

- Sworn = 15
- Civilian = 5

Vacancies in 2019 – single tier salary schedule

- Sworn = 3
- Civilian = 1

\*The creation of a second tier salary schedule effectively had the City paying employees hired after 7/1/2010 less than their counterparts hired before 7/1/2010 for the same jobs.

# City of La Habra

## Pension Reforms (2010-2020)

- **City of La Habra began pension reform in 2010**
  - Employees hired on or after July 1, 2010, pay full “employee” rate of PERS contribution (7% or 9%)
- **City of La Hara establishes “Tier 2” in 2012**
  - Employees hired on or after January 14, 2012, placed in lower benefit PERS category (“2% at 60” for Miscellaneous employees and “2% at 50” for Safety employees)
- **California Legislature Adopts Public Employees Pension Reform Act (PEPRA) in 2013**
  - Employees hired on or after January 1, 2013, and new to CalPERS system pay full “employee” rate and placed in new PERS category (“2% at 62” for Miscellaneous employees and “2.7% at 57” for Safety employees)

## Pension Reforms (cont.)

- **City of La Habra Implements Additional Pension Reform in 2013**
  - “Classic” Miscellaneous employees hired before July 1, 2010, begin contributing 3% toward “employee” cost of PERS; contribution grows to 7% in 2014
  - “Classic” Safety employees hired before July 1, 2010, begin contributing 3% toward “employee” cost of PERS; contribution grows to 9% by 2014

# Pension Reforms (cont.)

- **City of La Habra continues Pension Reform in 2018**
  - All Miscellaneous employees (Classic Tier 1 and Tier 2 and PEPRA) begin contributing an additional 1% toward PERS costs in 2018 (total contribution = 8% for all Classic Miscellaneous employees)
  - All Classic Safety employees begin contributing an additional 1% toward PERS costs in 2018. Contribution grows an additional 1% in 2019 and 1% in 2020 (total contribution = 12% for all Classic Safety employees)

# PERS CHANGES OVER THE YEARS

DATE	MISCELLANEOUS	POLICE
07/01/1959	City contracts with CalPERS (2% at 60)	City Contracts with CalPERS (2% at 50)
03/17/1984		Final Compensation – 1 year
06/30/1999	Modify to 2% at 55 formula	
10/21/2000	Final Compensation – 1 year	
01/01/2002		Modify to 3% at 50 formula
07/01/2006		Allow Military Service Credit Allow Unused sick leave credit
07/01/2010	Newly hired employees pay full employee contribution = 7%	Newly hired employees pay full employee contribution = 9%
01/14/2012	New formula for new employees = 2% at 60 Final Compensation – 3 year average	New formula for new employees hired on or after = 2% at 50 Final Compensation – 3 year average
01/01/2013	PEPRA; new employees = 2% at 62	PEPRA; new employees = 2.7% at 57
07/01/2013	“Classic” employees contribute 3% towards “employee” portion of PERS costs; grows to 7% on July 1, 2014	“Classic” employees contribute 3% towards “employee” portion of PERS costs; grows to 7% on July 1, 2014
07/01/2018	“Classic” employees contribute an additional 1% toward “employer” portion of PERS costs (8% total contribution)	“Classic” employees contribute 3% toward “employer” portion of PERS costs over three years (12% total contribution)