

SANTA YNEZ COMMUNITY SERVICES DISTRICT

MEMORANDUM

TO: Board of Directors

FROM: Richard Battles, Legal Counsel

DATE: September 21, 2022

SUBJECT: Consideration and Adoption of Resolution No. 22-23 Approving Changes to the Terms and Conditions of Employment of Employees Represented by Teamsters Union, Local No. 986

Recommendation

It is recommended that the Board of Directors review and discuss Resolution No. 22-23. If the Resolution is supported by a majority of the Board members, it is recommended that the Board adopt the Resolution, subject to any revisions that the Board deems appropriate.

Policy Implications

The adoption of Resolution No. 22-23 will implement the terms of the District's Last, Best, and Final Offer to the Union.

Discussion

Resolution No. 22-23 documents the history with respect to the District's efforts to negotiate the renewal of the contracts between the District and the Teamsters Union, Local 986, covering the administration bargaining unit and the operators bargaining unit. Those contracts expired on June 30, 2021. As part of the negotiation process, the District (i) engaged in 10 meetings with the Union, (ii) participated in a full-day mediation session with a mediator from the California State Mediation & Conciliation Service, (iii) met and conferred with the Union, (iv) presented the Union with the District's Last, Best and Final Offer ("LBFO"), and (v) exhausted all reasonable avenues by which to negotiate a renewal of the contracts. Those efforts ultimately ended in an impasse. Under these circumstances, the Board can decide to implement the terms of its LBFO by adopting Resolution No. 22-23.

Attachment

Proposed Resolution No. 22-23

RESOLUTION NO. 22-23

**A RESOLUTION APPROVING CHANGES TO THE TERMS
AND CONDITIONS OF EMPLOYMENT OF EMPLOYEES
REPRESENTED BY TEAMSTERS UNION, LOCAL NO. 986**

WHEREAS, the Teamsters Union, Local 986 (the “Union”), represents two bargaining units of Santa Ynez Community Services District employees, specifically the administration bargaining unit, and the operators bargaining unit.

WHEREAS, the three-year contracts between the District and the Union covering the administration bargaining unit and the operators bargaining unit (collectively, the “Union Contracts”) both expired on June 30, 2021.

WHEREAS, in July of 2021 the District and the Union commenced negotiations relating to the renewal of the Union Contracts. The parties engaged in ten (10) meetings and a full-day mediation session with a mediator from the California State Mediation & Conciliation Service (“SMCS”) in an effort to reach an agreement on the renewal, yet failed to reach agreement.

WHEREAS, the District has met and conferred with the Union in an attempt to negotiate a renewal of the Union Contracts for each bargaining unit.

WHEREAS, during the bargaining session on June 22, 2022, the District presented the Union with its Last, Best and Final Offer (the “LBFO”), which is attached hereto as Exhibit “A”.

WHEREAS, during the bargaining session on July 6, 2022, the Union rejected the LBFO.

WHEREAS, the District and Union have exhausted all reasonable avenues by which to negotiate a renewal of the Union Contracts and have reached an impasse in the meet and confer process.

WHEREAS, the District and Union have been unable to resolve this impasse.

WHEREAS, the District’s Board of Directors (the “Board”) recognizes that one of the District’s greatest assets is its employees. The Board acknowledges the contributions that its employees make to the District and to the community that the District serves. The Board is committed to providing fair and reasonable wages and benefits to its employees, consistent with the wages and benefits that are offered by comparable public agencies for comparable employment positions (“Market Rate Compensation”). The Board recognizes that providing

Market Rate Compensation to the District's employees is necessary to recruit and retain qualified employees, provide a high level of service to the District's customers, and maintain a high level of employee morale.

WHEREAS, the Board also recognizes that it has a responsibility to its customers to ensure that the wages and benefits provided to the District's employees do not exceed Market Rate Compensation because the District's customers ultimately pay for all such wages and benefits through the District's rates and charges.

WHEREAS, as set forth in the LBFO, the District has offered equitable wage increases consistent with its responsibility to its constituents and customers.

WHEREAS, as also set forth in the LBFO, the District has offered to continue its existing monthly Section 125 cafeteria plan contributions.

WHEREAS, the District has previously allowed employees who do not select health benefits up to the monthly maximum under the Section 125 cafeteria plan to receive cash in lieu of the cost of the benefits ("Cash in Lieu"). Under the LBFO, the District proposed to eliminate Cash in Lieu given that, when Cash in Lieu payments are factored in, the employees' wages and benefits exceed Market Rate Compensation.

WHEREAS, during the full-day mediation with the SMCS mediator, in order to reduce the impact on the District's employees from the elimination of Cash in Lieu, the District's negotiating team proposed to (i) phase in the Cash in Lieu change over time so that the reduction in Cash in Lieu would be offset by future wage increases, or (ii) allow the employees to retain some portion of the Cash in Lieu if they could demonstrate that they had adequate health coverage from another source.

WHEREAS, during the full-day mediation with the SMCS mediator, the District's negotiating team was advised that the Union rejected these proposals.

WHEREAS, the District's Board of Directors has considered the matter and has decided to implement the changes to the terms and conditions of employment from its LBFO, following exhaustion of its duty to meet and confer with the Union.

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the Santa Ynez Community Services District as follows:

1. The Board hereby implements the terms and conditions contained in the LBFO attached hereto as Exhibit "A".

2. The General Manager of the District is hereby authorized and directed to implement the terms of the LBFO as soon as administratively feasible.

PASSED AND ADOPTED this 21st day of September, 2022, by the following vote of the Board of Directors of the Santa Ynez Community Services District:

AYES:

NOES:

ABSTAIN:

ABSENT:

Karen Jones,
President of the Board of Directors

ATTEST:

Wendy Berry,
Secretary of the Board of Directors

EXHIBIT "A"
Last, Best, and Final Offer

[Attached]

6/22/22

SYCSD Last, Best and Final Offer (LBF)

- Term: One Year (7/1/22 – 6/30/23)
- Wages
 - Retroactive to 7/1/21, the District will provide a wage increase of the 2.7%, which reflects the Los Angeles Area CPI-W increase for March 2021. This retroactive wage increase is in keeping with the expired MOU, which provided yearly CPI-based increases effective in July of each year of the contract, capped at 3.5% in 2019 and 2020.
 - Effective 7/1/22, the District will provide a CPI-based wage increase of 3.5%, in keeping with the 2019 and 2020 caps in the expired MOU. This increase is only effective for the term of this LBF, from 7/1/22 to 6/30/23. As of 6/30/23, there shall be no status quo on yearly wage increases going forward. In other words, any future wage increases will be based on subsequent labor negotiations, as opposed to the status quo in the expired MOU.
 - In addition to the CPI increases set forth above, the District will increase the 7/1/20 “pay schedule” for the Chief Plant Operator classification by twenty percent (20%) for each of the five steps (A-E), to bring the salary range of this classification closer in line with the District’s peer agencies.
- Benefits
 - Section 125 Plan: The District will eliminate the “Cash in Lieu” option, whereby employees are allowed to take cash “in lieu” of using the Section 125 plan mounts for health and dental benefits. However, the District will maintain its preexisting monthly contribution to a Section 125 cafeteria plan. The plan can be used only for health and dental benefits (not for cash), for themselves and family members. The monthly amount that is contributed to the employees’ Section 125 Plan was \$2,000/month in June 2018 and was adjusted yearly by the September Los Angeles area CPI, effective January 2019, 2020 and 2021. In keeping with the expired MOU, the Section 125 Plan contribution amount will be adjusted retroactively as of January 2022, based on the 3.5% cap in the expired MOU. As of 6/30/23, there will be no status quo on yearly CPI adjustments to the Section 125 plan going forward. In other words, any future increases will be based on subsequent labor negotiations, as opposed to the status quo in the expired MOU.
- Leave Benefits
 - Bereavement Leave: The District accepts the Teamsters’ proposal on bereavement leave, subject to a cap of five days of bereavement leave per calendar year.