



**REPORT TO MAYOR AND CITY COUNCIL**

AGENDA ITEM

TO: THE HONORABLE MAYOR  
AND CITY COUNCIL

DATE: September 1, 2009

SUBJECT: Adopt Resolutions to Approve Memoranda of Understanding with  
Bargaining Units

**Report in Brief**

This year all of the adopted Memoranda of Understanding for the employee units expired on June 30, 2009 and were scheduled for negotiation. With the budget restrictions, every attempt was made to determine an equitable solution for employees in the City to share in the reduction of expenses without having to implement layoffs. The units have bargained in good faith and in the spirit of collaboration while agreeing to significant concessions in order to minimize the impact on the community and their members. As a result, thus far only one employee has been laid off and the restructuring of City operations have allowed employees to be reassigned to vacant positions or opting to retire.

Staff recommends that the City Council adopt the attached Resolutions to approve the Memoranda of Understanding for the following units: Confidential, Woodland Professional Police Employees' Association, Woodland Police Supervisors' Association, Woodland Mid-Management Professionals Association, Woodland Police Mid-Management Employees, Woodland Fire Mid-Management Employees, Woodland Professional Firefighters' Association Members, Woodland City Employees Association Employees and acknowledge the equitable reductions that have been implemented for the City Manager and Senior Managers as described herein.

**Background**

As required, negotiations have been held with each of the units described above. While recognizing the value of the workforce and the acknowledgment that Woodland's employees are the City's number one asset, the current fiscal condition required management to express the need for the employee units to consider reductions in their compensation. Implementation of compensation reductions would avoid layoffs and minimize the impact of service level reductions on Woodland residents and businesses. The negotiating teams for each unit responded by bargaining in good faith and working collaboratively with management to address the severe fiscal challenges before the City.

In order to develop an equitable strategy to reduce employee compensation costs, the bargaining units and management focused on the implementation of furloughs. Conditions for implementing furloughs were crafted for each unit and varies based on the operational demands for each functional area. Through collaboration between management and the bargaining units, conditions were accepted by each unit that met the objective of equitably reducing compensation with minimal impact on residents and businesses. As an example, general employees and most management staff will be furloughed November 23-25, 2009 (Thanksgiving week), December 21-24 and 28-31, 2009 (Holiday season), and on May 28, 2010 (Friday before Memorial Day weekend). This program will enable closure of City offices during traditionally slow business days and facilitate advance notification to the public. The closure of facilities such as City Hall for a block of consecutive days will also provide utility savings.

Public safety and certain Public Works staff will be furloughed through alternative conditions due to the need to meet minimum staffing requirements and continue or support City operations that must be available 24 hours per day. The Police and Fire Departments will charge hours used for vacation or sick leave as needed against furlough hours which will be “banked”. Public Works employees at the Waste Water Treatment Plant, Fleet and Facilities and Utilities will be minimally staffed during furlough periods in order to maintain sanitary sewer, water and equipment operation. These employees will also charge their vacation and sick leave hours against the “banked” furlough hours. From a compensation reduction standpoint, the result is the same as taking a furlough day off.

In addition, the City has committed where feasible and within the parameters of PERS law to offer the “Golden Handshake” retirement incentive option. As the Council is aware, twelve (12) employees enrolled in the program last spring, enabling the City to generate annual savings of over \$1 million. The bargaining units and management believe that the Golden Handshake is an excellent strategy to reduce the workforce without requiring the involuntary discharge of employees due to layoffs.

A breakdown of the major points of each of the unit proposal are as follows:

Confidential: There are four employees currently in this unit, Human Resources Manager, Human Resources Analyst, Human Resources Technician and Secretary to the City Manager.

Major Points of the Resolution:

- One year agreement.
- A 4.6% reduction in salary due to 12 unpaid furlough days per year.
- Freezing of the employer-paid allowance for medical benefits at current rates.
- Total anticipated savings from this unit is approximately 5%.

Woodland Police Professional Employees: This unit consists of Police Officers, Community Services Officers, Senior Police Records Specialist and Police Records Specialist.

Major points of the MOU:

- Three year agreement.
- A 4.6% reduction in salary due to 12 unpaid furlough days per year for two years of the agreement.
- Effective July 1, 2011 in the third year of the agreement a 4% salary increase.
- Freezing of the employer-paid allowance for medical benefits at current rates.  
Effective January 1, 2012, total benefit to be increased by the amount necessary for the City to pay full cost of the third highest plan.
- Total anticipated savings from this unit is 5% each year for two years.

Woodland Police Supervisors' Association: This unit consists of Police Sergeants.

Major points of the MOU:

- Three year agreement.
- A 4.6% reduction in salary due to 12 unpaid furlough days per year for two years of the agreement.
- Effective July 1, 2011 in the third year of the agreement a 4% salary increase.
- Freezing of the employer-paid allowance for medical benefits at current rates.  
Effective January 1, 2012, total benefit to be increased by the amount necessary for the City to pay full cost of the third highest plan.
- Total anticipated savings from this unit is 5% each year for two years.

Woodland Mid-Management Professionals: This unit consists of mid-managers of the City including such employees as Accountants, Engineers, Librarians, Analysts, Managers, etc.

Major Points of the MOU:

- One year agreement.
- A 4.6% reduction in salary due to 12 unpaid furlough days per year for two years of the agreement.
- Freezing of the employer-paid allowance for medical benefits at current rates.

Woodland Police Mid-Management Employees: This unit consists of one Police Captain and three Police Lieutenants.

Major Points of the MOU:

- Three year agreement.
- A 4.6% reduction in salary due to 12 unpaid furlough days per year for two years of the agreement.
- Effective July 1, 2011 in the third year of the agreement a 4% salary increase.
- Freezing of the employer-paid allowance for medical benefits at current rates.  
Effective January 1, 2012, total benefit to be increased by the amount necessary for the City to pay full cost of the third highest plan.

Woodland Fire Mid-Management Employees: This unit consists of four Battalion Chiefs.

Major Points of the MOU:

- One year agreement.
- A 4.6% reduction in salary due to 12 unpaid furlough days to be reduced in salary over an eleven month period.
- Freezing of the employer-paid allowance for medical benefits at current rates.

Woodland Professional Firefighters' Association: This unit consists of Firefighters, Fire Engineers, Fire Captains, Fire Prevention Specialists.

Major Points of the MOU:

- Three year term.
- A 4.6% reduction in salary due to 12 unpaid furlough days per year for two years of the agreement, beginning August 1, 2009.
- Effective July 1, 2011 in the third year of the agreement a 4% salary increase.
- Freezing of the employer-paid allowance for medical benefits at current rates. Effective January 1, 2012, total benefit to be increased by the amount necessary for the City to pay full cost of the third highest plan.
- Modified the language relating to State Training requirements.
- Added language relating to the Firefighter Bill of Rights.

Woodland City Employees' Association: This unit consists of employees in the clerical field, code compliance, technicians, maintenance, finance, utilities and water.

Major Points of the MOU:

- One year term.
- A 4.6% reduction in salary due to 12 unpaid furlough days per year for two years of the agreement, beginning August 1, 2009.
- Freezing of the employer-paid allowance for medical benefits at current rates.

City Manager and Senior Management: This group of employees is not covered by a MOU as they are at-will employees, including the City Manager and all Department Directors.

Major Points:

- A 4.6% reduction in salary due to 12 unpaid furlough days per year.
- Freezing of the employer-paid allowance for medical benefits at current rates.

**Discussion**

The negotiations completed in during the last four months was challenging given the current fiscal conditions facing Woodland. These negotiations and the memoranda of understanding would not have been completed without the full cooperation of the bargaining units and their negotiating teams.

These units worked diligently to conclude the negotiation process with a result that minimizes the potential impact to Woodland residents and businesses as well as their members. While some disagreements on issues did arise during the process, the management and bargaining unit negotiators worked through the issues in order to generate the most favorable result. The City management team believes that Woodland employees are to be commended for their willingness to assist their City in this challenging time.

**Fiscal Impact**

The net impact of the memoranda of understanding described herein is a reduction in projected employee costs of \$800,000 during FY 2009-10. These reductions were critical to meet the General Fund deficit discussed during the Council’s budget meetings.

**Public Contact**

Posting of the City Council agenda.

**Alternative Course of Action**

1. Adopt the attached Resolutions to approve the Memoranda of Understanding for the following units: Confidential, Woodland Professional Police Employees’ Association, Woodland Police Supervisors’ Association, Woodland Mid-Management Professionals Association, Woodland Police Mid-Management Employees, Woodland Fire Mid-Management Employees, Woodland Professional Firefighters’ Association Members, Woodland City Employees Association Employees and acknowledge the equitable reductions that have been implemented for the City Manager and Senior Managers as described herein.
2. Reject any or all of the recommended Agreements and direct staff to return to the table to attempt further reductions.

**Recommendation for Action**

Staff recommends that the City Council approve Alternative No. 1.

Prepared by: Sue Vannucci, Director of  
Administrative Services

---

Mark G. Deven  
City Manager

Attachment: Memoranda of Understanding (note, if not attached, a copy is available in the City Clerks office)