




City of Phoenix

To: Mayor and City Council

Date: April 29, 2014

From: Ginger Spencer 
Special Assistant to the City Manager

Subject: FORMAL AGENDA OF APRIL 30, 2014

WITHDRAWALS

Item 26 Page 62 Citywide Present Position Statements from City
and AFSCME Local 2960 (Unit 3)
Unresolved Issues

See attached memo from the Human Resources Director.

ADDITIONAL INFORMATION

Information Requested by Councilman DiCiccio Regarding Labor Contracts



City of Phoenix

To: Ed Zuercher
City Manager

Date: April 29, 2014

From: Lionel D. Lyons
Human Resources Director

Subject: REQUEST TO WITHDRAW ITEM NUMBER 26 – PRESENT POSITION
STATEMENTS FROM CITY AND AFSCME LOCAL 2960 (UNIT 3)
UNRESOLVED ISSUES – FROM THE APRIL 30, 2014 FORMAL AGENDA

This memo requests approval to withdraw the above-referenced Request for Council Action (RCA), Item Number 26, and the back-up City Council Report (CCR) for Item 26, from the April 30, 2014, City Council Formal Agenda. The City has reached a tentative agreement with AFSCME Local 2960 (Unit 3); therefore, a presentation on position statements is no longer necessary.

Separate RCAs and a back-up CCR will be submitted for the May 7, 2014, formal agenda regarding the tentative agreement with AFSCME Local 2960.

Approved:



Ed Zuercher

CITY COUNCIL REPORT

COUNCIL REQUEST

TO: Ed Zuercher
City Manager

PACKET DATE: April 29, 2014

FROM: Mario Paniagua
Budget and Research Director

SUBJECT: INFORMATION REQUESTED BY COUNCILMAN DICICCIO REGARDING
LABOR CONTRACTS

This report provides responses to questions asked by Councilman DiCiccio at the April 22, 2014 Policy Session regarding labor contracts. This report is for information only.

THE ISSUE

At the April 22, 2014 Policy Session, Councilman DiCiccio requested specific information regarding proposed Fiscal Years 2014-2016 labor contracts and comparisons to Fiscal Years 2012-2014 contracts. At the April 30 Formal meeting, the City Council will consider a proposed Memorandum of Understanding (MOU) for Unit 1, LIUNA Local 777. Responses to the questions asked by Councilman DiCiccio are provided below for Unit 1.

As no other agreements have been ratified by union membership, information will be provided for the remaining proposed MOUs when those items are submitted to the City Council for consideration and approval.

OTHER INFORMATION

Unit 1 has a proposed MOU that reduces total compensation by 1.6 percent in 2014-2015 and an additional 0.9 percent in 2015-2016.

Average Cost of Contracts

Councilman DiCiccio asked about the average cost of the contracts per labor unit:

- For Unit 1 in the 2012-2014 MOU, the estimated total compensation after negotiated changes was \$83,412,000. With an estimated 1,237.4 Unit 1 members at the time, the estimated average compensation cost per member was \$67,409.
- For Unit 1 in the 2014-2016 MOU, the estimated total compensation after the proposed negotiated changes is \$79,604,000. With an estimated 1,158.4 Unit 1 members, the estimated average proposed compensation per member is \$68,719.

Merit Cost

Councilman DiCiccio asked about the average cost of merit increases in 2012 and in 2014:

- For Unit 1, the total cost for merit increases from all funds (General, Enterprise, Special, Grant) in Fiscal Year 2012-2013 was \$424,000.
- For Unit 1, the total estimated cost for merit increases from all funds in Fiscal Year 2014-2015 is \$450,000.

Productivity Enhancement (Longevity) Pay Cost

Councilman DiCiccio also asked about the cost of productivity enhancement pay (longevity) in 2012 and in 2014:

- For Unit 1, the total cost for productivity enhancement pay increases from all funds (General, Enterprise, Special, Grant) in Fiscal Year 2012-2013 was \$576,000.
- For Unit 1, the total estimated cost for productivity enhancement pay increases from all funds in Fiscal Year 2014-15 is \$635,000.

Days Off

Councilman DiCiccio asked about the number of days off included in the 2012 MOUs compared to the number of days off included in the proposed 2014 MOUs. For Unit 1, the MOU specifies 11.5 holidays, two days of personal leave, and 15 days of sick leave time. In addition, vacation hours are accrued at the following rate, based on years of service:

Years of Service	Vacation Days
0-5	12 days
6-10	15 days
11-15	16.5 days
16-20	19.5 days
21+	22.5 days

In addition, Unit 1 negotiated the economic value of full time release and union release hours in exchange for vacation leave hours to be returned to each employee in Unit 1. This was negotiated instead of wages or other benefits that would impact the General Fund. For Unit 1, each member will receive an additional 12 hours of vacation time in exchange for not having full time release or union release hours.

Pension

Councilman DiCiccio also asked about the amounts for “pension spiking” in each proposed MOU. In compliance with Council direction, the proposed MOU for Unit 1 for 2014-2016 no longer includes any pension spiking items identified in the action approved by the City Council on October 31, 2013. The proposed MOU removes from compensation for purposes of calculating pension benefits the sellbacks of leave accruals above vacation and sick leave “snapshot” dates. This is the only provision in the proposed MOU that was part of the Council-approved direction to end pension spiking.

Command and Control

Councilman DiCiccio asked about the “command and control features” in each MOU in 2012 and 2014. For Unit 1, the automatic overtime and compensatory time provisions were removed in the proposed 2014 MOU and the economic value of that time was exchanged for vacation leave hours back to each employee in the unit.

The Unit 1 MOU now includes accountability to the Human Resources Department Labor Relations Administrator for all paid City Business union activity. The proposed 2014 MOU language regarding union release time is on page 7 of the proposed MOU with LIUNA, Local 777 (Unit 1) which is available as a backup report to the April 30, 2014 Formal meeting agenda.

RECOMMENDATION

This report is for information only.