

# EXECUTIVE SUMMARY

## Approval of Tentative Bid to Goal MOU's

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### OFFICE OF THE INDEPENDENT BUDGET ANALYST REPORT

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**Date Issued:** March 11, 2011

**IBA Report Number:** 11-16

**City Council Docket Date:** March 14, 2011

**Item Number:** 153 & 154

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On February 16, 2011 the Public Utilities Department presented two Bid to Goal Memorandums of Understanding (MOU) to the Rules Committee for approval:

- The MOU for the Water Fund Employees – effective July 1, 2009 through June 30, 2014. This MOU consolidates the entire Water Fund into one agreement. It replaces the Water Operations MOU, which ended in FY 2009, as well as the Water Customer Support MOU, which ends in FY 2011. This MOU also includes Water Fund support divisions which have never been included in a Bid to Goal program.
- The Fiscal Year 2010 Amendment to the Bid-to-Goal MOU for the Wastewater Fund Employees – effective July 1, 2009 through June 30, 2012. The full IBA report 11-16 highlights certain negotiated changes to the agreement. Note that, with the exception of the FY 2008 bid adjustment, there are parallel provisions in the tentative Water Fund MOU.

The Rules Committee voted to move these tentative MOU's forward to the full City Council without recommendation.

If the tentative Water Fund MOU is not approved, staff has indicated that employees associated with the 2005-2009 Water Operations MOU, which ended June 30, 2009, would not be eligible for incentive awards for FY 2010 and FY 2011. Staff has also pointed out that these employees have been working to achieve the performance goals that have been set.

The tentative Water Fund MOU was ratified by union members in May 2010, before the Mayor decided to terminate the program. The Mayor has already expressed his intention to terminate the Bid to Goal program, effective July 1, 2011, in his February 8, 2011 memorandum to MEA and Local 127; and this is likely the only way to end the Bid to Goal program by this timeframe. There is a termination for convenience clause (upon 60 days written notice) in the tentative Water Fund MOU, as well as in the tentative amendment to the Wastewater Fund MOU. Should City Council desire to modify the terms of the negotiated tentative agreement, consultation with the City's Labor Negotiators in Closed Session would be recommended.

***The IBA recommends approval of the tentative MOU's based on the understanding that the Mayor will cancel the Bid to Goal programs, effective July 1, 2011.***