



City of Santa Ana
20 Civic Center Plaza, Santa Ana, CA 92701
Staff Report
December 20, 2022

TOPIC: Public Hearing Regarding Impasse Pursuant to Government Code 3505.7

AGENDA TITLE:

Implementation of the City's Last, Best and Final Offer Dated September 8, 2022

RECOMMENDED ACTION

As authorized by Government Code section 3505.7, the recommended action of the City Council is to implement the City's last, best and final offer dated September 8, 2022.

DISCUSSION

The Memorandum of Understanding ("MOU") between the City of Santa Ana ("City") and the Santa Ana Police Officers Association ("SAPOA") expired on December 31, 2021. The parties met on November 11, 2021 to schedule negotiations meeting dates and commenced negotiations for a successor MOU on January 5, 2022. The parties continued negotiating through September 2022. During the negotiations process, the parties met twelve (12) times and exchanged thirteen (13) proposals.

The SAPOA's initial proposal was estimated to cost the City approximately \$23.1 million. On May 10, 2022, SAPOA issued a regressive proposal (SAPOA proposal #4) to the City, that increased the estimated cost of SAPOA's proposal by approximately \$2.75 million from its prior proposal (#3). The City demonstrated professional courtesy by informing SAPOA that its proposal was regressive and that the City intended to file an Unfair Practice Charge ("ULP") against SAPOA with the California Public Employment Relations Board ("PERB"). The SAPOA subsequently provided two separate proposals (#5a and #5b), attempting to address the regressive proposal (#4). On August 3, 2022, SAPOA once again issued a regressive proposal (#7) to the City that increased the estimated cost of SAPOA's proposal by approximately \$3.8 million from its prior proposal (#6) (proposal #7 had an estimated cost of \$14.5 million). On August 4, 2022, the City filed an ULP charge against SAPOA with PERB for regressive bargaining and dilatory tactics. To date, the City's ULP charge is still pending with PERB.

During the course of the negotiations, the SAPOA demonstrated regressive bargaining and dilatory tactics, repudiated to engage and discuss the City's priorities, and failed to comprehensively respond to the City's request for information.

On August 24, 2022, SAPOA declared impasse and requested for the parties to participate in mediation. The SAPOA's final proposal is estimated to cost the City approximately \$9.02 million. The City issued its last, best, and final ("LBF") offer to SAPOA on September 8, 2022. The parties selected a mediator with the California State Mediation and Conciliation Service on September 9, 2022, and the mediator agreed to mediate the case on September 12, 2022. The parties scheduled a mediation meeting with the State mediator for October 18, 2022. On October 17, 2022, the day before the mediation, SAPOA cancelled the mediation, with no provided reason. The mediation was rescheduled for December 5, 2022. The parties participated in mediation on December 5, 2022 and were unable to reach an agreement.

The Meyers-Milias-Brown Act ("MMBA"), codified in Government Code sections 3500-3511, governs labor-management relations in public employment. The MMBA sets forth the procedures for labor negotiations, as well as requirements for factfinding, if requested by the labor association, following a declaration of impasse in the negotiations process. SAPOA failed to request factfinding as required in Government Code section 3505.4(a), which states, in part:

"The employee organization may request that the parties' differences be submitted to a factfinding panel not sooner than 30 days, but not more than 45 days, *following the appointment or selection of a mediator* pursuant to the parties' agreement to mediate or a mediation process required by a public agency's local rules..." [emphasis added]

SAPOA had from October 12, 2022 to October 27, 2022 (thirty (30) to forty-five (45) days from September 12, 2022) in which to submit the parties' differences to a factfinding panel. SAPOA did not make such a request during the eligible time period. As a result, SAPOA waived its right to request factfinding. As the parties have been unable to reach an amenable agreement and SAPOA did not request factfinding, the next step in the process is to bring forward the City's LBF for Council to implement. Approval of this item will result in the implementation of the terms and conditions of the City's last, best, and final offer made to SAPOA on September 8, 2022.

The major provisions of the LBF include: one (1) year term from January 1, 2022 through December 31, 2022; salary increase of three percent (3%) effective the first pay period following City Council approval of the MOU; City to administer medical, dental, and long-term disability insurance benefits for active employees effective January 1, 2024; updating discipline and grievance process language; bilingual pay recertifications every three (3) years for employees who receive bilingual pay; modifying the maximum amount

of sick leave that may be converted to employees' retirement health savings accounts from one thousand sixty-six (1,066) hours to one thousand forty (1,040) hours; employees hired or appointed into the unit after City Council approval of the MOU will accrue a maximum of three hundred fifty-two (352) sick leave hours with any accrued hours over the maximum will be cashed out into employees' retirement health savings accounts in January each year; elimination of the City's retiree health contribution to SAPOA; elimination of full-time release for SAPOA president and the return of one (1) floating holiday to SAPOA represented employees; addition of Association Leave Bank of one thousand forty (1,040) hours and deduction of two and a half (2.5) vacation hours per SAPOA represented employee per calendar year; and clarifying language on issues of employment.

ENVIRONMENTAL IMPACT

There is no environmental impact associated with the action.

FISCAL IMPACT

The estimated cost of the LBF is \$1.32 million for FY 2022-23 to the General Fund. The FY 2022-23 General Fund budget includes a set-aside for the additional cost of labor negotiations with the Non-Departmental section of the budget. With the Midyear Budget Report in February 2023, staff will propose housekeeping adjustments to move portions of the Non-Departmental budget to the affected department budgets within the General Fund.

EXHIBIT(S)

1. City of Santa Ana's last, best and final offer.

Submitted By: Jason R. Motsick, Executive Director of Human Resources

Approved By: Kristine Ridge, City Manager