



Staff Report

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**File #:** 21-0674

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**REQUEST FOR CITY COUNCIL ACTION**

**DATE:** 07/07/2021

**TO:** Honorable Mayor and City Council Members

**FROM:** Human Resources Department

**SUBJECT:**

Collective Bargaining Agreements Side Letters and Extension of Professional Services Agreement with Liebert Cassidy Whitmore for Special Legal Services Related to Labor Negotiations and Flores Overtime Issues.

**EXECUTIVE SUMMARY:**

The City is currently engaged in labor negotiations with all five bargaining associations. Due to the complex nature of the current negotiations, the Corona General Employees Association ("CGEA") has entered into a Side Letter to extend the current Memorandum of Understanding ("MOU").

The City has entered into a Side Letter with Corona Supervisors Association ("CSA") to allow for the rollover of 80 hours of Executive Leave from Fiscal Year 2021 to Fiscal Year 2022. This will modify section 7.2 of the current MOU.

City Council Consideration of Approval of a Third Amendment to the Agreement with Liebert Cassidy Whitmore (LCW) for Special Legal Services Related to Labor Negotiations and Flores Overtime Issues; Approve budgetary transfer of \$200,000 from General Government to the Human Resources budget for LCW's services.

**RECOMMENDED ACTION:**

**That the City Council:**

- a. Approve the Side Letter of Agreement Extending the 2019-2021 Memorandum of Understanding between the City of Corona and the Corona General Employees Association.
- b. Approve the Side Letter of Agreement Modifying Section 7.2 of the 2019-2021 Memorandum of Understanding between the City of Corona and the Corona Supervisors Association.

- c. Approve the Third Amendment to the Professional Services Agreement with Liebert Cassidy Whitmore for the additional amount of \$200,000, increasing the total compensation amount from \$200,000 to \$400,000, for additional legal services related to labor negotiations.
- d. Authorize the Purchasing Agent to increase Purchase Order B210312 for Liebert Cassidy Whitmore from \$200,000 to \$400,000.
- e. Approve a General Fund budgetary transfer of \$200,000 from General Government operating budget to Human Resources Department's operating budget.

**BACKGROUND & HISTORY:**

The City entered into an MOU with CGEA in 2019 with an expiration date of June 30, 2021. The Parties are currently negotiating for a successor MOU and believe the process will take additional time beyond the expiration of the MOU, as the negotiations involve both significant re-writes to MOU provisions as well as consideration of a classification and compensation study that the City had a consultant prepare in anticipation of negotiations. The Parties have agreed to an extension of their MOU in exchange for a lump sum payment being made to each member of the bargaining unit.

Section 7.2 of the 2019-2021 MOU between the City and CSA provides that members of the unit who are exempt from overtime shall have the ability to use Executive Leave. The current provision of Executive Leave provides that if an employee has any Executive Leave that they have not used by June 30 of each fiscal year, that leave will not roll over for use in the subsequent fiscal year. Although the parties are currently negotiating for a successor MOU and may modify any of the provisions in the MOU, including the provision on Executive Leave. The City has advised the CSA that on June 30, 2021, it wants to permit CSA members who have unused Executive Leave to be able roll over up to 80 hours of Executive Leave for use in Fiscal Year 2021-2022.

The City is currently under contract with Liebert Cassidy Whitmore for services including special legal consultation, review, analysis, and opinion regarding labor negotiations and other issues related to the Ninth Circuit Flores v. City of San Gabriel decision.

The initial Letter Agreement was entered into on June 4, 2020, through June 30, 2021, for \$10,000. The First Amendment to this contract, signed on August 17, 2020, increased the compensation amount from \$10,000 to \$100,000. On April 7, 2021, the City approved an extension through June 30, 2022, for an additional \$100,000. Based on the remaining amount of work for labor negotiations, the Human Resources Department is requesting an increase in total compensation amount from \$200,000 to \$400,000.

**ANALYSIS:**

In signing the Side Letter of Agreement with CGEA:

- a. The Parties agree that the expiration date of their current MOU is extended to November 15,

2021.

- b. The City agrees that each member of the bargaining unit represented by CGEA as of June 30, 2021, will receive a one-time lump sum payment of one thousand, one hundred and fifty-five dollars and forty-five cents (\$1,155.45) on July 16, 2021.
- c. The City agrees that if the Parties are able to reach an agreement on a successor MOU before November 15, 2021, the MOU will go into effect on the first day of the pay period following City Council approval (following CGEA ratification) of the MOU.
- d. The City agrees that it will continue to roll-up the medical insurance premiums into the overtime rate of CGEA members until the earlier of the first date of the Parties' successor MOU or November 15, 2021.

In signing the Side Letter of Agreement with CSA:

- a. Modify the Executive Leave provisions (Section 7.2) of the 2019-2021 Memorandum of Understanding.
- b. The Parties agree that if any CSA bargaining unit member has unused Executive Leave on June 30, 2021, they may roll over up to 80 hours of Executive Leave for use in Fiscal Year 2021-2022.

Staff recommends a Third Amendment to Letter Agreement for Liebert Cassidy Whitmore and for City Council to approve an increase to the total compensation.

The scope of work consists of:

- Special legal consultation
- Review
- Analysis and opinion regarding labor negotiations
- Other issues related to the Ninth Circuit Flores v. City of San Gabriel decision

Compensation for the above Services shall be based on the actual amount of time spent in adequately performing the Services and shall be billed at the hourly rate. The total compensation, including authorized expenses, shall not exceed Four Hundred Thousand Dollars and No Cents (\$400,000) ("Total Compensation"). Contractor's invoice shall include a detailed description of the Services performed. Invoices shall be submitted to the City monthly as performance of the Services progresses. City shall review and pay the approved charges on such invoices in a timely manner.

**FINANCIAL IMPACT:**

The financial impact of the Side Letter with CGEA is \$302,260, based on active membership at the time this report was prepared. The total includes the Medicare and Unemployment Insurance contributions. The following is a breakdown by funding source:

General Fund	DWP Funds	Other Funds	Total
\$ 165,195.80	\$ 100,245.60	\$ 36,818.60	\$ 302,260.00

There is not a current financial impact for the Side Letter with the CSA group. The employees that are eligible for the executive leave and have a balance as of June 30, 2021 will carry forward a balance of 80 hours into Fiscal Year 2022. Executive Leave does not have a cash value.

Approval for the Third Amendment will result in a budget transfer for \$200,000 from General Government to the Human Resources Department.

**ENVIRONMENTAL ANALYSIS:**

This action is exempt pursuant to Section 15061(b)(3) of the Guidelines for the California Environmental Quality Act (CEQA), which states that a project is exempt from CEQA if the activity is covered by the common sense exemption that CEQA applies only to projects that have the potential for causing a significant effect on the environment. Where it can be seen with certainty that there is no possibility that the activity in question may have a significant effect on the environment, the activity is not subject to CEQA. There is no possibility that the acceptance of this report will have a significant effect on the environment.

**PREPARED BY:** KYLIE LUJAN, HUMAN RESOURCES SUPERVISOR

**REVIEWED BY:** ANGELA RIVERA, CHIEF TALENT OFFICER

**Attachments:**

1. Exhibit 1 - Side Letter of Agreement between the City of Corona and Corona General Employees Association.
2. Exhibit 2 - Side Letter of Agreement between the City of Corona and Corona Supervisors Association
3. Exhibit 3 - Third Amendment to Letter Agreement for Special Legal Services Related to Labor Negotiations and Flores Overtime Issues Between the City of Corona and Liebert Cassidy Whitmore