

In the Matter of the Impasse Between)

CITY OF)
ESCONDIDO)

Employer)

- and-)

TEAMSTERS)
LOCAL 911,)
REPRESENTING,)
MAINTENANCE AND)
ENGINEERING UNIT)
("M&O"), AND)
ADMINISTRATIVE,)
CLERICAL, AND)
ENGINEERING UNIT)
("ACE"))

Union)

FACTFINDING REPORT)
AND RECOMMENDED)
TERMS OF SETTLEMENT)

PERB CASE NO. LA-IM-331-M)

REPORT ISSUED)
February 2, 2024)

Hearing Held on January 4 & 8, 2024

COMPOSITION OF THE FACTFINDING PANEL:

- Impartial Chairperson:** Daniel R. Saling, Esq.
33192 Ocean Hill Drive
Dana Point, CA 92629
- City Member:** Jessica Perpetua
Director of Human Resources
City of Escondido
201 North Broadway
Escondido, CA 92025
- Union Member:** Neil Sholander, Esq.
Attorney/Business Representative and
Vice President, Teamsters Local 911
9900 Flower Street
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MAKING PRESENTATIONS TO THE FACTFINDING PANEL:

- For the City:** Gary J. McCarthy, Esq
Assistant City Attorney
City of Escondido
201 North Broadway
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- For Union:** Neil Sholander, Esq.
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9900 Flower Street
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BACKGROUND AND PROCEDURAL HISTORY

The City of Escondido (City) is located approximately 18 miles inland from the Pacific Ocean. The City is nestled in a long valley in the coastal mountains of Southern California, approximately 30 miles northeast of the City of San Diego and 100 miles south of the City of

Los Angeles. The City has a population of 153,000 residents. Within the 37 square miles that comprise the City, there are residential areas, a regional mall and hospital, commercial centers and numerous parks and recreational facilities.

The City is a full-service general law City providing a traditional range of municipal services under the Council-Manager form of government. The City is governed by a five-member City Council. Also, the City is divided into four districts with each Council member being elected from within a district to serve staggered four-year terms. The Mayor and City Treasurer are elected at-large with the Mayor serving as the presiding officer for the Council, as Successor Agency to the Community Development Commission, Mobilome Rent Review Board, and the Escondido Joint Powers Financing Authority. The City Council appoints the City Manager and City Attorney.

The community served by the City includes a very diverse population, representing the full spectrum of social, environmental, and economic issues. The permanent residents of the City, both owners and renters, agencies and businesses, the employee population, and visitors - whether on business or for pleasure- and even neighboring residents are all served to a greater or lesser degree by the goals, policies, and programs established by the City.

The impasse and factfinding proceedings at issue arose from the negotiations between the City and Teamster, Local 911 (“Union”) for two successor agreements. The Union has represented the Maintenance and Engineering bargaining unit, (“M&O”) and has recently become the exclusive representative for the Administrative, Clerical, and Engineering bargaining unit, (“ACE”) ,who has in the past been represented by the Escondido Employees Association. The City is a political subdivision of the state of California and a public agency within the meaning of Gov. Code Section 3501(c).

The City has approximately 819 employees and 221 part-time employees, that represent 128 full time equivalents.

BARGAINING HISTORY

The Union and the City began bargaining on a successor Memorandum of Understanding (MOU) in April of 2023. Over the course of six months, from May 17, 2023, until October 16,

2023, the Union and the City met, and conferred over the terms and conditions of a successor MOU. The current MOU covering these bargaining units expired by its terms June 30, 2023.

The parties met formally and bargained nine times: May 17, 2023, May 30, 2023, June 6, 2023, June 12, 2023, June 15, 2023, June 27, 2023, July 20, 2023, August 10, 2023, and October 16, 2023. During the bargaining session of October 16, 2023, the Union presented to the City the Union's Proposal #3, and informed the City that the Union was prepared to characterize its offer as its Last Best and Final Offer, unless the City were to later provide a substantive counter. The City then submitted to the Union the City's proposal, which it declared as the City's Last Best and Final Offer for both bargaining units.

Following the submission by the Union and the City of their Last Best and Final Offers, the Union submitted a declaration of impasse to the City on November 15, 2024, and submitted a request for factfinding to PERB on November 17, 2024. On December 6, 2023, Daniel R. Saling was chosen and appointed by the PERB to serve as the neutral chairperson of the Factfinding Panel. The City and the Union designated Jessica Perpetua, and Neil Sholander, Esq. to serve as their respective members of the factfinding panel.

While the bargaining parties were bargaining a successor agreement for both the M&O and the ACE bargaining units, there were no tentative agreements reached.

The City's MOU with its employees in both bargaining units expired more than 6 months prior to the factfinding hearing. The Union contends the negotiation was derailed by the City's alleged unfair approach to labor relations, and the City engaged in a series of unfair practices that led to what became the City's Last Best and Final Offer. The Union filed unfair labor practice charges with PERB against the City alleging multiple acts of bad faith, which had caused negotiations to stall. The Union amended its Unfair Labor Practice charge in an effort to prevent the City from imposing its last, best, and final offer. The unfair charges filed by the Union with PERB remain pending.

The Union has acknowledged that the factfinding panel has no authority to determine whether the City committed unfair labor practices, and the Union has reserved all rights with respect to

any positions or arguments it may make in its unfair practice charge proceedings before PERB, including whether the City may lawfully impose any terms after these proceedings are complete.

The Union seeks a fact-finding decision regarding the appropriate cost of living increase and amount of stipends from Federal stimulus funds payable to the 240 members of the two bargaining units. The Union limited the scope of its factfinding presentation to address only the terms of the agreement, amount of increase and/or stipends. The only issues that will be addressed in this factfinding report will be the terms of the agreement, the issue of a compensation increase and a one-time stipend. All other articles that have yet to be addressed by the bargaining parties will not be addressed by the factfinding panel.

The panel is statutorily authorized to meet with representatives of the parties through investigation and/or hearing. If an agreement settling all issues cannot be reached, the panel will make a factual finding based on the evidence presented and it will recommend the terms of the settlement. To initiate those quasi-legislative responsibilities, a hearing was held on January 4 & 8, 2024, in Escondido, California, during which time the City and the Union were given full opportunity to present evidence on the outstanding issues. The panel members met together with the neutral chairperson to attempt to resolve the impasse. The Factfinding Panel met in their executive session three times, on the afternoon of January 4, 2024, on the afternoon of January 8, 2024, and on February 1, 2024. The parties communicated and exchanged documents between January 4 & February 1, 2024, which allowed panel members to discuss the bargaining parties' factfinding presentations and the process that would be used to reach a consensus regarding the issuance of a factfinding report.

At the conclusion of the executive discussions of the panel, the chairperson indicated that he would prepare a draft of the factfinding report and recommendations. A copy of the proposed factfinding report would be emailed to the partisan members of the panel to either concur or dissent on all or part of the majority opinion. The chairperson prepared the comments and suggestions. The partisan members of the panel were made aware of their right to a final copy of his report and recommendations which were provided to the partisan panel. On February 1, 2024, the panel met to finalize the report.

CITY BUDGET

There was general agreement between the bargaining parties that the City had a budget deficit, and that the City was substantially deferring much of its needed maintenance because of the lack of funds. Efforts by the City Council to increase revenues through the implementation of a new sales tax have failed. The projected deficit based on the projected incomes and expenditures will be \$11.3 million in the 2023-2024 fiscal year. Based on the current economic conditions, and assuming that the City maintains its current level of services and does not initiate new projects or expand services, and does not fund for deferred maintenance, the projected deficits will be approximately \$10 million annually for the next five years and will exceed an accumulative deficit of \$368 million over a 20 period.

CLASSIFICATION AND COMPENSATION STUDY

The City initiated a Class and Compensation Study (“Comp Study”) in 2022 because it was concerned with the recruiting and retention of competent and qualified employees to fill necessary City jobs. The City contracted with Public Sector Personnel Consultants (“PSPC”), to perform a comp study for all the employee positions in the City. The Comp Study addressed the issue of job classification by job title and job description, and the issue of compensation of City job classification in the job market.

When the Comp Study was completed, PSPC proposed changes in the job classifications and increases in the compensation of employees to be competitive in the open job market. The Comp Study determined that City employees were behind approximately 8% citywide. The findings regarding compensation were based on 2022 data and the projected increase in the 2023 markets was projected to be approximately 3% over the prior year. The Comp Study proposed that the City should consider updating the existing salary schedule, move employees onto the next nearest step, allow employees to move to steps in new and higher ranges, and provide a 3% cost of living adjustment.

AMERICAN RESCUE PLAN ACT (ARPA) FUNDING

In early 2021, the United States Congress passed the American Rescue Plan Act (“ARPA”), to mitigate the economic impact caused by the covid epidemic. The City of Escondido applied for and received almost 39 million dollars of this taxpayer money. The Panel understands approximately \$7 million remains uncommitted for the 2023-2024 fiscal year operating budget. An additional \$5 million may be returned, depending on the future of proposed improvements to the City’s aquatics facility.

The ARPA contains a number of provisions that affect hospitals and health systems. Further, the legislation includes additional new funding for rural hospitals and healthcare providers for COVID-19 relief; increased federal subsidies for COBRA coverage; and changes to the Medicare wage index. The legislation also includes provisions to bolster the nation’s COVID-19 healthcare response with additional resources for vaccines, treatment, personal protective equipment (“PPE”), testing, contact tracing and workforce development. Other healthcare-related provisions provide funding to the Department of Labor for worker protection activities. In the ARPA, in addition to health care, there were non-healthcare-specific provisions that provided financial support for families and small businesses, as well as extended and expanded support for housing, childcare, food, and the education system. One of the provisions provided for premium pay for essential workers, offering additional support to those who have and will bear the greatest health risks because of their service in critical sectors.

RELEVANT FACTORS

Government Code Subsection 3505.4 (d) states as follows:

In arriving at their findings and recommendations, the factfinders shall consider, weigh, and be guided by all the following criteria:

- (1) State and federal laws which are applicable to the employer.
- (2) Local rules, regulations, or ordinances.
- (3) Stipulations of the parties.
- (4) The interests and welfare of the public and the financial ability of the public agency.

- (5) Comparison of the wages, hours, and conditions of employment of the employees involved in the factfinding proceeding with the wages, hours, and conditions of employment of other employees performing similar services at comparable agencies.
- (6) The consumer price index for goods and services, commonly known as the cost of living.
- (7) The overall compensation presently received by the employees, including direct wage compensation, vacations, holidays, and other excused time, insurance and pensions, medical and hospitalization benefits; the continuity and stability of employment and all other benefits received.
- (8) Any other facts, not confined to those specified in paragraphs (1) to (7), inclusive, which are normally or traditionally taken into consideration in making the findings and recommendations.

CITY'S GENERAL IMPASSE POSITION

In its last best and final offer on October 16, 2023, the City proposed a one-year agreement ending on June 30, 2024. The City proposed that none of the terms of the agreement be made retroactive and that all changes made to the prior MOU take effect upon the agreed to effective date after the ratification by the bargaining parties. Further, the City proposed the implementation of the Comp Study as provided for by employees named in the spreadsheet titled "Teamsters ACE C&C implementation with early step for designated employees" dated September 1, 2023. The City proposed to adopt the changes to classification titles as described in the City's proposed revised MOU. Additionally, the City proposed to pay eligible employees a one-time stipend of \$500. To be eligible for the stipend, the employee must be currently employed and have worked between March 2020 and April 10, 2023.

In its last best and final offer on October 16, 2023, the City proposed language on the topics of safety shoe allowance, health and dental insurance, and MOU reorganization and language. No final agreement was reached by the bargaining parties on any of these bargaining topics. Further, these bargaining topics were not made part of the factfinding charge.

THE UNION'S GENERAL IMPASSE POSITION

The Union desires a fair and equitable increase in its members' compensation. The Union's bargaining unit members for the M&O unit and the ACE unit believed that they have fallen behind in total compensation when compared to others regarding wages, hours, and conditions of

employment. Further, the Union contends that because of the current rate of overall compensation, the City has and will continue to have problems retaining and recruiting qualified new employees.

In its last best and final offer on October 16, 2023, the Union proposed a one-year agreement ending on June 30, 2024. Also, the Union proposed a 2.5% across-the-board base salary wage increase to all Union represented classifications, retroactive to the first full pay period that includes July 1, 2023. The Union believes its salary position is justified based on the City's financial condition and its ability to pay. Further, the Union proposed that the City pay each employee in the Union's represented classifications a one-time stipend in the amount of \$9,000, from the City's uncommitted American Rescue Plan ("ARPA") funds.

The total rolled-up cost of the Teamsters' proposal of a 2.5% across-the-board wage increase is \$763,375. The Union alleged that the City rejected the Union's proposal and countered with a COLA of zero, shortly after having committed \$5.5 million to police and fire, or more than seven times the amount proposed by the Union. Adjusted by respective combined FTEs (341 in public safety vs. 240 in the Union's two bargaining units), the City agreed to give public safety five times the amount proposed by the Union for its classified employees, a proposal which was rejected by the City in its entirety. (Police FTEs: 218 Fire FTEs: 123 Total 341)

FACTFINDING PANEL'S FINDINGS AND RECOMMENDATIONS
REGARDING A SUCCESSOR MOU

Issue 1 : **TERM OF THE AGREEMENT**

City's Position:

The City proposed a one-year agreement from July 1, 2023, through June 30, 2024.

Union's Position:

The Union proposed a one-year agreement from July 1, 2023, through June 30, 2024.

Analysis:

The term of the agreement was not reached during the bargaining process and this issue must be addressed by the factfinding panel. In their last, best and final proposal, the bargaining parties each proposed a one-year agreement from July 1, 2023, through June 30, 2024.

Recommendation:

It is the recommendation of the Factfinding Panel that the bargaining parties enter into a one-year agreement which runs from July 1, 2023, through June 30, 2024.

Issue 2 : COMPENSATION - SALARY INCREASE

City's Position:

The City proposed a salary increase through the implementation of the Comp Study. The City proposed that the implementation of the Comp Study should not be made retroactive but that all changes made to compensation take effect upon the agreed to effective date after the ratification by the bargaining parties.

Union's Position:

The Union proposed a 2.5% across-the-board base salary wage increase to all Union represented classifications, retroactive to the first full pay period that includes July 1, 2023.

Analysis:

The City indicated that it does not have the ability to pay for the salary increases demanded by the Union. The City contends that it has a large budget deficit and does not have the revenues necessary to meet the Union's demands. In reviewing the budget, the budget does show that the City is facing a serious budget crisis and does not have the funds necessary to meet the Union's requested salary increase.

The Union does not object to bargaining the implementation of the Comp Study, but based on the current level of compensation, the Union membership believes that they have not received percentage increases that reflect the actual cost of living as defined by the Consumer Price Index (“CPI”). While the Union desires to work with the City, the Union’s membership is unwilling to accept no salary increases or smaller increases in their salary schedule while other Escondido City bargaining units such as the Police and Fire Units have received salary increases that are far more than what the Union has proposed.

In reviewing both the City’s final proposal and the Union’s final proposal, the City’s proposal offered modifications in the existing compensation based on the Comp Study. The City’s proposal provided compensation in the way of step improvements and the elimination of low steps on the salary schedule. It also provided for the addition of new steps at the top of the salary schedule that will allow employees at the top of their salary schedule to move to a new and improved higher step and receive higher compensation. The implementation of the Comp Study will provide for a salary increase for all employees. The salary increase for members of the ACE bargaining unit will range from 2.5% to 19.01 %. The salary increase for members of the M&O bargaining unit will range from 2.5% to 9.4 %. Additionally, some bargaining unit members would be eligible for further step increases within months of the agreement’s ratification based on their salary placement.

A major difference in the bargaining parties’ last, best, and final proposals is when the salary increase would be paid and if the payment would be retroactive.

Recommendation:

It is the recommendation of the factfinding panel that the Union’s membership receive the following compensation:

- The Comp Study should be implemented as proposed by the City.

- The compensation based on the Comp Study should take effect upon the agreed to effective date after the ratification by the bargaining parties.

Issue 3 : STIPEND

City's Position:

The City proposed to pay eligible employees a one-time stipend of \$500. To be eligible for the stipend the employee must be currently employed and have worked between March 2020 and April 10, 2023.

Union's Position:

The Union proposed that the City pay each employee in Union represented classifications a one-time stipend in the amount of \$9,000, from the City's uncommitted American Rescue Plan ("ARPA") funds.

Analysis:

The City proposed a one-time stipend because the payment of a retroactive salary increase is an accounting nightmare, whereas a one-time lump sum payment of a stipend is much easier to process. If the Comp Study were made retroactive, the employees that would benefit from its implementation would receive compensation back to July 1, 2023. If the Comp Study is not adopted until the agreement is ratified, this results in employee compensation being drastically reduced for the 2023-2024 fiscal year.

The payment of a stipend does not increase the base of the salary schedule and the employee benefits from the payment for only one year. If the payment is not made retroactive, then a lump sum stipend could off-set the money that would have been earned if the Comp Study had been implemented retroactively back to July 1, 2023.

The payment of a stipend does not require the City to implement retroactively the increase and the increase represents a one-time payment. The payment of a

stipend allows the Union membership to receive some of the compensation that they were not paid retroactively. The stipend provides a benefit to both the City and the Union.

Recommendation:

It is the recommendation of the factfinding panel that the City pay to all employees that have been employed during the 2023-24 fiscal year a stipend of \$1,500.

All Other Issues:

All other existing wages, hours, and other terms and conditions of employment should remain in full force and effect unless subsequently modified in writing by the parties.

CONCLUSION

3505.5. Findings of fact

(a) If the dispute is not settled within 30 days after the appointment of the panel, or, upon agreement by both parties, within a longer period, the panel shall make findings of fact and recommend terms of settlement, in which recommendations shall be advisory only. The factfinders shall submit in writing any findings of fact and recommended terms of settlement to the parties before they are made available to the public. The public agencies shall make these findings and recommendations publicly available within 10 days after their receipt.

This report regarding the legal and jurisdictional requirement of Government Code 3505.5, et. seq. as referenced above has been met. This Factfinding proceeding was concluded as required by law within the time requirements of the law as agreed to by the parties that the timeline could exceed the thirty (30) day requirement.

Concur _____

Concur _____

Dissent _____

Dissent _____

Concur in part ✓ _____

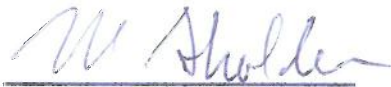
Concur in part ✓ _____

Dissent in part ✓ _____

Dissent in part ✓ _____



Jessica Perpetua
City Panel Member



Neil Sholander
Union Panel Member



Daniel R. Saling Esq.
Panel Chairperson

Report Issued: February 2, 2024



February 2, 2024

TEAMSTERS 911'S DISSENT TO RECOMMENDATION OF FACT-FINDING PANEL REPORT

Teamsters 911 dissents to the Panel's recommendation to deny the Union members an across the board, cost-of-living increase, and its refusal to recommend the classification and compensation study be implemented on a retroactive basis.

The Union availed itself to its statutory right of fact-finding and placed two- and only two- issues before the panel. Those two issues were: 1) the amount of the cost-of-living increases (COLA), and; 2) the amount of non-pensionable stipends, as both were proposed in the competing last best and final offers between the City and Union. The Union appropriately reserved consideration all matters subject to the Unfair Labor Practice charges currently before the Public Employment Relations Board. From the outset, the Union informed the panel the Union's case in chief was limited to facts relevant to the amounts of the proposed COLA and stipends.

Cost of Living Increase

When we began this fact-finding, Union understood the panel appreciated the subtle but crucial distinction between fiscal challenges effectively preventing public agency's ability to pay from a public agency's policy decision to refuse payment as to mitigate those same fiscal challenges. The Union presented its position in the context of those policy decisions.

As expressed in its most recent proposal, Union seeks a 2.5% across-the-board wage increase to all Union represented classifications, retroactive to the first full pay period including July 1, 2023. This amount is less than the cost-of-living increase of 3% recommended by the City's consultant.

In contrast, the City's Last, Best and Final offer rejected that proposal outright and included no cost-of-living increase whatsoever. The City attempts to justify that refusal by stating its current budgetary deficit hinders its ability to offer any cost of living increase. However, this argument is undercut by data presented by the City in the form of its class and comp study itself.

The class and comp study commissioned by the City found 60% of union employees were **more than** 5% behind the local market median as of January 1 of 2023. The same study also concluded the groups are 7.7% behind the local market. Further, the study did not incorporate market data for contracts negotiated after 2022. This means the study omits those contracts negotiated in response to inflationary trends extending into 2023, which the City's consultant forecast to adjust the market upward another 3.5%. By the City's own preferred calculations, the unit members wages are at least 11% below the local salary market.

The City argues the class and compensation study is a sufficient substitute for a cost-of-living adjustment. Again, that study and its implementation is subject to an existing unfair labor practice charge, and the Union did not litigate that matter here. However, even taking the City's argument at face value, the study, by itself, would be inadequate.

First, the City has refused to implement the results of the study retroactively, even though they did not first propose it until after the previous contract expired. The study has been completed since March of 2023, if not longer. In the interim, the City has been enriching itself at the expense of its workers by refusing to implement any wage increase, retroactively or otherwise, and holding onto the money identified by the study as necessary to gradually lift the workers to the market median.

Second, the study does not consider any market data prior to 2023. It was stale upon arrival and is now over a year old. It fails to take into account all subsequently bargained public sector contracts negotiated in response to the preceding years of runaway inflation.

Most importantly, even if the comp study were updated to incorporate post-2022 market realities, the phased-in approach of the study would take 4 or more years, merely to play catch-up to the market median. A cost-of-living increase is necessary to bridge that gap and to mitigate the impact of the recent inflationary spikes. The City's own costing analysis of a 1% increase to all members in both bargaining unit shows a COLA adjustment of 2.5% would add the equivalent of .003% to the City FY 20234/2024 appropriation for all operating funds. The City cannot convincingly argue this cost difference between the parties offers will substantially impair the agencies' ability to pay. Expressed another way, the total rolled-up cost of Teamsters' proposal of a 2.5% across the board wage increase is approximately \$763,000. The City rejected this modest proposal and countered with a COLA of zero, shortly after having committed \$5.5 million to Police and Fire, or more than seven times the amount proposed by Teamsters. Adjusted by respective combined FTEs (341 in public safety vs. 240 in 911), the City agreed to give public safety five times the amount proposed by Teamsters for its classified employees, a proposal which was rejected by the City in its entirety.

After having been presented with this data, the panel inexplicably refuses to recognize the cost-of-living increase that was recommended by the City's consultant and extended to both safety groups in the same year. The City is making policy choices about whom they want to fund. Not how much, but whom. The most compelling evidence of the City's ability to meet the Union's modest wage proposal is the City's committing \$5.5 million to Police and Fire for 2023. Even running a deficit, the City can clearly afford a fraction of that amount to offset the impact of years of wage erosion suffered by over 200 of its classified employees. They simply refuse to do so.

Classification and Compensation Study and Retroactivity

The Union informed the panel the events related to the issue of timely implementation of the study remain subject to the unfair labor practice charges. Had the City known retroactive implementation of the class and comp study was infeasible, fundamental principles of faith bargaining would have required to the City move with all deliberate speed, rather than waiting until after the contract had expired to first propose implementation. Instead, it waited for the predecessor MOU to end on its terms, then belatedly proposed to implement the study- only

prospectively- and then further conditioned implementation upon a comprehensive restructuring of the MOU, which necessarily would require many, many months of additional bargaining. All the events related to this aspect of the negotiation are subject to the ULP, but the facts are germane to the issue of retroactivity of the class and comp study. Instead of giving the facts appropriate weight, the panel takes the City's claims of good faith and administrative impossibility at face value.

The City also decided these negotiations were an appropriate time to propose a complete overhaul of both Union contracts, which have existed in the same format for at least three decades. The City further conditioned implementation of any agreement on Teamsters' acquiescence to that wholesale restructure, invoking its perceived authority to impose pursuant to its Employer Employee Relations Ordinance, notwithstanding Teamsters' unfair charges before PERB on that same issue. Even if Local 911 were agreeable to this considerable undertaking, it would require many months of review and deliberation. This tactic successfully rendered timely agreement to a successor MOU impossible, advancing the City's interest in delay while ensuring no economic term were to be retroactive.

We have conclusive evidence of that bad faith simply by looking at another classified bargaining unit currently in negotiations – as frequently cited by the City's negotiating team- who have reportedly been making excruciating efforts to meet the City's demands to restructure the contract, yet they are still 8 months out of contract with no end in sight, nor any prospect of any retroactive implementation of the class and comp study.

Conclusion

The panel's report ignores the cost-of-living increase that was recommended by the consultant and extended to both safety groups in the same year. It also fails to question the City's specious claim that putting the comp study's results into effect on a retroactive basis is impossible, while turning a deaf ear to the City refusal to propose its implementation until after the contract expired. While the Union is agreeable to the increase in stipends, the total amount of the recommendation is less than 1% of the entire amount awarded by the Federal government to the City, which was intended in part to compensate essential workers during the pandemic. Limiting the recommendation to only a modest adjustment on that one item while ignoring the City's refusal to extend the COLA afforded to other groups AND taking City's professed inability to make anything retroactive at face-value rather than calling it what it is- a tactical ploy- AND ignoring the City's many acts of bad faith before, during and after the delayed roll out of the class and comp study only drives the parties apart on their fundamental economic differences.

Respectfully submitted,

TEAMSTERS LOCAL 911



Neil Sholander
Attorney- Vice President



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Phone: 760-839-4643 Fax: 760-739-7055

February 2, 2024

Sent via Email

Daniel R. Saling, Esq.
33192 Ocean Hill Drive
Dan Point, CA 92629

Re: City of Escondido Dissent/Concur

Dear Mr. Saling:

a. The City would like to thank Mr. Saling for his efforts to resolve the significant differences in the parties' bargaining positions. Factfinding is a process required by state law, involves the presentation of facts from both parties and concludes with a report addressing the issues. Mr. Saling, the impartial chairmen of the factfinding panel, drafted the factfinding report based on the evidence provided over two days. The City and Teamsters 911 representatives agreed with some of Mr. Saling's findings and disagreed with others. This document explains the City's reasoning.

b. Issue 2 Compensation – Salary Increase.

1) The City concurs with Mr. Saling's acknowledgement of the City's financial situation and his recommendation that the City implement its Classification and Compensation study. He wrote:

The City's proposal provided compensation in the way of step improvements and the elimination of low steps on the salary schedule. It also provided for the addition of new steps at the top of the salary schedule that will allow employees at the top of their salary schedule to move to a new and improved higher step and receive higher compensation. The implementation of the Comp Study will provide for a salary increase for all employees.

2) The City's implementation of the Classification and Compensation study is an organized, gradual approach to address those employees whose salaries are furthest behind market median. Today, 39% of ACE members and 53% of M&O members are at the top step. No members will be at the top step next year. But, 75% of ACE members and 71% of M&O members will receive a 5% step increase in the year following

implementation. And in the third year, 56% of ACE Members and 37% of M&O members will receive a 5% step increase, with 33% of ACE members and 34% of M&O members will be eligible for 2.5% increases (in either Steps 6 or 7).

3) Teamsters 911 asked Mr. Saling to support across the board increases similar to those received by public safety employees in December 2022. At that time, the City's entry-level salaries for police officers were 10% below market median, and every police department had openings. The challenges with police recruitment are common knowledge, and we struggled to get new recruits through a lengthy training pipeline. Similarly, entry-level salaries for a firefighter/paramedic had fallen 15% behind the market. Viable candidates had become scarce. The City implemented the Classification and Compensation study for police and fire classifications to close the entry level compensations gaps. In a similar manner, the City's current proposal focuses on those positions/individuals whose base salary is furthest behind the market median. As such, those Teamsters furthest behind the market will see larger increases and those at or near market median will see salary increases at or close to 2.5%.

4) The Teamsters 911 M&O bargaining unit received cost of living increases in 2018, 2019, 2020, 2021, and 2022. The City also presented information (City Exhibit 29) showing sixteen M&O positions that received additional equity increases ranging from 7.5 to 20.0 percent (cumulative) between 2015 and present. In contrast, Escondido City Employees Association (ECEA) ACE received no cost of living increases in 2018 and in 2020. ECEA Supervisory and non-bargaining unit employees also did not receive cost of living increases in 2018 and 2020.

c. Issue 3 Stipend

Mr. Saling has recommended every employee employed during FY 2023-24 receive a \$1,500 stipend. Throughout negotiations and factfinding the City and Teamsters 911 referenced federal American Rescue Plan Act (ARPA) funds as the source of this stipend. However, Mr. Saling's recommendation does not address the source of funds. ARPA local fiscal recovery funds may be used for a premium pay stipend, but only for employees who performed essential work during the national public health emergency which ended on April 10, 2023. Thus, all employees who worked in FY2023-24 are not eligible for this stipend.

Teamsters 911 had sought a \$9,000 ARPA stipend. Mr. Saling selected \$1,500. The City offered \$500 because the City Council prioritized the use ARPA funds for one-time community projects. Only one third of the City's comparable cities/agencies chose to use ARPA funds for premium pay. Mr. Saling's recommendation is arbitrary and lacks justification to change the City's level of funding.

Daniel R. Saling, Esq.
February 2, 2024
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d. Despite the statutory authority to address all issues, Mr. Saling addressed the three issues raised by Teamsters 911. Thus, the factfinding process ignored an opportunity to support an actual settlement. During negotiations and at factfinding, the City emphasized its desire to meet and confer on a long list of bargaining topics. The City has repeatedly discussed the vital need to align our policies, practices, and MOUs. The City presented options to reorganize the MOUs and provided a line by line analysis of the Teamster M&O and ECEA ACE MOUs. The City presented information about the need to add clarity of the MOU process, improve transparency and to minimize the impact on pay and benefits as the City implements its enterprise resource management system. All of these preceding topics and many more remain unresolved. Frankly, the lack of any consideration or analysis of all the issues presented by the City undermines the validity and value of the factfinding report.

e. We know we have significant recruiting and retention challenges, and we are behind the market median in too many classifications. Our fiscal reality is clearly reflected in our FY2023/24 \$11.3 million budget deficit. We were able to use one-time funds to close this gap, but the use of such funds is not sustainable. While analyzing the 2022 ballot measure, City Staff described the \$14 million/year in additional revenue that a sales tax increase could provide as a survival level of funding. The ballot measure failed, and paying for essential government services will be incredibly challenging until we see a significant change in our structural budget deficit. We believe the implementation of the classification and compensation study is a significant step in the right direction. We look forward to working with our Teamsters 911 employees to solve the many challenges faced. I sincerely hope this process will help both parties find ways to reach a mutual agreement.

Sincerely,



Jessica Perpetua
Director of Human Resources

cc: Gary McCarthy, Assistant City Attorney
Neil Sholander, Attorney/Business Representative, Teamsters 911

PROOF OF SERVICE

I declare that I am a resident or employed in the County of Orange, California. I am over the age of 18 years and not a party to the within entitled cause. The name and address of my residence or business is 33192 Ocean Hill Drive, Dana Point, California 92629.

On February 2, 2024, I served the Factfinding Panel's Findings and Recommendations and dissenting opinions regarding Case No. LA-IM-331-M on the parties listed below by:

 X placing a true copy thereof enclosed in a sealed envelope for collection and delivery by the United States Postal Services or private delivery service following ordinary business practices with postage or other cost prepaid.

 personal delivery

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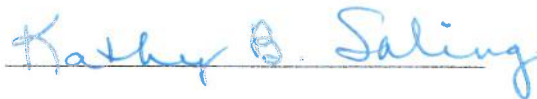
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Public Employment Relations Board
Wendi L. Ross, Esq.
Deputy General Counsel
California Public Employment Relations Board
1031 18th Street
Sacramento, CA 95811-4124

I declare under penalty of perjury that the foregoing is true and correct and that this declaration was executed on February 2, 2024, at Dana Point, California.

 Kathy B. Saling

(Type or print name)



(Signature)