

LABOR RELATIONS POLICY AND PLAN MENLO PARK FIRE PROTECTION DISTRICT

Introduction

This nine point Action Plan is intended to serve as a policy blueprint for the District's labor relations program covering all employees.

Issues and Action Plan Principles

Issue No. 1 - Bargaining in Good Faith: The District is subject to the Meyers-Milias-Brown Act ("MMBA"), which requires the District to bargain in good faith with all recognized labor organizations.

Action Plan Principle No. 1: The District renews its ongoing commitment to abide by the Meyers-Milias-Brown Act ("MMBA"). The District will continue to negotiate in good faith, seeking partnerships whenever reasonably possible with labor.

Issue No. 2 - Transparency / Hidden Costs:

The District embraces transparency in its mission. Contracts containing cost commitments should not contain embedded costs and obligations that are difficult for citizens to identify or understand.

Action Plan Principle No. 2: The District shall minimize "additional pay" categories that have no articulated and rational justification. The District shall ensure that all compensation packages are fully, accurately and simply costed out, with total costs displayed to the public so that all citizens can understand and evaluate the pay at issue. Unless there are exigent circumstances as determined by

the Board of Directors, labor agreements shall be publicized and made available at least fifteen calendar days prior to adoption.

Issue No. 3 - Transparency / Side Letters: The District is aware of certain “side agreements” or other informal memoranda memorializing understandings between the District and labor unions, but which have not been approved by the District’s Board of Directors. Such “side agreements” are inappropriate because they may impact costs, and they detract from the overall principle that the public has a right to know the contractual arrangements and obligations affecting public employees.

Action Plan Principle No. 3: No side agreements shall be binding on the District unless the agreement is formally adopted in public by the Board of Directors.

Issue No. 4 - Rational and Reasonable Compensation: The District greatly values the public service of its employees. However, the District is mindful that the District serves the community, and that District funding is premised on taxes.

Action Plan Principle No. 4: The District shall establish a compensation policy that is rational and reasonable, and consistent with community values.

Issue No. 5 - Work Rules: The labor contracts, and informal and formal department policies, contain work rules that decrease management discretion and decrease efficiencies.

Action Plan Principle No. 5: The District shall maintain its management rights to supervise, manage and direct its workforce. The District shall not enter into labor contracts that contain unreasonable restrictions on the District’s management rights.

Issue No. 6 – Transparency / Simplicity: In the past, the District’s labor agreements have included complicated provisions that are difficult to understand and administer. These provisions have led to grievances and misunderstandings about terms in the labor agreements. The District should strive to ensure that its agreements are simple to understand, by the public as well as District personnel.

Action Plan Principle No. 6: All labor agreements shall be organized in a simple, clear and straightforward manner, using plain language.

Issue No. 7 – Salary Formulae: The District should avoid obligating itself to long term agreements premised on salary formulae.

Action Plan Principle No. 7: The District shall seek to avoid labor agreements that contain automatic wage adjustments that are premised on formulae that do not allow the District to predict and account for costs.

Issue No. 8: – Contribution to Health and Welfare Benefits: As a matter of policy and fairness, the District desires that its employees contribute to their pension, health and welfare benefits. The District also wants to ensure that its pension plans are fair, and consistent with community values.

Action Plan Principle No. 8: The District may require its employees to contribute toward pension, health, and other post employment benefits. The District shall seek to negotiate to establish a second tier pension benefit for new employees entering the workforce, costing less than the current plans and reducing overall District costs over the long run.

Issue No. 9 – Premium Pay: “Premium Pay” refers to pay elements added to base pay, for “specialty” services or as “incentives.” The District’s labor agreements and

compensation plans contain a variety of “premium” pays that are in addition to base pay. These pay premiums have questionable value to the District and its constituents. Further, the pay premiums detract from the District’s policy regarding transparency because it is difficult to determine the actual pay of District employees.

Action Plan Principle No. 9: The District shall review the need for “premium pays,” and shall eliminate them unless there is a demonstrable need for such separate pay categories.