

News from: **The City of Oakland**

FOR IMMEDIATE RELEASE

December 5, 2017

City of Oakland Faces Second Day of Labor Strike *Sworn Police and Fire will not strike*

Oakland, CA — The City of Oakland's civilian labor unions which represent approximately 2,700 employees—SEIU, Local 1021 and IFPTE, Local 21—were on strike today, and have announced their intention to continue the strike for a second day **tomorrow, Wednesday, December 6, for an indefinite length of time.**

Due to a significant staff shortage, the strike has forced the City to close nearly every City facility and program. Starting tomorrow morning at 7 am and until the strike concludes, all City buildings and facilities will be closed to the public, and most City programs and services will be cancelled or postponed.

Day 1 Impacts:

Today's strike shuttered City services and programs and had a disproportionate impact on our most vulnerable residents. For example about 400 low-income children and families in our Head Start and Early Head Start programs were without preschool and childcare, and about 800 families had to make last-minute alternative arrangements for after school programs managed by our Parks, Recreation & Youth Development Department.

DAY 2

Public Safety Services will Continue

Our highest priority is to continue to provide public safety services to the community. **Sworn police and fire personnel will not participate in a strike.**

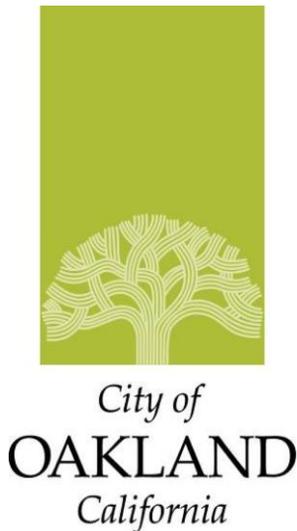
The City continues to address any public works emergencies as they arise.

Programs, Services and Facilities that will be Unavailable:

Programs and Facilities that will be CLOSED:

- Head Start and Early Head Start sites
- Senior Centers
- Public libraries
- Recreation centers and programs, including after school programs
- Multipurpose Senior Services Program (MSSP): No case management services for frail seniors
- No brown bag food distribution

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- Civic Center buildings: City Hall, 150 and 250 Frank Ogawa Plaza:
 - Parking Citation Assistance Center closed
 - Housing Assistance Center closed
 - No sale of paratransit taxi/bus vouchers
 - No fire inspections
 - No Fire Department plan checking and permits
 - No building inspections
 - Business Tax License closed
 - Business Assistance Center closed
 - Planning & Building Permit Counter closed

Services that will be unavailable during the strike:

- No parking enforcement
- No street sweeping
- No public restrooms at City facilities
- No routine maintenance work
- No abandoned auto detail
- No crime or traffic reports

For towed vehicles, OPD will provide a vehicle release form at the Police Administration Building, 455 7th Street, 1st floor, Records window.

Oakland Animal Shelter to Provide Limited Services

- The Oakland Animal Shelter (OAS) will be open during regular hours for owners looking to reclaim their lost animals and for members of the public who must bring in stray or surrendered animals.
- Routine services such as adoptions and licensing will not occur.
- Partner agencies will transfer animals from OAS' care so that they may be adopted through alternate channels.
- Volunteers will assist management to care for the animals in the shelter.
- Calls for emergency response on animal-related matters should be directed to OPD.
- Calls for routine services including dead animal pickup, strays, and other non-emergency calls will be delayed for the duration of the strike.

Online Services Will Remain Available

Online services will remain available on the City's web site: www.oaklandnet.com:

- Pay a parking citation
- Report and track non-emergency problems, such as graffiti, illegal dumping or potholes
- Report non-emergency crimes
- Renew a residential parking permit
- Pay a delinquent garbage bill
- Download agenda reports and legislative actions of the City Council
- Register for a City of Oakland dog license
- Register for Parks and Recreation activities and classes
- Review the library's Online Catalog and web-based services

Staying Informed

The City will provide timely updates to keep the public informed about strike-related service impacts through several communications channels:

- Check our web site for regular updates: www.oaklandnet.com
- Call (510) 444-CITY for information and/or recorded updates
- Call the facilities or main phone numbers for departments or programs directly for program-specific recorded information and updates.

Additional Details re: the City's Tentative Agreements and Additional Proposals to Labor Unions

Below you'll find additional details about what the City has offered in total to SEIU, Local 1021 and IFPTE, Local 21, including both tentative agreements and the latest City positions.

Tentative agreements are noted by *.

Service Employee International Union, Local 1021

- Wages – 4% effective July 1, 2017, and up to 2% additional percent in the second year of the contract, depending on City revenues.
- Equity adjustments for certain classifications, which are **in addition to** the above wage proposal.

SEIU Classifications	Year 1 Increase	Year 2 Increase
Animal Control Officer	2%	1%
Animal Care Attendant	2%	1%
Police Communications Dispatcher	2%	1%
Fire Communications Dispatcher	2%	1%
Police Communications Operator	2%	1%
Fire Prevention Inspector	2%	1%
Construction Inspector	2%	1%
Custodian	2%	1%
Park Attendant	3%	2%
Police Services Tech II	2%	1%
Sewer Maintenance Worker	2%	1%

- Homeless encampment clean-up premium – The City has proposed that Public Works Maintenance Workers or Street Maintenance Leaders in the Keep Oakland Clean and Beautiful (KOCB) division of Public Works be paid **an additional \$0.96 an hour** for cleaning up properly noticed homeless encampments.
- Increase in hours and pay for **Building Inspectors** – Building inspectors will increase their work week from 37.5 to 40 and be paid for the additional time worked. *

- **Uniform allowance** – Increases for Animal Control Officer, Fire Communications Dispatcher, Fire Prevention Bureau Inspector, Fire Suppression District Inspector, Hazardous Materials Inspector II, Police Communications Dispatcher, Police Services Technician II, and Fire Equipment Technician.
- Certification pay – Allows for SEIU employees to **earn up to 5%** if they have a professional certificate from which the City benefits. *
- Revised disciplinary process in OPD – Establishes a Labor Management Committee that will **align the disciplinary process between civilians in OPD with the rest of the City.** *
- Safety complaint procedures – Creates a new process that allows employees an avenue to raise safety concerns that can be addressed by departments and Risk Management. *
- Traumatic Incident Leave – When employees are subject to or witness a traumatic incident, they may be placed on administrative leave to obtain the support and resources they need, including Employee Assistance Services. *
- Alternative work schedules – Allows for SEIU employees to request alternative work schedules, such as 4-10 work week.
- Steward Council Release – Allows for Union Stewards to participate in union-sponsored training while on City time. *
- Part-time employee enhancements:
 - Health and Welfare increase (**38% increase – from \$2.10 to \$2.90 an hour**)
 - This is a per-hour premium to enhance the ability for part-time employees to obtain health care.
 - Meal Allowance – Allows part-time employees who work two additional hours or more to receive **an \$18.00 meal allowance.** *
 - Traumatic Incident Leave – Provides an organized process for part time employees to be placed on administrative leave if they witness or are part of a traumatic incident. *
 - Safety Complaints Procedure – Provides an organized process for part-time employees if they identify a safety issue. *
 - Assured increase when hired into full-time position – Currently, when a part-time employee takes a full-time position, he/she maintains the same wage. This tentative agreement provides part-time employees with a wage increase when they take a full-time position. *
 - Sick Leave – Part-time employees will accrue 1 hour of sick leave for every 30 hours worked. *
 - Safety Shoe Vouchers – Expands the number of part-time employees that are eligible for receiving a \$150 voucher for safety shoes. *
 - Steward Time Off – Allows for city-paid release time for part-time employees to conduct Union business.*
 - Joint Labor Management Training – Allows part-time employees to be paid while participating in labor management training. *
 - Commuter Benefit Program – Part-time employees can use pre-tax dollars to pay for transit benefits. *

- Safety Training – Allows part-time employees to participate in safety training. *
- Accident Reduction Training – Includes part-time employees in accident reduction training. *
- Safety Meetings – Includes part-time employees in safety meetings. *
- Equipment Safety Training – Includes part-time employees in safety training. *
- Sexual Harassment Training – Includes part-time employees in sexual harassment training. *

International Federation of Professional and Technical Engineers, Local 21

- Wages – 4% effective July 1, 2017, and up to 2% additional percent in the second year of the contract, depending on City revenues. (city proposal)
- Equity adjustments for certain classifications, which are **in addition to** the above wage proposal.

IFPTE Classifications	Year 1 Increase	Year 2 Increase
Animal Control Supervisor	2%	2%
Human Resources Analyst	2%	2%
Sen HR Analyst		2%
Administrative Analyst I & II	2%	2%
Management Assistant		2%
Accountant III	2%	
Public Works Supervisor I & II	2%	

- Baby bonding – Allows for employees to have up to **six weeks of paid baby bonding leave.** *
- **Uniform allowance increases** – Fire Marshall (non-sworn), Assistant Fire Marshall (non-sworn), Latent Print Examiners I & II, Police Communications Dispatch Supervisors and Vegetation Management Supervisor. *
- Safety shoe voucher increase – Shoe allowance **increase from \$115 to \$150.** *
- Sick leave buy back for deferred compensation upon separation – When employees separate after 10 years of service, they can cash out leave on a 3:1 ratio. That cash out can be **rolled into deferred compensation.** *
- Use all but 10 days for caring for family – Employees would now have access to their entire leave balances for FMLA purposes. *
- Sick leave donation – Employees can **donate sick leave on a 3:1 ratio** to fellow employees if they have over 10 years of service. *
- Improve management leave provision – Allows employees to be awarded management leave if they work extra hours OR demonstrate exceptional service.*
- Shift differential increases – **All shift differentials increase** to align with SEIU.*

- Oakland Police Department Labor Management Meetings – Ensures there is continued dialogue between the parties at the Oakland Police Department. *
- Tuition reimbursement process enhancement – Accelerates the process for tuition reimbursement approval. *
- Training Committee – Establishes a joint labor management committee to make recommendations for employee training and growth opportunities *

FREQUENTLY ASKED QUESTIONS

Has the City reached an impasse with its labor unions?

No. All parties have confirmed that they have **not** reached impasse. That makes the strike unlawful.

Under California law, both the City and its labor unions have a duty to bargain and to participate in statutory impasse procedures **in good faith**. The City cannot unilaterally implement concessions and the unions cannot strike until the completion of those processes, including fact-finding.

The parties are not at impasse, and the City has not yet had an opportunity to present the union’s latest proposal to the City Council for consideration. The City Council is scheduled to meet on Wednesday, which was the soonest legally possible.

What’s on the table?

SEIU, Local 1021 and IFPTE, Local 21 are the City’s two largest employee unions and represent about 2,700 employees, nearly the entire City civilian workforce. As shown in the tables below, the total cost of the unions’ wage proposal is \$55 million over two years. The cost of the wage increases offered to SEIU and Local 21 is \$33.4 million, a variance of nearly \$22 million.

SEIU, Local 1021

The City has passed its Last, Best, and Final Offer (LBFO) to SEIU, Local 1021 (read it [here](#)). As shown in the comparison chart below, the LBFO to SEIU includes a wage increase of up to 6%, including 4% retroactive to July 1, 2017, at a cost of \$15.9 million. In addition to the LBFO, the City will continue to provide fully paid family healthcare benefits (at cost of approximately \$25,000 per employee per year in 2018), and absorb all pension and health-care related rate increases.

SEIU's wage proposal is 8% over two years, at a cost of \$19.2 million.

Cost Comparison of SEIU’s Proposal to City’s LBFO

	SEIU, Local 1021		City’s Last, Best, Final Offer		Variance
	<i>Proposal</i>	<i>Cost</i>	<i>Offer</i>	<i>Cost</i>	
FY 2017-18	4%	\$6.1 M	4%	\$6.1 M	\$0
FY 2018-19	4%	\$13.1 M	2% revenue sharing (if triggered)	\$9.8 M*	\$3.3 M
Two-Year Total	8%	\$19.2 M	Up to 6%	\$15.9 M	\$3.3 M

**Effective end of FY 18-19*

The City and SEIU have also reached 75 tentative agreements (read them [here](#)) that address substantive issues, including health and safety, employee compensation, and disciplinary processes.

In addition to the wage offers above, the City has offered to:

- Provide equity increases for 9-1-1 fire and police dispatchers and other employees in classifications with salaries well below market rate and that are difficult to recruit for in a competitive environment,
- Enhance compensation for part-time employees, and
- Improve family leave benefits for employees.

As part of the City’s offer, some employee classifications mentioned above, such as dispatchers and sewer service workers, will receive combined wage increases up to nearly 10%.

IFPTE, Local 21

The City of Oakland is offering Local 21 a wage increase of up to 6%, including 4% retroactive to July 1, 2017, over two years, at a cost of \$17.5 million. In addition, the City will continue to provide fully paid family healthcare benefits (at cost of approximately \$25,000 per employee per year in 2018), and absorb all pension and health-care related rate increases.

IFPTE, Local 21’s wage proposal is 16% over two years, at a cost of \$35.8 million.

Cost Comparison of Local 21’s Proposal to City’s Offer

	IFPTE, Local 21		City’s Offer		Variance
	<i>Proposal</i>	<i>Cost</i>	<i>Offer</i>	<i>Cost</i>	
FY 2017-18	6%	\$10.2 M	4%	\$6.8 M	\$3.4 M
	2% signing bonus	\$1.9 M	n/a	\$0	\$1.9 M
FY 2018-19	6%	\$21.7 M	2% revenue sharing (if triggered)	\$10.7 M*	\$11.7 M
	2% signing bonus	\$2.0 M	n/a	\$0	\$2.0 M
Two-Year Total	16%	\$35.8 M	Up to 6%	\$17.5 M	\$18.3 M

**Effective end of FY 18-19*

The City and Local 21 have also reached more than 55 tentative agreements (read them [here](#)) that address substantive issues, including paid family leave, an increase in shift differential pay, and the creation of several committees that will address employee compensation.

City Continues to Absorb Rising Employee Health Insurance Costs

The City highly values its employees. In addition to an 8% wage increase over the last 2 years, which is above the cost of living rate, the City also provides generous retirement, medical, dental, and vision benefits. The cost to the City of providing fully paid family health insurance is currently \$23,000 per employee per year. The City has continued to absorb rising health care costs, which in 2018 will go up 6%, bringing the cost of paid family health care to nearly \$25,000 per employee next year.

Is the City Offering Wage Increases that are Less than the Cost of Living?

The Consumer Price Index for all urban consumers for the San Francisco Region (CPI-U) for the most recent 12 months (October 2016-October 2017) is 2.68% (<https://www.bls.gov/cpi/data>). Importantly, this rate includes the cost of medical inflation. The City of Oakland fully pays employees' medical, dental, and vision benefits; thus the City absorbs that portion of the increase in CPI for its employees. In addition, the City has offered 3-4% annual wage increases, consistent with recent contract settlements in other public agencies in the Bay Area.

How long have the bargaining talks been going on?

For the past seven months, the City of Oakland has engaged in good faith negotiations with its labor unions:

- Service Employees International Union (SEIU, Local 1021)
- International Federation of Professional and Technical Engineers (IFPTE, Local 21)
- International Brotherhood of Electrical Workers (IBEW, Local 1245)
- International Association of Firefighters (IAFF, Local 55—since September 2017)
- Confidential Management Employees Association (CMEA)

The City has met with its unions several days a week since May 2017, providing approximately 12,000 hours of City-paid release time for employees on union bargaining teams, at a cost to the City of approximately \$767,334; this does not include the cost of time spent by the City's bargaining team.

Since the last employee strike on November 1, the City has met 14 times with labor groups in an effort to reach an agreement that is reasonable, fair, and fiscally prudent so the City can continue to deliver vital services to our community sustainably into the future and address a significant backlog of deferred maintenance and other unfunded obligations.

If Oakland's economy is strong, why are employees not sharing in that growth through higher wage increases?

Although City revenues have increased with the strong local economy, rising costs, particularly for pension and employee health care, continue to outpace revenue growth. Pension costs in particular are increasing rapidly:

- In FY 2018-19, pension costs will go up by more than 12%, an increase of nearly \$15 million that the City will fully absorb.

- Over the next 5-year forecast, pension rates alone are forecast to increase about 10.5% per year, increasing from \$137 million on FY 2018-19 to more than \$204 million in FY 2022-23, a 49.2% cumulative increase.
- These increases assume a market return of 7.5% per year. If returns are less due to a recession in the next five years, these increases will be even greater.
- Most recent actuarial studies show that the City's defined benefit pension and retiree medical plans have just 47% of the assets needed to cover liabilities, meaning that the City has less than half of what is needed to meet its current obligations.

The City projects total unfunded liability for the City's defined benefit retirement plans at about \$2.8 billion; for context, the City's total budget for FY 2017-18 is about \$1.4 billion.

Generating the financial capacity to fund these future pension rate increases will be extremely challenging for the City of Oakland and poses an acute risk to service levels in the near term.

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