



Memorandum

MONTEREY REGIONAL WASTE MANAGEMENT DISTRICT

Reviewed by:  Date: 6/13/22
General Manager

DATE: June 6, 2022
TO: Board of Directors
FROM: Director Finance and Administration
SUBJECT: FY 21-22 Economic Hardship Discretionary Bonus

RECOMMENDATION: Board approval of 1) of payment of a one-time FY21-22 Economic Hardship Discretionary Bonus for eligible employees not to exceed \$1,000 before the necessary payroll deductions, 2) approval of Resolution 2022-16 approving payment of a discretionary bonus, and 3) authorize General Manager to execute Letter of Understanding.

BACKGROUND

In recognition of the impact of the current economic environment, Staff is proposing a one-time lump sum payment of \$1,000 net for our lowest wage earners to help them through these difficult financial times. The District's employees with the lowest base salaries are all in the Laborers and Salesclerks Unit, with the exception of one non-union, part-time employee. The base wages for this group of employees ranges between \$32,000 and \$50,731/year.

With inflation rates near 40-year highs, gas prices double what they were a year ago and food prices up 11%, according to current economic news, these increases for necessities are surely having the most detrimental impact on our employees with the least expendable income. Staff believes that a discretionary bonus payment in the amount of \$1,000 net to this group of employees, will provide a bit of relief and help towards the cost of basic necessities, such as gas and food.

At the advice of legal counsel, it is being recommended that the entire Operating Engineers, Local No. 3, Laborers & Salesclerk Unit (LSC Unit) receive the discretionary bonus and not exclude the one person earning slightly above \$50,000. In addition, it has been determined that one part-time employee outside of the LSC Unit earns less than \$50,000 per annum and would thus be eligible for this discretionary bonus. All other District employees have a base wage of greater than \$58,000 and are not considered eligible.

The discretionary bonus would be negotiated with the Union and structured in the same way as the Safety COVID19 discretionary bonus provided last year and will have no impact on CalPERS liabilities.

FISCAL IMPACT

The fiscal impact to FY 2021-2022 Budget is estimated at \$45,000 to net \$1,000 to eligible employees.

CONCLUSION

That the Board approve a one-time FY21-22 Economic Hardship Discretionary Bonus for eligible employees not to exceed \$1,000 before the necessary payroll deductions on the first payroll following Board approval.

Respectfully,
Helen Rodriguez, CPA CFE

Attachment: Resolution 2022-16 – Approving Payment of a Discretionary FY 21-22 Economic Hardship Bonus.

Letter of Understanding between MRWMD and OE3 LSU for Implementation of the FY21-22 Economic Hardship Discretionary Bonus

LETTER OF UNDERSTANDING

Between Monterey Regional Waste Management District and
Operating Engineers, Local No. 3, Laborers & Salesclerks Unit

For Implementation of the

FY 21-22 ECONOMIC HARDSHIP DISCRETIONARY BONUS

The Monterey Regional Waste Management District (hereinafter "District") and the Operating Engineers, Local 3 (hereinafter "bargaining units"), jointly referred to as "parties", enter into this tentative agreement to implement the **FY 21-22 Economic Hardship Discretionary Bonus**, as described hereinafter, contingent on Board of Directors approval.

In consideration for services provided by the bargaining unit and in recognition of the significant impacts from inflation since the parties negotiated the successor labor agreement in 2019, the District agrees to provide LSC Unit employees employed with the District as of June 1, 2022, a one-time lump sum payment. The terms and conditions for this one-time payment are as follows:

ELIGIBILITY

The following benefit shall apply to employees within the OE3 LSC bargaining unit. To be eligible for the Bonus, employee must be in Active status during the pay period in which the bonus is paid.

BONUS PAYMENT

A bonus payment in the amount of \$1,000 after the necessary payroll deductions, shall be paid to all eligible employees, as defined above, on the first payroll following Board approval.

The parties hereby agree that the bonus payment is contingent on MRWMD Board approval.

MRWMD:

Operating Engineers Local 3:

Felipe Melchor, General Manager

Michael Moore, Business Representative

Date: _____

Date: _____

RESOLUTION NO. 2022-16

A RESOLUTION OF THE BOARD OF DIRECTORS OF THE MONTEREY REGIONAL WASTE MANAGEMENT DISTRICT PAYMENT OF A DISCRETIONARY FY 2021/22 ECONOMIC HARDSHIP EMPLOYEE BONUS

WHEREAS, effective July 1, 2019 the Monterey Regional Waste Management District (hereinafter “District”) and the Operating Engineers, Local 3 (hereinafter “Bargaining Unit”, Laborers and Salesclerks Unit met and conferred for a successor labor agreement governing the Bargaining Unit’s wages, hours and other terms and conditions of employment; and

WHEREAS, following execution of the successor Laborer and Salesclerk Unit labor agreement, inflation, as measured by the Consumer Price Index, has significantly increased the cost of basic necessities, such as gas and food; and

WHEREAS, in recognition of the financial hardship being experienced by District’s lowest wage earners, including all members of Bargaining Unit and one part-time, non-union employee; and

WHEREAS, in consideration for services provided by the Bargaining Unit and part-time employee; since the successor labor agreement was negotiated, the District Board authorizes a one-time, lump sum payment to the District’s lowest wage earners, including Bargaining Unit members and one part-time employee, as described below; and

WHEREAS, the District and the Bargaining Unit, following meeting and conferring in accordance with Government Code section 3500 et. seq, memorialized the payment of the one-time bonus payment, in the Letter of Understanding, attached hereto as Attachment A.

NOW, THEREFORE, BE IT RESOLVED, by the MRWMD Board of Directors, as follows:

1. A bonus payment in the amount of \$1,000.00, after the necessary payroll deductions, is approved for all eligible employees as described in the Letter of Understanding and one part-time employee.
2. The Letter of Understanding by and between the District and the Bargaining Unit is hereby approved and adopted.

PASSED, APPROVED AND ADOPTED BY the Board of Directors of the Monterey Regional Waste Management District at a duly noticed regular Board meeting held on June 17, 2022. by the following vote.

AYES:

NOES:

ABSENT:

Jason Campbell
Chair, MRWMD Board of Directors

ATTEST:

Felipe Melchor
Secretary to the Board of Directors