

Is a Council Study Session anticipated? No

7. Briefly explain if a budget modification will be required to study this issue

Amount of budget modification required \$0

Explanation

8. Briefly explain potential costs of implementing study results, note estimated capital and operating costs, as well as estimated revenue/savings, include dollar amounts

Are there costs of implementation? Yes

Explanation

Mandating the use of both an independent negotiator and an independent auditor would increase City costs.

9. Staff Recommendation

Staff Recommendation Drop

If 'Support', 'Drop' or 'Defer', explain

Staff recommends that this Study Issue be dropped. While there may be benefits from utilizing a program similar to COIN, these benefits would likely be negated by the significant additional and ongoing costs created by such a program. If the independent auditor worked directly with the City Council then the costing may be done independent of the City's finance department staff, which would be an additional expense. The City has competent staff to perform these functions.

In most cases, the City already hires outside counsel to serve as the lead negotiator in meetings with our bargaining units to develop new employment contracts. Mr. Frazer was unaware of this when he made his presentation to the City Council. Having an independent auditor would be time consuming and expensive. The auditor would be required to learn and become familiar with the City's budget. Once familiar with the budget, the auditor would be required to cost each proposal presented by both the City's team and the bargaining unit's team for consideration. Presentations to the City Council would need to be developed. All of these functions would be performed at a cost to the City. The City has competent staff that currently performs these functions as part of their employment with the City. It is not necessary to pay additional money for services already available.

Using an independent negotiator and auditor would likely prolong the negotiation process resulting in additional costs for the City for each round of negotiations with the City's six bargaining units.

In addition, AB646 already requires use of an independent or neutral person to review data and hear arguments from both sides and then provide an independent report to the City Council when labor negotiations reach impasse.

As an alternative to this study, staff could work with the bargaining units to explore and consider methods for making financial information pertinent to various proposals or tentative agreements more available to the public.

Reviewed by

Approved by

Jeri Silva
Department Director

12/13/12
Date

[Signature]
City Manager

12-17-12
Date