



## **Statement Regarding Disputed Finding**

### **Finding F1:**

*The residents of Marin County pay taxes to support decisions made by the Board of Supervisors and City and Town councils; however these residents have minimal opportunity to provide input into labor negotiations.*

The City does not agree that Belvedere residents have minimal opportunity to provide input into labor negotiations.

Belvedere is the smallest city in Marin with just 21 employees, six of whom belong to a labor association and bargain collectively (the Belvedere Police Officers Association – BPOA). The other employees are unrepresented. Mandatory subjects of bargaining include wages (and other forms of compensation, i.e. fringe benefits), hours and working conditions. Current labor agreements along with the City's budget outlining personnel costs are available for review by the public at City Hall or on the city's website. If the public, in anticipation of future changes to the terms of those agreements, wishes to provide input to the Council they are welcome to do so during the Open Forum (public comment) period at any City Council meeting, anytime during the year.

### **Finding F2:**

*The COIN process can be implemented without affecting the manner in which tentative agreements are negotiated but which nevertheless will ensure public awareness of the terms and costs of those agreement in advance of their being adopted.*

The City does not agree that the COIN process can be implemented without affecting the manner in which tentative agreements are negotiated. In Belvedere, the negotiation process is not lengthy and is often accomplished in one or two meetings between the City Manager and the bargaining unit representative. Pausing during negotiations to call for an independent audit of a proposal then circulating that proposal for public discussion even if it has already been rejected by one side or the other is a significant change and would affect the timing and tone of labor negotiations.

## **Statement Regarding Recommendations that will not be implemented**

### **Recommendation R1:**

*Marin County Board of Supervisors and each City Council and Town Council in Marin County adopt and implement a COIN ordinance prior to June 1, 2016, or prior to the next round of negotiations, whichever comes first.*

### **Recommendation R2:**

*Marin County Board of Supervisors and each City Council and Town Council in Marin County adopt and implement a COIN ordinance which includes, but is not limited to the following:*

1. *Hire an independent, experienced Lead Negotiator to negotiate all labor agreements.*

2. *Hire an independent auditor to determine the fiscal impact of each provision in the current contract, and make this analysis available for public review.*
3. *Make public each proposal, after it is accepted or rejected by either Party, and publicly verify the costs of that accepted or rejected proposal by an independent auditor.*
4. *Make public seven days prior to a Board or Council meeting the negotiated tentative agreement and the fiscal analysis thereof, which are to be independently verified.*
5. *After seven days, place the final tentative agreement on the following two consecutive Employer's public meeting agendas: the first meeting is for discussion of the tentative agreement; the second meeting is for a vote by the employer to approve or disapprove the tentative agreement.*

Response to recommendations:

The Grand Jury's recommendation that the City of Belvedere adopt a COIN ordinance attempts to address a perceived lack of transparency regarding the City's labor negotiation process and the fiscal impact of the resulting labor agreement. We appreciate and agree with the Grand Jury's position that information regarding the negotiation process and employee compensation should be easily accessible by the public. The City already provides an opportunity to comment when tentative agreements have been reached, and makes available detailed cost information regarding current and anticipated labor costs. For the reasons outlined below, we believe the recommendation that Belvedere adopt a COIN ordinance and incur the costs associated with its implementation is not warranted.

The City does, however, agree that additional notice to the public of potential City Council action on labor matters is possible and could enhance the public's awareness of costs and other impacts resulting from the collective bargaining process. To that end, within the next six months, the Council will adopt an Administrative Policy that requires labor agreements to be placed on two consecutive Council agendas prior to adoption.

Response to COIN ordinance provisions

1. *Hire an independent, experienced Lead Negotiator to negotiate all labor agreements.*

The City Manager represents the City in negotiations with the BPOA and in discussions with other employees about compensation or working conditions. The City Manager does not benefit from any salary or benefit increases negotiated by the BPOA, nor from any increases that may be granted to unrepresented employees. There is no conflict and no need to hire an "independent, experienced Lead Negotiator".

2. *Hire an independent auditor to determine the fiscal impact of each provision in the current contract, and make this analysis available for public review.*

The fiscal impact of the current labor agreement with the BPOA, as well as the cost of salaries and benefits for unrepresented employees, is outlined in detail in the City's annual operating budget. Department budgets include employees' salaries (identified by name), as well as line item detail (cost) for each city paid benefit (health premiums, retirement, specialty pay, uniform allowance, etc.). The budget includes a five year projection of expenses, taking into

account anticipated increases in the cost of salaries and benefits. The City's budget, labor agreements and salary resolutions are available on the City's website, as are the comprehensive annual audits and actuarial reports identifying the City's pension liabilities. The City does not need to hire an "independent auditor" to determine the fiscal impact of each provision in the current contract.

3. *Make public each proposal, after it is accepted or rejected by either Party, and publicly verify the costs of that accepted or rejected proposal by an independent auditor.*
4. *Make public seven days prior to a Board or Council meeting the negotiated tentative agreement and the fiscal analysis thereof, which are to be independently verified.*

Labor negotiations is an iterative process in Belvedere where proposals and counter proposals are exchanged and discussed in a fairly informal way until a tentative agreement is reached. This can happen in as little as one meeting if both sides have clear authority from those they represent. The tentative agreement is then presented to the City Council (at a regular City Council meeting) for their consideration along with a staff report that includes a statement as to the total cost of the proposal. The Finance Officer, who does not participate in the negotiation process nor benefit from the outcome, prepares this cost analysis and is responsible for its accuracy. The City does not need to hire an independent auditor to cost out the tentative agreement.

Pursuant to state law, the tentative agreement, staff report and all other agenda materials are made public at least 72 hours before the council meeting. However, it is often the case that reports are completed before that deadline and when that occurs, it may be possible to provide a longer review period.

5. *After seven days, place the final tentative agreement on the following two consecutive Employer's public meeting agendas: the first meeting is for discussion of the tentative agreement; the second meeting is for a vote by the employer to approve or disapprove the tentative agreement.*

The City agrees that additional notice to the public of potential City Council action on labor matters is possible and could enhance the public's awareness of costs and other impacts resulting from the collective bargaining process. To that end, within the next six months, the Council will adopt an Administrative Policy that requires labor agreements to be placed on two consecutive Council agendas prior to adoption.



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## CITY of BELVEDERE

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August 11, 2015

The Honorable Judge Faye D'Opal  
Marin County Superior Court  
PO Box 4988  
San Rafael CA 94913-4988

Dear Judge D'Opal:

Enclosed please find the City of Belvedere's response to the June 1, 2015 Marin County Grand Jury's report titled "The Need for Labor Negotiation Transparency." This item was reviewed and considered by the Belvedere City Council at their August 10, 2015 Regular Meeting.

Please extend the City's appreciation to the 2015 Grand Jurors for the important work they do on behalf of all of the citizens of the County of Marin.

Sincerely,

A handwritten signature in cursive script that reads "Mary Neilan". The signature is written in black ink and is positioned above the printed name and title.

Mary Neilan  
City Manager

Encl.

cc: Jack Nixon, Foreperson  
Marin County Grand Jury  
3501 Civic Center Drive, Room #275  
San Rafael CA 94913-4988