



**DATE:** April 28, 2020

**CATEGORY:** New Business

**DEPT.:** City Manager/Human Resources

**TITLE:** **Adopt Resolutions Governing Employee Compensation and Benefits for All Bargaining Groups, Unrepresented Employees, and Hourly Employees and Authorizing the City Manager to Provide Recognition for Exceptional Service in Response to the COVID-19 Emergency**

### RECOMMENDATION

1. Adopt a Resolution Authorizing the City Manager or Her Designee to Amend the Memorandum of Understanding Between the EAGLES and the City of Mountain View, for the Period of July 1, 2020 through June 30, 2021, to be read in title only, further reading waived (Attachment 1 to the Council report).
2. Adopt a Resolution Authorizing the City Manager or Her Designee to Amend the Memorandum of Understanding Between the International Association of Firefighters (IAFF), Local 1965, and the City of Mountain View, for the Period of July 1, 2020 through June 30, 2021, to be read in title only, further reading waived (Attachment 2 to the Council report).
3. Adopt a Resolution Authorizing the City Manager or Her Designee to Amend the Memorandum of Understanding Between the Mountain View Police Officers Association (POA) and the City of Mountain View, for the Period of July 1, 2020 through June 30, 2021, to be read in title only, further reading waived (Attachment 3 to the Council report).
4. Adopt a Resolution Authorizing the City Manager or Her Designee to Amend the Memorandum of Understanding Between the Service Employees International Union (SEIU), Local 521, and the City of Mountain View, for the Period of July 1, 2020 through June 30, 2021, to be read in title only, further reading waived (Attachment 4 to the Council report).
5. Adopt a Resolution Authorizing the City Manager or Her Designee to Modify Compensation for Unrepresented Confidential Employees, Fire Managers, Police

Managers, Department Heads, Council Appointees, and Hourly Employees, for the Period of July 1, 2020 through June 30, 2021, to be read in title only, further reading waived (Attachment 5 to the Council report).

6. Adopt a Resolution Authorizing the City Manager to Provide Recognition to Employees for Their Exceptional Performance During the COVID-19 Pandemic Emergency, to be read in title only, further reading waived (Attachment 6 to the Council report).

## **BACKGROUND**

The previous Memorandums of Understanding (MOUs) for EAGLES, IAFF, POA, and SEIU are scheduled to expire on June 30, 2020. The current compensation resolution for Unrepresented Confidential employees, Fire managers, Police managers, department heads, Council appointees, and hourly employees covers the period of July 1, 2019 to June 30, 2020.

New MOU agreements have been reached with each bargaining unit for a period of one year only; the agreements cover the period of July 1, 2020 to June 30, 2021.

The EAGLES represent approximately 216 full-time equivalent positions in management, professional, technical, and clerical classifications. The IAFF represents approximately 65 full-time equivalent positions in sworn classifications in the Fire Department. The POA represents approximately 111 full-time equivalent positions in sworn and nonsworn classifications in the Police Department. SEIU represents approximately 180 full-time equivalent positions in maintenance, clerical, and technical classifications. Representatives of the City have met (physically and/or virtually) with representatives of EAGLES, IAFF, POA, and SEIU.

Unrepresented Confidential employees include 28 full-time equivalent employees in various positions in the City Manager's Office/Human Resources, City Attorney's Office, and Finance and Administrative Services Department; there are eight unrepresented Police managers in the positions of Deputy Police Chief, Police Captain, and Police Lieutenant; five unrepresented Fire managers in the positions of Deputy Fire Chief and Battalion Chief; and nine unrepresented department heads, two in sworn/safety positions and seven in nonsworn/miscellaneous positions. Historically, compensation for unrepresented employees generally tracks the basic terms of their respective represented colleagues. The City also meets informally with unrepresented employee groups.

There are three Council appointees (City Manager, City Clerk, and City Attorney) who are also unrepresented miscellaneous employees. They are each directly appointed to a term of service by the City Council, and their compensation is subject to individual employment agreements on an annual basis. Compensation adjustments are typically determined in a separate annual evaluation process. The current agreements for each of these positions note that benefits are provided in parity with the nonsworn/miscellaneous department heads. If Council approves the recommended department head benefits changes, any changes applicable to Council appointees are specified below and in the resolution.

As previously mentioned, the current MOUs expire on June 30, 2020. In light of the COVID-19 pandemic, the employee groups and City management worked collaboratively to reach agreements in a timely manner with a more narrow term and scope than has been the case in previous agreements. This was in recognition of both time constraints due to the organization's strategic focus on the COVID-19 emergency response, as well as taking into account the fiscal impacts and uncertainties in future years as a result of the pandemic. Consequently, new MOUs and/or resolutions are proposed for a one-year term through June 30, 2021 to address the following objectives:

- Demonstrate the City's value of the work done by employees to provide exceptional services to the residents and businesses of Mountain View, especially during the current COVID-19 pandemic, during which City employees have provided first responder and other critical emergency services and a wide range of other essential programs and services to support the health and safety of the community in this challenging time.
- Provide competitive compensation in order to attract and retain employees with the education, skills, and experience which enables them to provide quality services on behalf of the City.
- Ensure employee compensation is financially sustainable, so the City can balance the operating budget on a structural basis, with ongoing revenues matching or exceeding ongoing expenditures, and can provide for long-term equipment and capital needs in order to maintain City service levels. More information is provided in the Fiscal Impact section below and will be provided during the budget adoption process in June 2020 about the City's ability to accommodate the proposed compensation adjustments in the context of the anticipated impacts on the City budget of the COVID-19 pandemic.

The proposed changes to the MOUs for represented employees and compensation terms for unrepresented employees are detailed in the attached resolutions and summarized in the analysis below. The salary plans to be effective the first pay period ending in July 2020 will be brought before Council for adoption with the Fiscal Year 2020-21 Adopted Budget.

## **ANALYSIS**

The proposed changes to the EAGLES, IAFF, POA, and SEIU MOUs are detailed in the resolutions included as Attachments 1, 2, 3, and 4. The proposed changes governing compensation for unrepresented employees are detailed in the resolution included as Attachment 5. The changes are consistent with direction provided by the City Council in Closed Session meetings on labor negotiation terms. The resolutions serve as the public reporting of action taken in Closed Session under the Brown Act relative to these employees.

### **Common Provisions for All Groups**

*Term:* One-year compensation packages beginning July 1, 2020 and ending June 30, 2021.

### **Common Provisions for EAGLES, IAFF, POA, and SEIU**

*Employee Cost Share for the Public Employees' Pension Reform Act Employees:* For Public Employees' Pension Reform Act (PEPRA) miscellaneous employees on the 2 percent at 62 retirement formula and sworn safety employees on the 2.7 percent at 57 retirement formula, the additional deductions for Employee Share of Employer Contribution will not be applied to any income in excess of the limits set forth in California Government Code Section 7522.10(c).

*Other Changes:* Cleanup and modification of MOU language to reflect current practices and comply with the California Public Employees' Retirement System (CalPERS).

### **Common Provisions for EAGLES, SEIU, Unrepresented Miscellaneous Confidential Employees, Unrepresented Miscellaneous Department Heads, and Council Appointees.**

*3 Percent Cost-of-Living Adjustment, Fiscal Year 2020-21:* Effective June 28, 2020, the City shall amend the salary plan to increase the salary ranges of all EAGLES and SEIU members, Unrepresented Confidential employees, and Unrepresented Miscellaneous

Department Heads by a 3 percent cost-of-living adjustment (COLA). *This provision will not apply to Council Appointees.*

One-Time Leave Hours: Members who are City employees during the first full pay period, including June 28, 2020, will receive a one-time contribution of 21 hours of leave time (prorated for regular part-time employees). This leave must be used by Pay Period 2, 2021, or any balance will be cashed out with the Pay Period 2 payroll. *This provision will not apply to Council Appointees.*

CalPERS Miscellaneous Employee Contributions: As approved by the City Council on June 23, 2015, the total employee contribution by PEPRA members is 1 percent less than the total employee contribution made by classic members, which is currently 10.5 percent for miscellaneous PEPRA members in these groups. Effective the later of the pay period including July 1, 2020, or upon CalPERS completion of the contract amendment/administrative process, the total pension contribution by employees on the 2 percent at 62 miscellaneous retirement formula established under the PEPRA shall be reduced by 0.75 percent to maintain the current total employee contribution of 10.5 percent in response to the increased CalPERS normal contribution for Fiscal Year 2020-21.

	<b>PEPRA Miscellaneous Employee Contribution</b> (excluding NPOA)		
	Employee Normal Contribution	Employee Share of Employer Contribution	<b>Total Paid by Employee</b>
Current	6.25%	4.25%	10.50%
Fiscal Year 2020-21	7.00%	3.50%	10.50%

Note: NPOA is subject to a separate MOU, and employee contributions for this group are detailed below.

**Common Provisions for POA, Unrepresented Police Managers, and Unrepresented Police Chief**

Sworn Employees – 4 Percent COLA Fiscal Year 2020-21: Effective June 28, 2020, the City shall amend the salary plan to increase the salary ranges of all sworn POA, Unrepresented Police Managers, and the Unrepresented Police Chief by a 4 percent COLA.

One-Time Leave Hours (Sworn and Nonsworn Employees): Members who are City employees on June 28, 2020 will receive a one-time contribution of leave time (prorated for regular part-time employees) as follows: 21 hours for nonsworn members or 42 hours for sworn members. This leave must be used by Pay Period 2, 2021, or it will be cashed out with the Pay Period 2 payroll.

Nonsworn Employees – 3 Percent COLA, Fiscal Year 2020-21: Effective June 28, 2020, the City shall amend the salary plan to increase the salary ranges of all Nonsworn POA employees by a 3 percent COLA.

Nonsworn Employees – CalPERS Miscellaneous Employee Contributions: As approved by the City Council on June 23, 2015, the total employee contribution by PEPRA members is 1 percent less than the total employee contribution made by classic members, which is currently 10.7 percent for miscellaneous PEPRA members in these groups. Effective the later of the pay period including July 1, 2020, or upon CalPERS completion of the contract amendment/administrative process, the total pension contribution by employees on the 2 percent at 62 miscellaneous retirement formula established under the PEPRA shall be reduced by 0.75 percent to maintain the current total employee contribution of 10.7 percent in response to the increased CalPERS normal contribution for Fiscal Year 2020-21.

	<b>PEPRA Miscellaneous Employee Contribution NPOA</b>		
	Employee Normal Contribution	Employee Share of Employer Contribution	<b>Total Paid by Employee</b>
Current	6.25%	4.45%	10.70%
Fiscal Year 2020-21	7.00%	3.70%	10.70%

**Common Provisions for IAFF, Unrepresented Fire Managers, and Unrepresented Fire Chief**

4 Percent COLA, Fiscal Year 2020-21: Effective June 28, 2020, the City shall amend the salary plan to increase the salary ranges of all sworn IAFF, Unrepresented Fire Managers, and Unrepresented Fire Chief employees by a 4 percent COLA.

One-Time Leave Hours: Members who are City employees on June 28, 2020 will receive a one-time contribution of leave time (prorated for regular part-time employees) as follows: 59 hours for members on a shifted schedule or 42 hours for members on a 40-hour schedule. This leave must be used by Pay Period 2, 2021, or it will be cashed out with the Pay Period 2 payroll.

### **Common Provisions for All Department Heads and Council Appointees**

Cell Phone Allowance: Effective the first pay period ending in July 2020, increase the cell phone allowance to \$50 per month. This provision will not apply to Council Appointees.

Management Leave: Effective the first pay period ending in July 2020, increase management leave provided for full-time department heads by twenty-four (24) hours, which shall be administered in accordance with procedures set forth by the Finance and Administrative Services Department and in accordance with IRS regulations.

### **Hourly Employee Compensation**

3 Percent COLA, Fiscal Year 2020-21: Effective June 28, 2020, the City shall increase the salary ranges for certain hourly classifications by a 3 percent COLA.

4 Percent COLA, Fiscal Year 2020-21: Effective June 28, 2020, the City shall increase the salary ranges for certain hourly classifications tied to sworn safety positions by a 4 percent COLA.

Employee Cost Share for PEPRA Employees: For PEPRA miscellaneous employees on the 2 percent at 62 retirement formula and sworn employees on the 2.7 percent at 57 retirement formula, the additional deductions for Employee Share of Employer Contribution will not be applied to any income in excess of the limits set forth in California Government Code Section 7522.10(c).

CalPERS Miscellaneous Hourly Employee Contributions: As approved by City Council on June 23, 2015, the total employee contribution by PEPRA members is 1 percent less than the total employee contribution made by classic members, which is currently 10.5 percent for miscellaneous PEPRA members in these groups. Effective the later of the pay period, including July 1, 2020, or upon CalPERS completion of the contract amendment, the total pension contribution by employees on the 2 percent at 62 miscellaneous retirement formula established under the Public Employees' Pension Reform Act (PEPRA) shall be reduced by 0.75 percent to maintain the current total

employee contribution of 10.5 percent in response to the increased CalPERS normal contribution for Fiscal Year 2020-21.

	<b>PEPRA Miscellaneous Employee Contribution</b> (Hourly Employees in PERS)		
	Employee Normal Contribution	Employee Share of Employer Contribution	<b>Total Paid by Employee</b>
Current	6.25%	4.25%	10.50%
Fiscal Year 2020-21	7.00%	3.50%	10.50%

Pension benefits are generally not provided to hourly employees; therefore, the two CalPERS provisions above are not commonly applied to hourly employees. However, there are occasions in which the City hires an employee who has established membership in CalPERS prior to hire, or when the annual work schedule necessitates enrollment in CalPERS to comply with State law.

**Additional Provisions**

The City Manager requests authority to award additional one-time exceptional performance compensation and/or one-time leave hours on an individual basis in excess of what is outlined above in order to recognize some employees who have provided exceptional performance and round-the-clock service in excess of their regular work hours and job duties during the COVID-19 pandemic, and who have provided critical relief and support to the community under extraordinary and unprecedented circumstances. Since 2006, the City Manager has had the authority to recognize exceptional performance by department heads. An extension of this authority is being sought at this time to provide potential recognition to other employees that are outside of the department head classification.

**FISCAL IMPACT**

The fiscal impact of the proposed COLAs and compensation package for all approved agreements for employees will be reflected in the Fiscal Year 2020-21 Adopted Budget and the General Operating Fund Five-Year Financial Forecast, which will be presented in June 2020; salary plans reflecting wage increases will also be adopted by Council at that time. Staff has assessed the current impacts of the COVID-19 pandemic on the



City's fiscal condition and will present a financial update to Council on May 5, 2020. Although there are impacts to the City's financial status, the City is fortunate to have a diverse revenue base and currently projects to be able to weather the current economic disruption.

**ALTERNATIVES**

1. Do not adopt the proposed resolutions governing compensation and benefits for EAGLES, IAFF, POA, SEIU, Unrepresented Confidential employees, Police managers, Fire managers, department heads, Council appointees, and hourly employees.
2. Provide other direction.

**PUBLIC NOTICING** – Agenda posting.

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- Attachments:
1. Resolution – EAGLES Employees
  2. Resolution – IAFF Employees
  3. Resolution – POA Employees
  4. Resolution – SEIU Employees
  5. Resolution – Unrepresented Employees and Hourly Adjustments
  6. Resolution – City Manager Authority for One-Time Bonuses