



DATE: June 25, 2019

CATEGORY: Consent

DEPT.: City Manager/Human Resources

TITLE: **Adopt Resolutions Governing Employee Compensation for All Employee Groups and Modifying the City's Salary Plans**

RECOMMENDATION

1. Adopt a Resolution Authorizing the City Manager or His Designee to Amend the Memorandum of Understanding Between EAGLES and the City, for the Period of July 1, 2017 through June 30, 2020, and Revise the City's Salary Plan to Reflect These Compensation Changes, to be read in title only, further reading waived (Attachment 1 to the Council report).
2. Adopt a Resolution Authorizing the City Manager or His Designee to Amend the Memorandum of Understanding Between International Association of Firefighters (IAFF), Local 1965 and the City, for the Period of July 1, 2017 through June 30, 2020, and Revise the City's Salary Plan to Reflect These Compensation Changes, to be read in title only, further reading waived (Attachment 2 to the Council report).
3. Adopt a Resolution Authorizing the City Manager or His Designee to Amend the Memorandum of Understanding Between Mountain View Police Officers Association (POA) and the City, for the Period of July 1, 2017 through June 30, 2020, and Revise the City's Salary Plan to Reflect These Compensation Changes, to be read in title only, further reading waived (Attachment 3 to the Council report).
4. Adopt a Resolution Authorizing the City Manager or His Designee to Amend the Memorandum of Understanding Between Service Employees International Union (SEIU), Local 521 and the City, for the Period of July 1, 2017 through June 30, 2020, and Revise the City's Salary Plan to Reflect These Compensation Changes, to be read in title only, further reading waived (Attachment 4 to the Council report).
5. Adopt a Resolution Authorizing the City Manager or His Designee to Modify Compensation for Unrepresented Confidential Employees, Fire Managers, Police Managers, Department Heads and Hourly Employees, for the Period of July 1, 2019 through June 30, 2020, and Revise the City's Salary Plan to Reflect These

Compensation Changes, to be read in title only, further reading waived (Attachment 5 to the Council report).

BACKGROUND

Current Three-Year Labor Agreements

Budgeted positions included in the Fiscal Year 2018-19 budget include 557.75 FTEs represented by EAGLES, IAFF, POA, and SEIU and 51 FTEs who are unrepresented. In 2017, the City and the represented employee groups entered into three-year agreements and compensation resolutions were passed for the Unrepresented groups for a three-year term from July 1, 2017 to June 30, 2020.

The Memoranda of Understanding (MOUs) for IAFF, POA, and SEIU contain language that allows for the City or the bargaining unit to request a reopener in the third year of the contract to discuss compensation terms related to cost-of-living adjustments (COLAs) and one-time leave hours. The MOU between EAGLES and the City has the same reopener provision with additional sections eligible to be included in the reopener discussions. Historically, compensation for unrepresented employees generally tracks the basic term of their respective represented colleagues.

The COLAs and one-time leave hours already in place prior to any adjustment that might result from the reopener process are as follows. Each group chose how it would allocate the three-year total of COLAs and one-time leave hours across the three years.

CURRENT THREE-YEAR LABOR AGREEMENT				
	2017-18	2018-19	2019-20	Total
SEIU				
COLA	4%	4%	1%	9%
Hours	21 (1%)	21 (1%)	21 (1%)	63 (3%)
EAGLES				
COLA	4%	4%	TBD	8%
Hours	31	32	TBD	63 (3%)
NPOA (nonsworn)				
COLA	4%	3%	2%	9%
Hours	21 (1%)	21 (1%)	21 (1%)	63 (3%)
POA (sworn)				
COLA¹	4%	3+1=4%	2+2=4%	9+3=12%
Hours	31 (1.5%)			31 (1.5%)
IAFF				
COLA²	4%	3+1=4%	2+1=3%	9+2=11%
Hours³			31/44 (1.5%)	31/44 (1.5%)
Unrepresented Confidential and Nonsworn Department Heads				
COLA	4%	4%	1%	9%
Hours	21 (1%)	21 (1%)	21 (1%)	63 (3%)
Unrepresented Police Managers and Police Chief				
COLA	4%	3+1 = 4%	2+2=4%	9+3=12%
Hours	31 (1.5%)			31 (1.5%)
Unrepresented Fire Managers and Fire Chief				
COLA	4%	4%	1%	9%
Hours⁴	21/29 (1%)	21/29 (1%)	21/29 (1%)	63/87 (3%)

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- ¹ POA sworn members – Adjustments in addition to COLA increases for Fiscal Years 2017-2020 are in recognition of significant recruitment and retention challenges in the regional police labor market.
 - ² IAFF members – Adjustments in addition to COLA increases for Fiscal Years 2017-20 are in consideration of higher pension cost share paid by the group's IAFF classic members.
 - ³ One-time leave hours for IAFF are 44 hours for shifted employees and 31 hours for employees on a 40-hour schedule (the equivalent of 1 percent).
 - ⁴ One-time leave hours for unrepresented Fire Managers are 29 hours for shifted employees and 21 hours for employees on a 40-hour schedule (the equivalent of 1 percent).

Reopener Process

City management representatives received direction from the City Council regarding the potential for adjustments to the COLA and one-time leave hours in the existing MOUs and compensation resolutions for Fiscal Year 2019-20. Management met with representatives of EAGLES, IAFF, POA, and SEIU from March through June 2019. The City also met informally with unrepresented employee groups.

The City's interest in establishing compensation in the Fiscal Years 2017-2020 labor agreement was to enable the City to meet the following objectives: in light of the City's favorable economic condition, provide above-average total compensation to attract and retain employees; continue to ensure that employee compensation is financially sustainable while providing for the City's long-term needs; and provide similar benefits to employees and stabilize costs over a multi-year period. Specifically for the recent reopener discussions, the City's interest was to view any adjustment to COLA and one-time leave hours in Fiscal Year 2019-20 in the context of the total three-year package, rather than as a stand-alone year.

ANALYSIS

The proposed changes to the EAGLES, IAFF, POA, and SEIU MOUs are detailed in 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 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.

Because of the differences in how the groups chose to time their COLAs and leave hours over the three years, the adjustments for 2019-20 resulting from the reopener process cannot be compared across groups. Therefore, it is helpful to look at the total COLAs and leave hours over the three-year agreement term as adjusted through the reopener process. With these adjustments, the total three-year compensation for nonsworn employees (EAGLES, SEIU, NPOA, and Unrepresented Confidential and nonsworn Department Heads) as well as Unrepresented Fire Managers, and the Fire Chief, will be a COLA of eleven percent (11.0%) and the equivalent of three percent (3.0%) in one-time leave hours. For POA, IAFF, Unrepresented Police Managers, and the Police Chief, the three-year total will be a COLA of thirteen and one-half percent (13.5%). In addition, over the three-year agreement term, IAFF members will receive a total of one and one-half percent (1.5%) in one-time leave hours. POA members,

Unrepresented Police Managers, and the Police Chief will receive a total of two and one-half percent (2.5%) in one-time leave hours.

The following sections describe the changes for each employee group.

EAGLES Members

The July 1, 2017 to June 30, 2020 EAGLES agreement did not include a third year provision for COLA and one-time leave hours; therefore, the reopener agreement will establish the third year COLA as follows.

Effective the first pay period ending in July 2019, the City shall amend the salary plan to increase the salary ranges of all classifications of EAGLES employees by a three percent (3.0%) cost-of-living adjustment (COLA).

IAFF Members

The adopted IAFF MOU for July 1, 2017 to June 30, 2020 provides compensation in Fiscal Year 2019-20 which includes a two percent (2.0%) COLA and one percent (1%) salary increase in consideration of total compensation and 44 hours of one-time leave hours for shift employees (31 hours for 40-hour per week employees). As a result of the reopener process, this will be adjusted to include an additional two and one-half percent (2.5%) COLA. There will be no change to existing one-time leave hours. The changes to the IAFF MOU are as follows:

Effective the first pay period ending in July 2019, the City shall amend the salary plan to increase the salary ranges of all classifications in the bargaining unit by ~~three percent (3.0%), of which two percent (2.0%)~~ five and one-half percent (5.5%), of which four and one-half percent (4.5%) is a cost-of-living adjustment (COLA) and, in consideration of total compensation, one percent (1.0%) salary increase. Members will continue to pay the existing PERS cost share.

Sworn POA Members

The adopted POA MOU for July 1, 2017 to June 30, 2020 provides compensation in Fiscal Year 2019-20 which includes a two percent (2.0%) COLA and two percent (2.0%) salary increase in recognition of significant recruitment and retention challenges in the regional police labor market and no one-time leave hours. As a result of the reopener process, this will be adjusted to include an additional one and one-half percent (1.5%) in COLA and 21 one-time leave hours. The changes to the POA MOU are as follows:

COLA: Effective the first pay period ending in July 2019, the City shall amend the salary plan to increase the salary ranges for all POA sworn classifications in the bargaining unit by ~~four percent (4.0%)~~ five and one-half percent (5.5%), of which ~~two percent (2.0%)~~ three and one-half percent (3.5%) is a COLA and two percent (2.0%) is an equity adjustment in consideration of recruitment and retention challenges in the regional police labor market.

One-Time Leave Hours: Effective the first pay period ending in July 2019, sworn members who are City employees on July 1, 2019 will receive a one-time contribution of twenty-one (21) hours of leave time (prorated for regular part-time employees). This leave must be used by Pay Period 2 of 2020, or any balance will be cashed out with the Pay Period 2 Payroll.

Nonsworn POA Members

The adopted POA MOU for July 1, 2017 to June 30, 2020 provides compensation for nonsworn POA members (NPOA) in Fiscal Year 2019-20 which includes a two percent (2.0%) COLA and 21 one-time leave hours. As a result of the reopener process, this will be adjusted to include an additional two percent (2.0%) in COLA and no change to the one-time leave hours. The changes to the POA MOU are as follows:

Effective the first pay period ending in July 2019, the City shall amend the salary plan to increase the salary ranges for all POA nonsworn classifications in the bargaining unit by a ~~two percent (2.0%)~~ four percent (4.0%) COLA.

SEIU Members

The adopted SEIU MOU for July 1, 2017 to June 30, 2020 includes a one percent (1.0%) COLA and 21 one-time leave hours for Fiscal Year 2019-20. As a result of the reopener process, this will be adjusted to include an additional two percent (2%) COLA and no change to the existing 21 one-time leave hours. The changes to the SEIU MOU are as follows:

Effective the first pay period ending in July 2019, the City shall amend the salary plan to increase the salary ranges of all SEIU employees by a ~~one percent (1.0%)~~ three percent (3.0%) COLA.

Unrepresented Confidential Employees and Nonsworn Department Heads

On June 13, 2017, the City Council adopted a resolution authorizing the City Manager or his designee to set compensation for Unrepresented Confidential and Nonsworn Department Head employees for the period of July 1, 2017 through June 30, 2020. The adopted resolution includes a one percent (1.0%) COLA and 21 one-time leave hours for Fiscal Year 2019-20. This will be adjusted to include an additional two percent (2.0%) in COLA and no change to the existing 21 one-time leave hours resulting in the following changes to the resolution.

Effective the first pay period ending in July 2019, the City shall amend the salary plan to increase the salary ranges of all unrepresented Confidential employees and miscellaneous Department Heads by a ~~one percent (1.0%)~~ three percent (3.0%) COLA.

Unrepresented Police Managers and Police Chief

On June 27, 2017, the City Council adopted a resolution authorizing the City Manager or his designee to set compensation for unrepresented employees, including Police Managers and Police Chief, for the period of July 1, 2017 through June 30, 2020. For Fiscal Year 2019-20, the adopted resolution includes a two percent (2.0%) COLA and two percent (2.0%) salary increase in recognition of significant recruitment and retention challenges in the regional police labor market and no one-time leave hours. This will be adjusted to include an additional one and one-half percent (1.5%) in COLA and 21 one-time leave hours resulting in the following changes to the resolution.

COLA: Effective the first pay period ending in July 2019, the City shall amend the salary plan to increase the salary ranges of all Unrepresented Police Managers and the Police Chief by ~~four percent five and one-half percent (5.5%),~~ of which ~~two percent (2.0%)~~ three and one-half percent (3.5%) is a COLA and two percent (2.0%) is an equity adjustment in consideration of recruitment and retention challenges in the regional police labor market.

One-Time Leave Hours: Effective the first pay period ending in July 2019, Police Managers and the Police Chief who are City employees on July 1, 2019 will receive a one-time contribution of twenty-one (21) hours of leave time (prorated for regular part-

time employees). This leave must be used by Pay Period 2 of 2020, or any balance will be cashed out with the Pay Period 2 Payroll.

Unrepresented Fire Managers and Fire Chief

On June 13, 2017, the City Council adopted a resolution authorizing the City Manager or his designee to set compensation for unrepresented Fire Managers and the Fire Chief for the period of July 1, 2017 through June 30, 2020. For Fiscal Year 2019-20, the adopted resolution includes a one percent (1.0%) COLA and 21 one-time leave hours for a 40-hour schedule and 29 leave hours for a 56-hour schedule. This will be adjusted to include an additional two percent (2.0%) in COLA and no change to the one-time leave hours, resulting in the following changes to the resolution.

Effective the first pay period ending in July 2019, the City shall amend the salary plan to increase the salary ranges of all classifications of Unrepresented Fire Managers and Fire Chief by a ~~one percent~~ three percent (3.0%) COLA.

Hourly Salary Plan Adjustment

On June 13, 2017, the City Council adopted a Resolution authorizing the City Manager or his designee to set compensation for the salary ranges of Unrepresented Hourly classifications for the period of July 1, 2017 through June 30, 2020. The adopted Resolution includes a one percent (1.0%) COLA for Fiscal Year 2019-20 for certain hourly positions. This will be adjusted to include additional two percent (2.0%) COLA resulting in the following changes to the Resolution.

Effective the first pay period ending in July 2019, the City shall amend the salary plan to increase the salary ranges for certain hourly classifications by a ~~one percent (1.0%)~~ three percent (3.0%) cost-of-living adjustment (COLA). This provision may not apply to hourly classifications already scheduled to be increased as a result of equity adjustments or the Citywide Minimum Wage Ordinance.

FISCAL IMPACT

The proposed compensation adjustments for all approved agreements for employees can be accommodated in the Fiscal Year 2019-20 Adopted Budget.

ALTERNATIVES

1. Do not adopt the proposed resolutions governing compensation for EAGLES, IAFF, POA, SEIU, Unrepresented Confidential employees, Police Managers, Fire

Managers, Department Heads, and hourly employees and modifying the City's salary plan.

2. Provide other direction.

PUBLIC NOTICING – Agenda posting.

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SCR-ASR/TS/2/CAM
030-06-25-19CR
190218

- Attachments:
1. Resolution – EAGLES
 2. Resolution – IAFF
 3. Resolution – POA
 4. Resolution – SEIU
 5. Resolution – Unrepresented Confidential Employees, Police Managers and Police Chief, Fire Managers and Fire Chief, Department Heads, and Hourly Employees