



DATE: June 22, 2021

CATEGORY: New Business

DEPT.: City Manager's Office and Human Resources

TITLE: **Adopt Resolutions Governing Employee Compensation and Benefits for All Bargaining Groups, Unrepresented Employees, and Hourly Employees**

RECOMMENDATION

1. Adopt a Resolution of the City Council of the City of Mountain View Authorizing the City Manager or Designee to Amend the Memorandum of Understanding Between EAGLES and the City for the Period of July 1, 2021 to June 30, 2023, to be read in title only, further reading waived (Attachment 1 to the Council report).
2. Adopt a Resolution of the City Council of the City of Mountain View Authorizing the City Manager or Designee to Amend the Memorandum of Understanding Between the International Association of Firefighters, Local 1965, and the City for the Period of July 1, 2021 to June 30, 2023, to be read in title only, further reading waived (Attachment 2 to the Council report).
3. Adopt a Resolution of the City Council of the City of Mountain View Authorizing the City Manager or Designee to Amend the Memorandum of Understanding Between the Mountain View Police Officers Association and the City for the Period of July 1, 2021 to June 30, 2023, to be read in title only, further reading waived (Attachment 3 to the Council report).
4. Adopt a Resolution of the City Council of the City of Mountain View Authorizing the City Manager or Designee to Amend the Memorandum of Understanding Between the Service Employees International Union, Local 521, and the City for the Period of July 1, 2021 to June 30, 2023, to be read in title only, further reading waived (Attachment 4 to the Council report).
5. Adopt a Resolution of the City Council of the City of Mountain View Authorizing the City Manager or 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, 2021 to June 30, 2023; Modify City Council Policy D-9, Council Appointee Communications and

Performance Evaluation Process; and Authorize the Mayor to Amend the Employment Agreements for the City Attorney, City Clerk, and City Manager, to be read in title only, further reading waived (Attachment 5 to the Council report).

BACKGROUND

The current Memoranda of Understanding (MOU) for EAGLES, International Association of Firefighters (IAFF), Police Officers Association (POA), and Service Employees International Union (SEIU) are scheduled to expire June 30, 2021. The current compensation resolution for Unrepresented Confidential Employees, Fire Managers, Police Managers, Department Heads, Council Appointees, and Hourly Employees (Unrepresented Confidential) covers the period of July 1, 2020 to June 30, 2021. This Council report seeks approval of new two-year agreements covering the period of July 1, 2021 to June 30, 2023.

EAGLES represents approximately 220.25 full-time equivalent positions in management, professional, technical, and clerical classifications. IAFF represents approximately 65 full-time equivalent positions in sworn and nonsworn classifications in the Fire Department. POA represents approximately 110.5 full-time equivalent positions in sworn and nonsworn classifications in the Police Department. SEIU represents approximately 181 full-time equivalent positions in maintenance, clerical, and technical classifications.

Unrepresented Confidential employees include 29 full-time equivalent employees in various positions in the City Manager's Office, Human Resources Department, City Attorney's Office, and Finance and Administrative Services Department. There are seven 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 10 unrepresented Department Heads, two in sworn/safety positions and eight in nonsworn/miscellaneous positions. Historically, compensation for unrepresented employees generally tracks the basic terms of their respective represented colleagues.

Over the past few months, representatives of the City have met virtually with representatives of EAGLES, IAFF, POA, and SEIU to reach the agreements presented for Council consideration and approval. The MOU changes recommended in this report were ratified by EAGLES, IAFF, and POA. At the time of finalizing this report, results of the SEIU ratification vote were not yet available. The City also meets informally with unrepresented employee groups.

There are three Council Appointees (City Attorney, City Clerk, and City Manager), who are also unrepresented miscellaneous employees. They are each directly employed by the City Council, and their compensation is subject to individual employment agreements. 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 included as Attachment 5. Council Policy D-9, Council Appointee Communications and Performance Evaluation Process, has been updated to provide Council the authority to approve and implement compensation adjustments (cost-of-living adjustment (COLA), lump sum payments/leave hours) at the same time as miscellaneous Unrepresented Department Heads.

In light of the COVID-19 pandemic, the employee groups and City management worked collaboratively to reach agreements in a timely manner with a narrower term and scope than might otherwise have been the case. This was in recognition of both time constraints due to the organization's focus on COVID-19 recovery and the fiscal impacts and uncertainties in future years as a result of the pandemic. Consequently, new MOUs and/or resolutions are proposed for a two-year term through June 30, 2023 to address the following objectives:

- Demonstrate the City's value of the work done by employees to provide quality services to the residents and businesses of Mountain View, especially during the 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 community in this challenging time.
- Provide competitive compensation in order to attract and retain employees with the education, skills, and experience which enable them to provide quality services on behalf of the City.
- Ensure employee compensation is financially sustainable in both the short term and long term. More information is provided in the Fiscal Impact section below and will be provided during the Budget adoption process about the City's ability to accommodate the proposed compensation adjustments in the context of the impacts on the City's budget from 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 section below. The salary plans, listing all classifications and the salaries to

be effective June 27, 2021, will be recommended for Council approval with the Fiscal Year 2021-22 Adopted Budget that will be presented in the Public Hearing section of tonight's meeting.

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 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: Two-year compensation packages beginning July 1, 2021 and ending June 30, 2023.

3.0% COLA, Fiscal Year 2021-22: Effective June 27, 2021, the City shall amend the salary plan to increase the salary ranges of all EAGLES, IAFF, POA (sworn and nonsworn), SEIU, Unrepresented Confidential, Fire Managers, Police Managers, Department Heads, Council Appointees, and Hourly Employees by a 3.0% COLA with the exception of hourly Police Reserve Rate 1, which will increase to meet minimum wage requirements. All increases shall be computed to the nearest one-tenth percent (0.1%) and rounded to the nearest penny in accordance with the procedures established by the Human Resources Director and Finance and Administrative Services Director or their designees.

Other Changes: Cleanup and modification of MOU language to reflect current practices, update actions related to the Health Benefits Committee, and comply with CalPERS and Federal and State laws.

Common Provisions for EAGLES, IAFF, POA, SEIU, Unrepresented Miscellaneous Confidential Employees, Fire Managers, Police Managers, Department Heads, and Council Appointees

Lump Sum Payment, Fiscal Year 2021-22: Members who are City employees during the first full pay period including June 27, 2021 will receive a one-time lump sum payment of \$2,750 (prorated for part-time employees). The parties intend and understand that this lump sum payment is nonpensionable and will not be reported to CalPERS. The parties also agree that this payment is intended to be specific to the pay period in which it is paid and is to be considered part of the regular rate of pay for this pay period only.

For IAFF members, in lieu of the one-time lump sum payment agreed to by other bargaining units, IAFF has agreed to one-time leave hours of equivalent value. The one-time leave hours have been calculated to have a unitwide value equivalent to the lump sum payment amount agreed to by other units. Members of the bargaining unit who are City employees during the first pay period following City Council adoption of the resolution authorizing amendments to the MOU will receive a one-time contribution of 50 hours of leave time (35 hours for 40-hour per week employees). This leave must be used by Pay Period 2, 2022, or it will be cashed out with the Pay Period 2 payroll.

Parity with Other Represented Employees: If the City reaches an agreement with any other bargaining unit that includes COLA and lump sum (or equivalent) increases exceeding those agreed to herein during the time period covered by this agreement (and considering any offsetting differences, such as an agreement to hours in lieu of a lump sum bonus), the parties will meet and confer over the application of equivalent increases (and offsets) to the bargaining unit. Any changes will be by mutual agreement, and the negotiations will consider the net impact of equivalent benefits. This provision shall specifically exclude any market-based equity increases negotiated as part of the Year 2 Wage reopener.

Pilot Program for Front-Line Employee Development Funds, Fiscal Year 2021-22: The City will continue the Pilot Program for Front-Line bargaining unit members to be eligible for reimbursement through Fiscal Year 2021-22. Effective the first full pay period following City Council adoption of the resolution authorizing the amendment of the MOU, Front-Line bargaining unit members will be eligible for reimbursement of up to \$600 for eligible expenses as set forth in Administrative Instruction 3-2. The Pilot Program is intended as a one-time eligibility for reimbursement and will expire June 30, 2022.

Reopener on Salary Fiscal Year 2022-23: All parties agree to a reopener in the second year on wages for Fiscal Year 2022-23. In addition, the parties agree to review the benchmark classifications in the City's Total Compensation Survey to be performed prior to negotiations in 2022. The parties intend the Total Compensation Survey to provide information to support consideration of market-based equity adjustments for individual classifications to be implemented as part of negotiations covering the 2022-23 fiscal year.

Lump Sum Payment Fiscal Year 2022-23: Members who are City employees during the pay period including July 1, 2022 will receive an additional one-time lump sum payment of \$2,750 (prorated for part-time employees). The parties intend and understand that this lump sum payment is nonpensionable and will not be reported to CalPERS. The parties

also agree that this payment is intended to be specific to the pay period in which it is paid and is to be considered part of the regular rate for this pay period only.

For IAFF members, in lieu of the lump sum payment agreed to by other bargaining units, IAFF has agreed to one-time leave hours of equivalent value. The one-time leave hours have been calculated to have a unit-wide value equivalent to the lump sum payment amount agreed to by other units. Members of the bargaining unit who are City employees during the pay period including July 1, 2022 will receive a one-time contribution of 50 hours of leave time (35 hours for 40-hour per week employees). This leave must be used by Pay Period 2, 2023, or it will be cashed out with the Pay Period 2 payroll.

Common Provisions for EAGLES and SEIU

Certification Pay: Effective June 27, 2021, increase the maximum number of eligible certifications above the minimum job requirements eligible for payment from four to six.

For EAGLES, add eight classifications to the existing Certification Pay program.

Common Provisions for IAFF, Unrepresented Fire Managers, POA, Unrepresented Police Managers, Unrepresented Police Chief, and Fire Chief

Employees Assistance Program: Effective January 1, 2022, the City will implement the First Responder Specialty Program, which covers up to 10 counseling sessions per incident, per year.

Retirement Health Savings Account: The parties agree to meet over the portion of sick leave payout (as determined by the sick leave payout formula) which will be deposited in the Retirement Health Savings Account and the portion which will be paid out as taxable cash upon retirement. Any changes will be by mutual agreement. Meetings will occur during July and August 2021 with the intention of reaching an agreement in time to include the change in the new Plan Document with Empower Retirement, the City's new plan administrator. This provision excludes the Police Chief and Fire Chief.

Unrepresented Fire Managers

Equity Adjustment: Effective June 27, 2021, the City shall increase the salary ranges for Deputy Fire Chief and Battalion Chief by 2.5%. Any employee in the classification whose current salary falls below the new salary range shall receive a salary increase sufficient to place them at the bottom of the salary range effective June 27, 2021.

Additional Provisions – Council Appointees

As previously mentioned, the City Attorney, City Clerk and City Manager are each directly appointed by the City Council, and their compensation is subject to individual employment agreements. The current agreements for each of these positions links health plan options, leave accruals and caps, pension and cost share, and other benefits to the same benefits provided to nonsafety Department Heads. Compensation for Council Appointees is to be considered by the City Council annually in the context of performance evaluations as set forth in Council Policy D-9, Council Appointee Communications and Performance Evaluation Process.

Under the current policy, which was last revised in 2007, Council considers all compensation adjustments for Council Appointees during their annual evaluation process in the fall. This includes one-time lump sum payments, COLA increases, equity adjustments, and merit increases. Prior to 2007, Council Appointees received the same adjustments to benefits and compensation in the form of COLA, lump sum payments, or leave hours, as approved by Council each fiscal year for nonsafety Department Heads (typically in June of each year). Then, in the fall, Council would conduct the annual performance evaluation process and recommend merit increases, equity adjustments, or other executive compensation based on the Council Appointee's performance and salary survey.

Council Policy D-9 has been updated to provide Council the authority to approve and implement compensation adjustments (COLA, lump sum payments/leave hours) at the same time as miscellaneous Unrepresented Department Heads. This change will help achieve or maintain appropriate relative compensation differentials and recognizes the intent of COLAs to address general labor market and economic conditions. All other provisions of this policy will remain, including the process and timing for Council Appointee performance evaluations and Council's approval of merit or equity increases. With Council approval of the recommended policy change, the current employment agreements for City Attorney, City Clerk, and City Manager will also be amended.

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 2021-22 Adopted Budget and the General Operating Fund (GOF) Five-Year Financial Forecast (Forecast). Salary plans reflecting wage increases will be adopted with the operating and capital budgets at the June 22, 2021 meeting. Staff has included the costs of the proposed compensation

adjustment and one-time lump sum for the first year of the agreements in current forecasts that anticipate a balanced Fiscal Year 2021-22 Budget.

ALTERNATIVES

1. Do not adopt the proposed resolutions governing compensation for EAGLES, IAFF, POA, SEIU, Unrepresented Confidential, Police Managers, Fire Managers, Department Heads, Council Appointees, and Hourly Employees and modifying the City's salary plan.
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 Amend Council Policy D-9