



COUNCIL REPORT

DATE: June 28, 2022

CATEGORY: New Business

DEPT.: City Manager's Office and
Human Resources Department

TITLE: **Adopt Resolutions Governing Employee
Compensation 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 the EAGLES and the City for the Period of July 1, 2022 through June 30, 2024, 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 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, 2022 through June 30, 2024, 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 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, 2022 through June 30, 2024, 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 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, 2022 through June 30, 2024, 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 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, 2022 through June 30, 2024, 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

City Employee Groups

The City's four represented employee groups are EAGLES, International Association of Firefighters (IAFF), Police Officers Association (POA), and Service Employees International Union (SEIU). EAGLES represents approximately 227.25 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 107.5 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. Compensation for employees in these groups is set through negotiation of Memoranda of Understanding (MOUs).

The City also has several small groups of employees who are unrepresented. Compensation for these employees is approved by Council adoption of a resolution and traditionally is aligned with the basic terms of their respective represented colleagues. Unrepresented Confidential employees include 30 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 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.

In addition, there are three Council Appointees (City Attorney, City Clerk, and City Manager), who are unrepresented miscellaneous employees. They are each directly employed by 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.

Current Labor Agreements

In June 2021, the City Council adopted resolutions approving compensation for all regular and hourly employee groups. The term for all agreements was two years, expiring June 30, 2023. Year 1 of the agreements, Fiscal Year 2021-22, included a cost-of-living adjustment (COLA) and one-time compensation in the form of dollars or hours. Year 2 of the agreements, Fiscal Year 2022-23, also included one-time compensation and a reopener for the purposes of reaching agreement on a COLA and equity adjustments.

Compensation Philosophy and Labor Market Conditions

The City is guided in negotiation of labor agreements by a compensation philosophy with the following primary objectives:

- To the extent possible, in light of the City's current economic condition, provide competitive total 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 of Mountain View.
- 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 also provide for long-term equipment and capital needs in order to maintain City service levels.

To meet the City's interests and provide competitive compensation proposals, the City considers factors, such as: total compensation survey data compared to other local public agencies, the Consumer Price Index (CPI), trends in other agency negotiations, employees' continued commitment to paying an above-average portion of the City's CalPERS employer rate, and current labor market recruitment and retention challenges.

Current labor market conditions are characterized by a phenomenon referred to as the Great Resignation, in which a large number of employees have chosen to change jobs, pursue new careers, or leave the workforce entirely. The public sector has not been immune to this trend. In late 2021, the MissionSquare Research Institute conducted a survey of 1,100 State and local government employees and teachers to assess the impact of the COVID-19 pandemic on public-sector workers. This survey found that 52% of surveyed public-sector workers were considering leaving their jobs and 80% said that the number of people leaving had put a strain on their workload.

Mountain View has experienced these impacts, seeing both a higher-than-usual turnover rate driven by a considerable number of retirements and resignations as people left the workforce or moved on to other jobs for various reasons. This has resulted in higher workloads for staff at the

same time that staff is responding to the pandemic and left fewer staff members to deliver on the City's ambitious Strategic Priorities and Council Work Plan. The ability to recruit for new employees is also more strained in the current public-sector environment. Recruitments may sometimes take longer than they have in the past due to smaller candidate pools and the need to reopen recruitments for second or third rounds.

ANALYSIS

Over the past few months, representatives of the City have met with representatives of EAGLES, IAFF, POA, and SEIU and worked collaboratively to reach the agreements presented for Council consideration and approval. The City also met informally with unrepresented employee groups. The MOU changes recommended in this report have been ratified by all of the represented groups. The terms of the agreements are outlined in detail below by employee group and summarized as follows.

First, regarding the term of the agreement, the City and employee groups mutually agreed to extend the current agreement to a third year in order to enable the organization's continued focus on COVID-19 recovery and support efforts to retain and recruit a stable workforce. Hence, in addition to negotiating a COLA and equity adjustments for the second year of the current two-year agreements, a COLA has been agreed to for Fiscal Year 2023-24, resulting in three-year agreements that extend through June 30, 2024.

The proposed compensation packages include cost-of-living adjustments (COLAs) in order to attract and retain employees in light of the high cost of living in the region and, in some cases, equity adjustments to maintain competitive salary ranges in a highly competitive labor market.

The identification of positions to receive equity adjustments was informed by a total compensation survey process, which included review of benchmark classifications in all employee groups. While the results of the surveys demonstrated that the majority of the City's compensation is competitive, 13 classifications were identified as needing adjustment as well as an additional 78 classifications internally aligned with the below-market classifications. The classifications proposed for equity adjustments are outlined by bargaining group below. Equity adjustments for these positions will be applied to the ranges of management and professional classifications and will only result in an adjustment for the incumbent in the rare case that the incumbent's pay would fall below the minimum salary of the new range.

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. The salary plans, listing all classifications and the salaries

to be effective June 26, 2022, will be recommended for Council approval with the Fiscal Year 2022-23 Recommended Budget that will be presented for adoption this evening.

Common Provisions for All Groups

Term: Two-year compensation packages beginning July 1, 2022 and ending June 30, 2024.

5.0% COLA, Fiscal Year 2022-23: Effective June 26, 2022, 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 five percent (5.0%) COLA with the exception of hourly Police Reserve Rate 1, which is set to match minimum wage and, therefore, will not be adjusted. 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.

4.0% COLA, Fiscal Year 2023-24: Effective the beginning of the pay period, including July 1, 2023, 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 four percent (4.0%) COLA with the exception of hourly Police Reserve Rate 1, which is set to match minimum wage and, therefore, will not be adjusted. 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.

Parity with Other Represented Employees: If the City reaches an agreement with any other bargaining unit that includes COLA and lump-sum (or equivalent one-time leave hours) increases exceeding those agreed to herein during the time period covered by this agreement (and considering any offsetting reductions, such as pension or medical cost-sharing), 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.

Equity Adjustments for Represented Groups:

EAGLES

Effective June 26, 2022, the City shall apply an equity adjustment to increase the salary ranges for the classifications identified below:

- Increase one salary grade (approximately 2.5%): Advanced Planning Manager, Assistant Planner, Associate Planner, Chief Building Official, Deputy Building Official, Deputy Zoning Administrator, Planning Manager/Zoning Administrator, Principal Planner, Risk Manager, Senior Planner, Utilities Systems Supervisor, Water Superintendent, Wastewater Supervisor, and Water Supervisor.
- Increase two salary grades (approximately 5.0%): Assistant Civil Engineer, Assistant Project Manager, Assistant Public Works Director, Associate Civil Engineer, Deputy Public Works Director, Facilities Project Manager, Junior Civil Engineer, Principal Civil Engineer, Principal Project Manager, Project Manager, Real Property Program Administrator, Senior Civil Engineer, Senior Project Manager, Traffic Engineer, and Transportation Planner.
- Increase three salary grades (approximately 7.5%): Transportation Manager.
- Any employee in the classifications listed above 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 the first full pay period after the City Council adopts the resolution authorizing the amendment of the MOU.

SEIU

Effective June 26, 2022, the City shall apply an equity adjustment to increase the salary ranges for the classifications identified below:

- Increase one salary grade (approximately 2.5%): Account Clerk I, Account Clerk II, Accounting Technician, Cross-Connection Control Specialist, Heavy Equipment Operator, Heavy Equipment Specialist, Office Assistant II (title change to Office Assistant), Office Assistant III (title change to Administrative Assistant), Permit Technician, Senior Utilities System Technician, Senior Water System Operator, Utilities Electrician, Utilities Inspector Locator, Utilities Systems Technician, Utilities Systems Specialist, Wastewater Utility Worker I, Wastewater Utility Worker II, Wastewater Utility Worker III, Water Operations

Specialist, Water Quality Technician, Water System Operator, Water Utility Worker I, Water Utility Worker II, and Water Utility Worker III.

In addition, the classification of Office Assistant I will be eliminated, and the classification of Secretary will have the title changed to Senior Administrative Assistant.

Equity Adjustments for Unrepresented Groups:

Confidential Employees

Effective June 26, 2022, the City shall apply an equity adjustment to increase the salary ranges for the classifications identified below:

- Increase one salary grade (approximately 2.5%): Account Clerk I—CONF, Account Clerk II—CONF, Accounting Manager, Assistant Finance and Administrative Services Director, Assistant City Attorney, Deputy City Attorney, Office Assistant II—CONF (title change to Office Assistant—CONF), Office Assistant III—CONF (title change to Administrative Assistant—CONF), Senior Assistant City Attorney, and Senior Deputy City Attorney.
- Any employee in the classifications listed above 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 the first full pay period after the City Council adopts the resolution authorizing the amendment of the agreement.

Fire Managers

Effective June 26, 2022, the City shall apply an equity adjustment to increase the salary range for the Deputy Fire Chief classification one grade (approximately 2.5%).

Any employee in the classification listed above 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 the first full pay period after the City Council adopts the resolution authorizing the amendment of the agreement.

Department Heads

Effective June 26, 2022, the City shall apply an equity adjustment to adjust the salary range for the classifications identified below:

- Increase the top of the range 5.0% for the Police Chief and Fire Chief; 4.0% for Assistant City Manager/Chief Operating Officer and Assistant City Manager/Community Development Director; 3.0% for Community Services Director, Finance and Administrative Services

Director, Human Resources Director, Information Technology Director/Chief Information Officer, Library Director, and Public Works Director.

- Adjust the bottom of the department head ranges to align more appropriately with the market for recruitment and retention as well as to reduce potential compaction with Assistant Director salary ranges.
- Any employee in the classifications listed above 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 the first full pay period after the City Council adopts the resolution authorizing the amendment of the agreement.

Hourly Employees

Effective June 26, 2022, the City shall apply an equity adjustment to the salary ranges in the hourly salary plan to maintain alignment with any corresponding classifications in the regular salary plan as follows:

- Account Clerk I, Account Clerk II, Accounting Technician, Assistant Engineer, Assistant Planner, Associate Engineer, Associate Planner, Junior Engineer, Office Assistant II (title change to Office Assistant), Office Assistant III (and title change to Administrative Assistant), Planning Manager, Principal Civil Engineer, Principal Planner, Senior Civil Engineer, Senior Planner, Skilled Trades I, Skilled Trades II, Skilled Trades III, Traffic Engineer, and Transportation Planner.
- Any employee in the classifications listed above 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 the first full pay period after the City Council adopts the resolution authorizing the amendment of the agreement.

Miscellaneous Provisions:

Other Changes: Cleanup and modification of MOU language to make updates and address operational issues in a variety of areas, including: union leave, agency shop, grievance procedures, and scheduling overtime.

FISCAL IMPACT

The fiscal impact of the proposed COLAs and compensation package for all approved agreements for employees are reflected in the Fiscal Year 2022-23 Recommended Budget and the General Operating Fund Five-Year Financial Forecast. Salary plans reflecting wage increases and equity adjustments will be adopted with the operating and capital budgets at the June 28, 2022 meeting.

Staff has included the costs of the proposed compensation adjustments and one-time lump-sum for the full term of the agreements in current forecasts that anticipate a structurally balanced budget in Fiscal Years 2022-23 and 2023-24.

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