

SUPPLEMENTAL COUNCIL REPORT



COUNCIL REPORT

DATE:	June 25, 2024
CATEGORY:	New Business
DEPT.:	City Manager's Office and Human Resources
TITLE:	Resolutions Governing Employee Compensation for International Association of Firefighters (IAFF), Police Officers Association (POA), EAGLES, Service Employees International Union (SEIU), 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 International Association of Firefighters, Local 1965, and the City for the Period of July 1, 2024 through June 30, 2027, 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 Mountain View Police Officers Association and the City for the Period of July 1, 2024 through June 30, 2027, 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 Modify Compensation for Unrepresented Confidential Employees, Fire Managers, Police Managers, Department Heads, and Council Appointees for the Period of July 1, 2024 through June 30, 2027, 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 Modify Compensation for Hourly Employees for the Period of July 1, 2024 through June 30, 2027, 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 Amend the Memorandum of Understanding Between the EAGLES and the City of Mountain View, for the Period of July 1, 2024 through June 30, 2027, and Revise the City's Salary Plan to Reflect These Compensation Changes, to be read in title only, further reading waived (Attachment 6 to the Council report).
6. 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 (SEIU), Local 521, and the City for the Period of July 1, 2024 through June 30, 2027, and Revise the City's Salary Plan to Reflect These Compensation Changes, to be read in title only, further reading waived (Attachment 8 to the Council report).

BACKGROUND

SEIU represents approximately 190 full time equivalent positions in maintenance, clerical, paraprofessional, and technical classifications. The current Memorandum of Understanding (MOU) for SEIU is scheduled to expire June 30, 2024. Beginning in March 2024, representatives of the City have met and collaborated with representatives of SEIU to reach agreement regarding wages and other terms and conditions of employment. The new proposed three-year agreement for SEIU covers the period of July 1, 2024 through June 30, 2027. The MOU changes recommended in this report for Council consideration and approval are pending ratification by SEIU members at the time of agenda posting.

SUMMARY OF PROPOSED CHANGES

The proposed changes to the MOU for employees represented by SEIU are summarized below and detailed in the resolution included as Attachment 8.

Provisions for SEIU Members

Term: Three-year compensation packages beginning July 1, 2024 and ending June 30, 2027.

4.0% COLA, Fiscal Year 2024-25: Effective the beginning of the pay period including July 1, 2024 or the first pay period following Council adoption, whichever is later, the City shall amend the salary plan to increase the salary ranges of all classifications of SEIU employees by a four percent (4%) COLA.

3.0% COLA, Fiscal Year 2025-26: Effective the beginning of the pay period, including July 1, 2025, the City shall amend the salary plan to increase the salary ranges of all classifications of SEIU employees by a three percent (3%) COLA.

3.0% COLA, Fiscal Year 2026-27: Effective the beginning of the pay period, including July 1, 2026, the City shall amend the salary plan to increase the salary ranges of all classifications of SEIU employees by a three percent (3%) COLA.

Equity Adjustment: Effective the pay period including July 1, 2024, or the first pay period following Council adoption, whichever is later, the City shall apply an equity adjustment to increase the salary range for the classification of Street Maintenance Worker III by one salary grade (approximately 2.5%).

Deferred Compensation Auto-Enrollment: As soon as administratively possible, all new hires and employees not currently enrolled will be automatically enrolled in the City's deferred compensation program with a one percent (1%) employee contribution. Employees may opt-out.

One-Time Deferred Compensation Employer Contributions: Effective the first full pay period in January 2025, the City will contribute a one-time, lump sum of Two Thousand Five Hundred Dollars (\$2,500) (prorated for regular part-time employees) to the deferred compensation 457(b) pretax account for each SEIU member in paid status on the date of payment.

Effective the first full pay period in January 2026, the City will contribute a one-time, lump sum of Two Thousand Five Hundred Dollars (\$2,500) (prorated for regular part-time employees) to the deferred compensation 457(b) pretax account for each SEIU member in paid status on the date of payment.

Effective the first full pay period in January 2027, the City will contribute a one-time, lump sum of Two Thousand Five Hundred Dollars (\$2,500) (prorated for regular part-time employees) to the deferred compensation 457(b) pretax account for each SEIU member in paid status on the date of payment.

Holidays and Holiday-in-Lieu: Upon City Council adoption of a resolution amending City-observed holidays, anticipated by January 1, 2025, the City shall observe 13 scheduled eight-hour paid holidays each calendar year, which adds Cesar Chavez Day and Juneteenth (hereinafter individually "New Holiday" or collectively "New Holidays"). In the event that a resolution adding the New Holidays to the Citywide holiday schedule has not been adopted before the date one or both of these New Holidays occur, SEIU employees will receive one 8-hour floating holiday for the New Holiday(s) that occurred before adoption. In recognition of the addition of two holidays,

Public Safety Dispatchers in SEIU will receive an increase in holiday in-lieu pay of one percent (1%), for a total of 6.5%, effective the pay period including July 1, 2025.

Flexible Spending Account: Effective January 1, 2025, increase the maximum amount employees may contribute to a medical Flexible Spending Account from \$2,500 to \$3,200 (or the IRS maximum, whichever is less) annually, to be administered in accordance with IRS guidelines.

Bilingual Pay: Effective the pay period including July 1, 2024, or the first pay period following Council adoption, whichever is later, employees who meet the criteria, as determined by the Human Resources Department, shall be entitled to receive Three Hundred Dollars (\$300) per month (\$138.46 biweekly based on 26 pay periods in one year).

Clothing Allowance: Effective the pay period including July 1, 2024, or the first pay period following Council adoption, whichever is later, increase the annual clothing allowance for eligible classifications from Three Hundred Sixty Dollars (\$360) to Five Hundred Forty Dollars (\$540).

Shoe Allowance: Effective the pay period including July 1, 2024, or the first pay period following Council adoption, whichever is later, increase the annual shoe allowance for eligible classifications from Two Hundred Twenty-Five Dollars (\$225) to Four Hundred Fifty Dollars (\$450).

Tool Reimbursement Allowance: Effective the pay period including July 1, 2024, or the first pay period following Council adoption, whichever is later, increase the annual tool allowance reimbursement for eligible classifications from One Thousand Dollars (\$1,000) to One Thousand Eight Hundred Dollars (\$1,800).

CalOES Deployment for Public Safety Dispatchers: Agree to side letter or MOU language regarding Incident Dispatch Team deployment for California Office of Emergency Services (CalOES) requests at the discretion of the Chief. Additional compensation depends on and will not exceed CalOES reimbursement covering staff time for compensable travel and work hours.

Reimbursed Overtime for Public Safety Dispatchers: Effective as soon as possible following Council adoption, Public Safety Dispatch represented members shall be entitled to overtime at double-time (two times their base rate of pay) when they work an overtime assignment reimbursed by a for-profit entity and the for-profit entity reimburses the City at the higher rate.

California Public Employees' Retirement System (CalPERS) Employee Contributions for PEPR Members: Effective as soon as administratively possible following a signed MOU, the City will initiate a contract amendment with CalPERS to reduce the total pension contribution for SEIU employees on the 2.0 @ 62 miscellaneous formula by one-half percent (0.50%) in exchange for

discontinuing the Social Security Replacement Benefit outlined below. Employee-paid employer contributions are intended to be ongoing contributions; notwithstanding this intention, the employee normal contribution for employees may be modified under the requirements of PEPRA.

	Illustrative Employee Contribution for Fiscal Year 2024-25 Following Contract Amendment		
	Employee Normal Contribution	Employee Share of Employer Contribution	Total Paid by Employee
2.7@55	8.00%	3.50%	11.50%
2.0@62	7.00%*	3.00%	10.00%**

NOTE: Changes in the cost-share amounts will be effective when CalPERS completes its internal processes.

- * Under PEPRA, employees on the 2.0@62 pension formula are required to pay at least half the normal cost of their pension.
- ** This is the maximum employee contribution. If the normal cost for the 2.0@62 formula increases beyond 12.5%, requiring the employee to pay more than 6.25% to contribute half the normal cost, the amount of the employee-paid employer contribution (cost share) will decrease proportionately so that the total employee contribution will terminate at 10.50%. For example, if, in Fiscal Year 2017-18, half the normal cost is 7.25%, the cost-share amount would be 3.25% to reach a total employee contribution of 10.50%. If at any time half the normal cost decreases such that the total employee contribution, if the prior cost share were continued, would drop below 10.50%, then the cost-share amount will increase proportionately to a maximum of 10.50%. If 50% of the normal cost exceeds 10.5%, the employee will be required to pay 50% of normal cost.

Social Security Replacement Benefit (SSRB): Effective the pay period including July 1, 2024, or the first pay period following Council adoption, whichever is later, SEIU employees have agreed to the elimination of the SSRB on an ongoing basis in exchange for the reduction to PEPRA employee cost share outlined above.

City Health Savings Account Contribution for New Enrollees in Kaiser High Deductible Health Plan (HDHP): For SEIU employees who elect to participate in the HDHP, the following Health Savings Account (HSA) contribution schedule will apply for Fiscal Year 2023-24 through Fiscal Year 2026-27. When an employee enrolls in an HDHP for the first time, the City will contribute one hundred percent (100%) of the plan deductible (\$1,600 for employee-only and \$3,200 for employee plus one or more dependents) into the employee’s HSA as defined by the IRS. During one subsequent enrollment year, the City will contribute fifty percent (50%) of the plan deductible (\$800 for employee-only and \$1,600 for employee plus one or more dependents) into the employee’s HSA as defined by the IRS. If an employee leaves the HDHP after their first year, and later returns to the plan, the City will contribute fifty percent (50%) of the plan deductible

into the employee's HSA as defined by the IRS. Employees may contribute additional funds into their HSA up to the IRS annual maximums. Since HSA contribution limits are determined on a calendar/tax-year basis, a midyear enrollment in an HSA may be subject to a prorated HSA contribution limit, including a prorated City HSA contribution. Contributions in excess of the IRS limit may be subject to tax penalties. The combination of employee, employer, and third-party contributions may not exceed the annual IRS limits. The City may change the contribution to the HSA after Fiscal Year 2026-27.

Other Changes: Clean up and modification of MOU language to make updates and address operational issues and/or compliance in a variety of areas, including certification pay classification and POST certificate eligibility, compensatory time off, disability insurance, floating holiday, leave payouts, out-of-class pay, and uniforms.

FISCAL IMPACT

The fiscal impact of the proposed COLAs and compensation packages for all SEIU employees will be reflected in the Fiscal Year 2024-25 Adopted Budget and the General Operating Fund Five-Year Financial Forecast. A salary plan reflecting wage increases and equity adjustment for SEIU is included as Exhibit A to Attachment 8. Staff has included the costs of the proposed ongoing compensation adjustments and one-time compensation in current budget forecasts and will also include them in the development of the Fiscal Year 2025-26 and Fiscal Year 2026-27 Recommended Budgets.

ALTERNATIVES

1. Do not adopt the proposed resolution governing compensation for SEIU employees and revising the City's salary plan.
2. Provide other direction.

PUBLIC NOTICING

Supplemental attachment subsequently added consistent with agenda posting.

Prepared by:

Maxine Gullo
Human Resources Director

Lindsey Bishop
Human Resources Manager

Approved by:

Kimbra McCarthy
City Manager

Arn Andrews
Assistant City Manager

MG-LB/4/CAM
032-06-25-24CR(Supplemental)
204071

- Attachments:
1. Resolution—IAFF Employees
 2. Resolution—POA Employees
 3. Resolution—Unrepresented Employees
 4. Resolution—Hourly Employees
 5. Supplemental Council Report—EAGLES Employees
 6. Resolution—EAGLES Employees
 7. Supplemental Council Report—SEIU Employees
 8. Resolution—SEIU Employees