



**TOWN OF LOS GATOS
COUNCIL AGENDA REPORT**

MEETING DATE: 05/05/2020

ITEM NO: 8

DESK ITEM

DATE: May 5, 2020
TO: Mayor and Town Council
FROM: Laurel Prevetti, Town Manager
SUBJECT: Approve Addenda to the Town Employees' Association and the American Federation of State, County and Municipal Employees Memoranda of Understanding and Revisions to the Classification Plans for the Unrepresented Management, Confidential, and Temporary Units

REMARKS:

Attachment 8 contains public comment received since the issuance of the staff report and 11:00 a.m. May 5, 2020.

Several of the public comments shared similar misunderstandings and misconceptions which staff has corrected below.

The Council hasn't had an opportunity to evaluate and discuss the recommendation.

The Town Council begins the labor negotiations process by designating a team to represent the Town's interests during negotiations with the bargaining units. For the Town, the negotiating team consists of Town's management knowledgeable about finance, human resources and site organization, and an attorney with expertise in labor negotiations and the Bay Area labor market.

In order to instruct their negotiating team, the Town Council is permitted by the Brown Act to meet with their negotiating team in closed session. (Gov. Code § 3549.1, subd. (d).) For this year's negotiations, Council met with their negotiating team in Closed Session on February 4, March 24, April 7, and April 28 to discuss the item. During these closed session meetings, the Town Council authorized the parameters for negotiations, including the amount of money available for negotiations and instructed the negotiations team on the Town's goals in light of received economic and budget information related to COVID-19 impacts to the Town organization.

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In addition, during the MOU process the Town negotiating team met with the Town Employee Association (TEA) on March 4, March 18, and April 15, and the American Federation of State, County and Municipal Employees (AFSCME) on March 10 and April 21.

The staff recommended salary increase is greater than the proposed COLA.

For the most recent Memoranda of Understanding with TEA and AFSCME the bargaining units received a 2.5% COLA for FY 2018/19 and a 3.0% COLA for FY 2019/20. This agenda item proposes a recommended 1.0% COLA for FY 2020/21. This represents a total three-year COLA of 6.5%. Any percentage differences beyond the stated COLA's are attributed to mandated benefit increases and previously agreed to classification adjustments.

It should be noted that during the last MOU negotiations the bargaining groups voluntarily agreed to the elimination of sick leave cash out and retiree medical contributions and the same eliminations were applied to the Management and Confidential groups. The Temporary employee group does not receive benefits.

The Town salary schedules reflect higher increases than reported.

Market adjustments refer to specific job classifications that when surveyed against the Town's comparable survey agencies, are below market survey data. In the referenced January 1, 2017 TEA salary schedule, these classifications received an across-the-board salary increase (cost-of-living increase) plus an additional percentage increase to align the salaries closer to market survey data. Market adjustments are not proposed in the current staff recommendation. The same 1% cost-of-living increase is proposed for all classifications. To accurately verify the 1% increase, please compare the proposed TEA salary schedule included as Attachment 3 with the most recent TEA salary schedule posted on the Town's website and approved by Council on December 3, 2019 (Attachment 9).

Collective bargaining has established the wages and benefits through June 2021.

The term of each Memorandum of Understanding for TEA and AFSCME is through June 2021, and each agreement contains a provision to reopen the relevant section related to salary during the third year of the agreement. This provision requires a meet and confer process between the Town and the two labor associations.

Attachments received with Staff Report:

1. TEA Addendum to MOU
2. AFSCME Addendum to MOU
3. TEA Salary Schedule
4. AFSCME Salary Schedule

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5. Town Council and Management Salary Schedule
6. Confidential Salary Schedule
7. Temporary Salary Schedule

Attachments received with Desk Item:

8. Public Comments
9. TEA salary schedule December 2019