



**TOWN OF LOS GATOS
COUNCIL AGENDA REPORT**

MEETING DATE: 05/05/2020

ITEM NO: 8

DATE: April 29, 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

RECOMMENDATION:

Approve addenda to the Town Employees' Association (Attachment 1) and the American Federation of State, County and Municipal Employees Memoranda of Understanding (Attachment 2) and revisions to the classifications plans for the unrepresented Management (Attachment 5), Confidential (Attachment 6), and Temporary (Attachment 7) units.

BACKGROUND:

Memoranda of Understanding (MOU) between the Town Employees' Association (TEA) and the American Federation of State, County and Municipal Employees (AFSCME) expire on June 30, 2021. Although the MOUs do not expire until 2021, each MOU contains language that provides a reopener to negotiate salary [i.e., cost of living adjustment (COLA)] during the third year of the agreement. In accordance with the Town's Employer-Employee Relations Resolution No. 1974-41, representatives of the Town, TEA, and AFSCME have met and conferred in good faith and within the scope of representation to reach an agreement related to the reopener provisions.

The Management, Confidential, and Temporary units are at-will, unrepresented units of the Town. Unlike the Town's three bargaining groups who negotiate for reopeners in existing contracts as well as new contracts, recommendations for changes to the Management, Confidential, and Temporary unit classification plans are at the discretion of the Town Manager, with the consent of the Council, based on budget considerations and other factors at that time.

PREPARED BY: Lisa Velasco
Human Resources Director

Reviewed by: Town Manager, Assistant Town Manager, Town Attorney, and Finance Director

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DISCUSSION:

After several meetings with TEA and two meetings with AFSCME, tentative agreements were reached to implement a 1% COLA and a 2% non-PERSable one-time bonus effective July 1, 2020. Because the Management and Confidential units are at-will and unrepresented, a formal meet and confer process is not required; however, it is recommended that the Town Council approve the same COLA parameters of the tentative agreements to the Management and Confidential classifications. This action would maintain parity with the represented units and the distance between supervisory and non-supervisory classification salary ranges to prevent any overlapping of supervisory and non-supervisory salary ranges within similar career ladders (also known as compaction).

In addition, the last COLA provided to the Town's Temporary workforce was in July 2017. Salary adjustments to specific Temporary classifications have been authorized by the Town Council since July 2017 to reflect State minimum wage increases and to align the Temporary Police Officer classifications with the represented Police Officer classifications for attraction and retention purposes. It is recommended that the 1% COLA be applied to all Temporary classification except for Police Officer Reserve and Police Officer Temp/Hourly because the hourly rates were already adjusted in December 2019 to coincide with the Police Officers' Association (POA) top step rate.

CONCLUSION:

The TEA and AFSCME tentative agreements have been prepared within the parameters provided to the Town's negotiators by the Town Council and have been ratified by TEA and AFSCME memberships. It is recommended that the parameters of the tentative agreements be approved, and the Town Manager be authorized to execute the addenda to the MOUs. It is also recommended that the same authority is extended for the Management and Confidential groups and a 1% COLA authorized for Temporary classifications excluding the Police Officer Reserve and Police Officer Temp/Hourly classifications.

FISCAL IMPACT:

The anticipated fiscal impact for all recommended salary adjustments in FY 2020/21 is \$433,338 and reduced to \$183,476 for subsequent fiscal years. If the recommendations are approved, the total cost of the increases to salary and one-time bonuses will be included in the FY 2020/21 Operating budget presented for review and consideration during the May 19, 2020 Town Council Meeting.

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ENVIRONMENTAL ASSESSMENT:

This is not a project defined under CEQA, and no further action is required.

Attachments:

1. TEA Addendum to MOU
2. AFSCME Addendum to MOU
3. TEA Salary Schedule
4. AFSCME Salary Schedule
5. Town Council and Management Salary Schedule
6. Confidential Salary Schedule
7. Temporary Salary Schedule