



**TOWN OF LOS GATOS
FINANCE COMMISSION
AGENDA REPORT**

MEETING DATE: November 14, 2022

ITEM NO: 4

DATE: November 7, 2022
TO: Chairperson and Finance Commission Members
FROM: Laurel Prevetti, Town Manager
SUBJECT: Discuss Options for Providing Information to the Finance Commission During Labor Negotiations

RECOMMENDATION:

Discuss options for Providing Information to the Finance Commission during labor negotiations.

BACKGROUND:

At its September meeting, the Finance Commission asked staff to return with options for providing information to the Finance Commission during labor negotiations. The Finance Commission is specifically concerned about impacts to the Town's budget resulting from financial commitments made during labor negotiations.

Duties of Finance Commission

Town Code Section 2.50.225 (see Attachment 1) sets forth the duties of the Town's Finance Commission. Subsection (c) of Section 2.50.225 states that one of the duties of the Finance Commission is to "minimize the [Town's] cost to provide core services and required activities."

PREPARED BY: Gabrielle Whelan
Town Attorney

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

BACKGROUND (continued):

State Law

The state Meyers-Milias-Brown Act (MMBA) is the law that governs California public agency labor negotiations.¹ The Act authorizes local agencies to adopt rules regarding employer-employee relations (Gov. Code Section 3507). The Town has adopted an Employer-Employee Relations resolution (see Attachment 2), which provides that the Town Council designates representatives of the Town for the purpose of meeting and conferring and consulting with recognized employee organizations. The MMBA requires that the parties to a negotiation meet and confer with each side's designated bargaining representatives.

DISCUSSION:

To minimize labor costs, the Finance Commission has expressed interest in being involved with labor negotiations. In accordance with the Town's Employer-Employee Resolution, the Town Council has designated the following representatives for purposes of labor negotiations: outside labor counsel, Assistant Town Manager, and Human Resources Director.

To develop options that balance the request of the Finance Commission and the bounds of labor negotiations, staff has consulted with outside labor and employment counsel to discuss best practices and has reviewed information from other jurisdictions. Based on staff's review and analysis, here are some options:

- 1) The Town could post a labor negotiations schedule on its website and provide that information to the Finance Commission.
- 2) The Finance Commission could provide written comments or recommendations to either the Town's designated labor negotiators or the Town Council before negotiations commence.
- 3) The Council always receives verbal communications preceding closed session. The Finance Commission could provide either comments or recommendations during verbal communications prior to any closed session regarding labor negotiations.
- 4) The Commission could invite the Town's negotiator(s) for a Q&A session before negotiations begin.

¹ A recent court decision highlights the degree to which a public agency's governing body has exclusive authority over labor negotiations [Pacifica Firefighters Association v. City of Pacifica, 76 Cal.App.5th 758 (2022)]. In the Pacifica decision, the City's voters adopted a ballot measure to provide that, in the event of an impasse in labor negotiations, salary and benefits would be set at an amount not less than the average for five neighboring cities. The court ruled that the authority for labor negotiations rested solely with the City Council and could not be delegated to the voters. As a result, the ballot measure was overturned.10272546.1 LO007-005

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CONCLUSION:

Staff looks forward to the Commission's discussion of these options and if the Commission has any preference for keeping the Finance Commission informed with regard to aspects of labor negotiations that will impact the Town's budget.

COORDINATION:

This report was coordinated with the Town Manager's Office, Town Attorney's Office, and Human Resources Department.

ATTACHMENTS:

1. Town Code Section 2.50.225
2. Employer-Employee Relations Resolution