



**TOWN OF LOS GATOS
COUNCIL AGENDA REPORT**

MEETING DATE: 12/07/2021

ITEM NO: 3

DATE: December 1, 2021
TO: Mayor and Town Council
FROM: Laurel Prevetti, Town Manager
SUBJECT: Approve an Amendment to the Classification Plan for the Temporary Unit to Provide a Salary Increase, Add the Classification of Project Manager, Align the Temporary Police Officer Classification Salary Step with the Top Step of the Police Officer Classification Represented by the Police Officers Association, and Comply with the California Minimum Wage Increase Effective January 1, 2022

RECOMMENDATION:

Approve an amendment to the classification plan for the Temporary unit to provide a salary increase, add the classification of Project Manager, align the Temporary Police Officer Classification salary step with the top step of the Police Officer classification represented by the Police Officers Association (Attachment 1), and comply with the California minimum wage increase effective January 1, 2022 (Attachment 2).

BACKGROUND:

The Town of Los Gatos Personnel Rules and Regulations (Section 4.4) require that amendments and revisions to the classification plan are effective upon approval by the Town Council. The Town's classification plan is represented in each of the six separate employee group salary schedules. The California Public Employees' Retirement System (CalPERS), that administers the Town's employee pension plan and health plan benefits, also require that salary schedule changes be formally adopted by an agency's governing body. In most cases, changes are typically presented to Council for approval as part of the formal budget adoption or through the labor negotiations process.

The Temporary unit is an at-will, unrepresented unit of the Town. Unlike the Town's three bargaining groups who negotiate for reopeners in existing contracts as well as new contracts,

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Human Resources Director

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

BACKGROUND (continued):

recommendations for changes to the Temporary unit classification plan is at the discretion of the Town Manager, with the consent of Council, based on budget considerations and other factors at that time.

The Project Manager classification was authorized by Resolution 2001-16 (Attachment 3) during the February 20, 2001 Council meeting. The classification was described as a temporary at-will position to serve in a variety of capacities throughout the organization. The classification has continued to be used throughout the Town and the typical assignments include gathering and analyzing data, defining problems and solutions, creating proposals for improvements, and implementing work plans or special programs. The classification has also been used for the appointment of interim key management staff.

In 2016, the California Governor amended the State's minimum wage orders to increase the minimum wage rate one dollar each year beginning on January 1, 2017 and continuing through January 1, 2022 until reaching the minimum wage rate goal of \$15.00 per hour. Should Council approve an amendment to the classification plan to provide a two percent (2%) salary increase for the Temporary unit effective in the pay period that includes July 1, 2021, the Town will still have several temporary/hourly classifications listed on the Temporary Classifications Salary Schedule that have minimum rates of pay still below \$15.00 per hour and those rates must be adjusted to the new California minimum wage.

DISCUSSION:

Temporary Classification Salary Increase Recommendation

During the November 16, 2021 Council meeting, the Town Manager received authorization to approve addenda to the Town Employees' Association (TEA) and the American Federation of State, County and Municipal Employees (AFSCME) Memoranda of Understanding and to revise the classification plans for the unrepresented Management and Confidential units. This authorization included a two percent (2%) salary increase for all classifications effective in the pay period that includes July 1, 2021.

To continue to provide the ability to attract and retain temporary employees to supplement the Town's full-time equivalent workforce, it is recommended that the two percent (2%) salary increase be applied to all Temporary classifications except for those classifications that align hourly rates with TEA and Police Officer Association classifications as identified on the Temporary Classifications Salary Schedule (Attachment 1).

DISCUSSION (continued):

Project Manager Classification Recommendation

In recent years CalPERS has amended its requirements to have salary schedules (the Town's classification plan) formally adopted by an agency's governing body and publicly available as well as implemented new rules related to the rehire of retired annuitants. Due to the required knowledge and complexity related to Project Manager assignments, the classification has typically been filled by retired public sector employees, such as CalPERS retired annuitants, to work on specific projects or to fill critical temporary management vacancies.

To ensure continued compliance with CalPERS rules and regulations as well as to promote transparency, staff recommends that the classification of Project Manager be identified on the Temporary Salary Schedule. The prior 2001 Council resolution provided a salary schedule range of \$25 - \$175 per hour. To continue to provide salary flexibility when hiring temporary management positions, staff is recommending a revised salary range of \$43 - \$113 per hour. The range spans the minimum and maximum hourly rates of pay (rounded up to the nearest dollar) equivalent to the current Town Council and Management Classification Salary Schedule (Attachment 4); specifically, the classifications that are within the Town Manager's authority to appoint. Current employees in the Project Manager classification have hourly rates that are within the proposed range and will also receive a two percent (2%) salary adjustment should Council provide the recommended Temporary Classifications Salary Schedule increase authority to the Town Manager. Future hires will be offered an hourly rate anywhere within the range commensurate with experience, education, and the body of work.

Temporary Police Officer Classification Recommendation

According to the Town's Municipal Code (Section 2.30.1015), Police Reserve Officers shall have the full powers and duties of a Peace Officer as provided by California Penal Code section 830.1. The Temporary Police Officer classification is used to backfill vacancies of full-time equivalent positions. The rates of pay for both classifications are aligned to the top step Police Officers' Association (POA) represented Police Officer classification. To ensure that the temporary classifications align with future proposed salary increases authorized for POA, staff is recommending that instead of identifying a specific pay range on the Temporary Classifications Salary schedule, that the range is identified by the verbiage "equal to the top step hourly rate for POA Police Officer".

State Minimum Wage Salary Schedule Recommendation

The proposed Temporary Classifications Salary Schedule, effective June 27, 2021, contains four classifications that have a minimum rate of pay that is less than \$15.00 per hour: Clerical Aide Temp/Hourly, Facility Attendant Temp/Hourly, Library Page Temp/Hourly, and Ticket Booth

DISCUSSION (continued):

Attendant. To remain in compliance with the State's minimum wage order, staff recommends increasing the Step 1 rate for the four classifications to \$15.00 per hour and maintaining the five percent (5%) differential between steps one through six. The increase would coincide with the pay period that includes January 1, 2022 and is reflected in Attachment 2.

CONCLUSION:

Staff is recommending approval of an amendment to the classification plan for the Temporary unit encompassing several revisions.

- The recommended revision to provide a two percent (2%) salary increase will assist with recruitment and retention efforts of the temporary workforce.
- Adding the classification of Project Manager to the Temporary Salary Schedule will ensure compliance with CalPERS rules by allowing the classification and salary range to be located easily on the Town's website. The proposed salary range is also aligned with the current management group's hourly pay rates for consistency.
- The recommendation to identify the temporary Police Officer Classification salary steps with the permanent Police Officer top step by including the verbiage "equal to the top step hourly rate for POA Police Officer" will confirm that the temporary rate of pay is consistently in line with the Police Officer classification represented by POA and will not require a separate Council action each time the POA salary schedule is revised.
- The Town is required to comply with the California minimum wage increase effective January 1, 2022. Should the two percent (2%) increase for the Temporary classifications not be authorized by Council, the Town will still be required to adjust the minimum hourly rate of previously identified Temporary unit classifications up to \$15.00 per hour.

FISCAL IMPACT:

The anticipated fiscal impact for the recommended temporary classifications salary increase in FY 2021/22 is \$12,428. The FY 2021/22 Operating Budget forecast included an anticipated two percent (2%) increase in all Town salaries and benefits, therefore, a budget adjustment is not necessary.

ENVIRONMENTAL ASSESSMENT:

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

Attachments:

1. Temporary Classifications Salary Schedule Effective June 27, 2021
2. Temporary Classifications Salary Schedule Effective December 26, 2021
3. Project Manager Council Resolution
4. Town Council and Management Classifications Salary Schedule