



**TOWN OF LOS GATOS
COUNCIL AGENDA REPORT**

MEETING DATE: 06/16/2026

ITEM NO: 8

DATE: June 16, 2026
TO: Mayor and Town Council
FROM: Chris Constantin, Town Manager
SUBJECT: **Adopt a Resolution Approving the Corrected American Federation of State, County and Municipal Employees (AFSCME) 2026-2027 Salary Schedule and Side Letter Agreement**

RECOMMENDATION: Adopt a resolution approving the corrected salary schedule for the American Federation of State, County and Municipal Employees (AFSCME) to reflect the negotiated 4% increase for the 2026-2027 fiscal year, effective July 5, 2026; and approve and authorize the Town Manager to execute a Side Letter of Agreement between the Town of Los Gatos and the American Federation of State, County and Municipal Employees (AFSCME) to correct the 2026-2027 salary schedule.

FISCAL IMPACT:

This is an administrative correction that does not have a fiscal impact.

STRATEGIC PRIORITY:

The correction to the AFSCME salary schedule supports the Town's strategic priority of prudent financial management.

BACKGROUND:

On August 6, 2024, the Town Council approved and authorized the Town Manager to execute a Memorandum of Understanding (MOU) between the Town of Los Gatos and the American Federation of State, County, and Municipal Employees (AFSCME) (Attachment 1). The term of

PREPARED BY: Cheryl Parkman
Human Resources Director

Reviewed by: Town Manager, Assistant Town Manager, Town Attorney, and Administrative Services Director

PAGE 2 OF 2

SUBJECT: Approve corrected American Federation of State, County and Municipal Employees (AFSCME) 2026-2027 Salary Schedule and Side Letter Agreement

DATE: June 16, 2026

the MOU is July 1, 2024, through June 30, 2027, and approved general wage increases, as listed below.

- **Fiscal Year 2024/2025:** Effective the first full pay period in July 2024, the Town will provide a four percent (4%) salary adjustment for all bargaining unit classifications.
- **Fiscal Year 2025/2026:** Effective the first full pay period in July 2025, the Town will provide a four percent (4%) salary adjustment for all bargaining unit classifications.
- **Fiscal Year 2026/2027:** Effective the first full pay period in July 2026, the Town will provide a four percent (4%) salary adjustment for all bargaining unit classifications.

DISCUSSION:

Due to an administrative error, the salary schedule for the 2026-2027 fiscal year was generated using a 5% general increase rather than the 4% increase as agreed upon in bargaining and authorized by Council. Staff identified this error before any overpayment could occur. The error is limited to the attached schedule (Attachment 2) and does not reflect the negotiated intent of the parties. Correcting this error ensures the salary schedule aligns with the authorized budget and Council action.

CONCLUSION:

The Town has met its obligation to notify AFSCME representatives of the salary schedule correction. The attached side letter of agreement has been shared and approved by the union (Attachment 3).

COORDINATION:

This memo has been coordinated with the Town Attorney.

ENVIRONMENTAL ASSESSMENT:

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

Attachments:

1. American Federation of State, County and Municipal Employees Memorandum of Understanding, July 1, 2024 – June 30, 2027
2. Town of Los Gatos Salary Schedule for American Federation of State, County and Municipal Employees Classifications effective July 5, 2026, with corrections
3. AFSCME 2026-2027 Salary Schedule Correction Side Letter of Agreement
4. Council Resolution