



**TOWN OF LOS GATOS
COUNCIL AGENDA REPORT**

MEETING DATE: 06/07/2022

ITEM NO: 21

DATE: June 2, 2022
TO: Mayor and Town Council
FROM: Laurel Prevetti, Town Manager
SUBJECT: Approve a Labor Agreement Between the Town of Los Gatos and the American Federation of State, County, and Municipal Employees and Authorize the Town Manager to Execute the Memorandum of Understanding

RECOMMENDATION:

Staff recommends that the Town Council approve a Labor Agreement between the Town of Los Gatos and the American Federation of State, County, and Municipal Employees (AFSCME) and authorize the Town Manager to execute the Memorandum of Understanding.

BACKGROUND:

In accordance with the Town's Employer-Employee Relations Resolution No. 1974-41, representatives of the Town and AFSCME have met and conferred in good faith and within the scope of representation in an effort to reach agreement for a successor Memorandum of Understanding (MOU). The revised agreement will be distributed and posted on June 3, 2022 as an Addendum to this report. The MOU is a labor agreement that identifies specific terms and conditions of employment applicable to the employees represented by that agreement.

DISCUSSION:

The Town's current MOU with AFSCME expires on June 30, 2022. In March 2022, the Town and AFSCME began negotiating for a successor agreement. A tentative agreement for a two-year term was reached in April and AFSCME membership ratified on April 29, 2022.

PREPARED BY: Salina Flores
Human Resources Director

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

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DISCUSSION (continued):

Major provisions of the agreement include and are not limited to:

1. **Term:** July 1, 2022 to June 30, 2024
2. **Salary:**
 - a. Effective the first full pay period of July 2022 (effective July 10, 2022), or the first full pay period after Council approval, whichever is later, the Town will provide a 3% cost of living adjustment (COLA) and a 4.5% market increase for a total of 7.5%. The market increase is intended to bring AFSCME classifications to or near market median.
 - b. Effective in the first full pay period of July 2023, the Town will provide a 3% salary increase.
3. **Pandemic Related Bonus:** Effective the first full pay period of July 2022, or the first full pay period after Council approval, whichever is later, all employees who worked for the Town in 2021, who are employed at the Town as of the last day of the pay period will receive a one-time, lump sum payment of \$2,500.
4. **Juneteenth Holiday:** Effective after Council approval of this MOU, June 19th (Juneteenth) shall be added to Section 29 of the MOU as an observed paid eight (8) hour holiday for employees represented by AFSCME.
5. **Tuition Reimbursement:** The Town will reimburse AFSCME employees up to \$3,000 per fiscal year toward the cost of books, university/school fees (except parking) and tuition for courses directly related to the employee's position as determined by the Town Manager. Prior to reimbursement, all course work must be completed with a passing grade of "C" or equivalent

The Town and AFSCME have also agreed to various MOU language updates. The MOU will be distributed and posted on June 3, 2022 as an Addendum to this report. These updates clarify existing language, delete obsolete language, and ensure compliance related to the Town's contract for retirement and medical benefits provided under the California Public Employees' Retirement System (CalPERS) and the Public Employees' Medical and Hospital Care Act (PEMHCA).

CONCLUSION:

The AFSCME agreement has been prepared within the parameters provided to Town's negotiators by the Town Council and has been ratified by the AFSCME membership. It is recommended that the proposal be approved, and the Town Manager be authorized to execute the MOU.

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FISCAL IMPACT:

The anticipated fiscal impact for the 3% cost of living increase (\$46,000) and, 4.5% market increase (\$133,000) in FY 2022/23 is \$179,000. The anticipated fiscal impact of \$1,000 non-pensionable one-time payment and the one-time, lump sum pandemic related bonus payment of \$2,500 in FY 2022/23 is \$38,500.

FISCAL IMPACT (continued):

The total cost impact for FY 2022/23 will be absorbed in the Town's existing operating budget. Funding to support the FY 2023/24 ongoing cost each year will be incorporated into the proposed future year budgets for Council approval.

ENVIRONMENTAL ASSESSMENT:

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

Attachment:

1. Salary Schedule for AFSCME effective July 10, 2022