



**TOWN OF LOS GATOS
COUNCIL AGENDA REPORT**

MEETING DATE: 06/07/2022

ITEM NO: 19

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 Police Officers' Association 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 Police Officers' Association (POA) and authorize the Town Manager to execute the Memorandum of Understanding (Attachment 1).

BACKGROUND:

In accordance with the Town's Employer-Employee Relations Resolution No. 1974-41, representatives of the Town and POA 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. 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 agreement with POA expired on September 30, 2021. On June 11, 2021, the Town and POA began negotiating for a successor agreement. A tentative agreement for a three-year term was reached in May which POA membership ratified on May 11, 2022.

Major provisions of the agreement are:

1. **Term:** October 1, 2021 to June 30, 2024

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):

2. Salary:

- a. Effective the first full pay period of July 2022 or the first full pay period after Council approval of the MOU, whichever is later, all employees shall receive a one-time non-pensionable lump sum payment of \$5,000.
 - b. Effective the first full pay period after Council approval of this MOU, or as soon as practical thereafter, the salary rate for all classifications shall be increased by 2% (effective June 12, 2022) (Attachment 1).
 - c. Effective the first full pay period in July 2022 (effective July 10, 2022), the salary rate for all classifications shall be increased by 5.25% (Attachment 2).
 - d. The parties agree that the combined 2022 increases represent a 3% cost of living adjustment, a market increase of 3.15% and an additional 1.1% to address the passage of time since October 2021.
 - e. Effective in the first full pay period of July 2023, the Town will provide a 3% cost of living 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 the first pay period of July 2022 or the first pay period after Council approval of the MOU, whichever is later, in recognition of Juneteenth, holiday in lieu pay will be increased by 0.4%. to total 4.4%. Effective the first pay period of July 2022 or the first pay period after Council approval of the MOU, whichever is later, employees will receive a one-time non-pensionable lump sum payment of \$1,000.00 for foregoing the Juneteenth holiday prior to 2023.

The Town and POA have also agreed to various MOU language updates. The red-lined MOU will be distributed and posted on Friday, June 3, 2022 as an Addendum. 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 POA agreement has been prepared within the parameters provided to Town's negotiators by the Town Council and has been ratified by the POA 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 FY 2022/23 impact for the 3.00% COLA (\$252,000), 3.15% market rate adjustment (\$265,000), and the 1.1% COLA (\$85,000) for a total 7.25% salary increase is \$602,000. The anticipated fiscal impact of a \$1,000 non-pensionable one-time payment, the one-time, lump sum pandemic related bonus payment of \$2,500, and the \$5,000 non-pensionable FY 2021/22 make whole payment in FY 2022/23 is \$289,000.

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.

Attachments:

1. Salary Schedule for POA effective June 12, 2022
2. Salary Schedule for POA effective July 10, 2022