



**TOWN OF LOS GATOS  
COUNCIL AGENDA REPORT**

MEETING DATE: 06/07/2022

ITEM NO: 20

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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 Town Employees' 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 Town Employees' Association (TEA) 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 TEA 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 posted as an Addendum on June 3, 2022. 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 TEA expires on June 30, 2022. In April 2022, the Town and TEA began negotiating for a successor agreement. A tentative agreement for a two-year term was reached in April and TEA membership ratified on June 2, 2022.

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

1. **Term:** July 1, 2022 to June 30, 2024

**PREPARED BY:** Salina Flores  
Human Resources Director

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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 (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 5% market increase for a total of 8%. The market increase is intended to bring TEA classifications to or near market median based on data in a compensation survey of the relevant labor market completed by outside consultant Bryce & Associates in April 2022 .
  - b. Effective in the first full pay period of July 2023, the Town will provide a 3% cost of living 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 \$2,500.00.
  4. **Juneteenth Holiday:** Effective after Council approval of this MOU, June 19<sup>th</sup> (Juneteenth) shall be added to Section 29 of the MOU as an observed paid eight (8) hour holiday for employees represented by TEA.
  5. **Market Adjustments:** On one occasion during the term of the MOU, upon request by the Union, the Parties agree to meet to discuss elements of future compensation surveys for TEA and ways to collaborate to obtain the best market data for TEA classifications. The parties agree this is not a reopener and any changes to the MOU on this issue would be by mutual agreement of the parties.
  6. **Compensatory Time Off (CTO) for Non-Dispatchers:** Increase CTO accrual limit by twenty (20) hours to maximum of eight (80) hours.
  7. **Bereavement Leave:** Add Stepchildren, foster children, stepparents/parents in law, and grandchildren.

The Town and TEA have also agreed to various MOU language updates. The red-lined MOU will be 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 TEA agreement has been prepared within the parameters provided to Town's negotiators by the Town Council and has been ratified by the TEA 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% salary increase (\$215,000) and 5% market increase (\$290,000) in FY 2022/23 is \$505,000. The anticipated fiscal impact of the \$1,000 non-pensionable one-time payment and the one-time, lump sum pandemic related bonus payment of \$2,500.00 in FY 2022/23 is \$210,000.

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.

Attachment:

1. Salary Schedule for TEA effective July 10, 2022