



**TOWN OF LOS GATOS
COUNCIL AGENDA REPORT**

MEETING DATE: 08/06/2024

ITEM NO: 14

DATE: July 29, 2024
TO: Mayor and Town Council
FROM: Laurel Prevetti, Town Manager
SUBJECT: Approve and Authorize the Town Manager to Execute a Memorandum of Understanding Between the Town of Los Gatos and the American Federation of State, County, and Municipal Employees (AFSCME), and Authorize an Expenditure Budget Adjustment in the Amount of \$84,199 from the Available General Fund Capital/Special Projects Reserve

RECOMMENDATION:

Approve and authorize the Town Manager to execute a Memorandum of Understanding (Attachment 1) between the Town of Los Gatos and the American Federation of State, County, and Municipal Employees (AFSCME), and authorize an expenditure budget adjustment in the amount of \$84,199 from the available General Fund/Special Projects Reserve.

BACKGROUND:

In accordance with the Town's Employer-Employee Relations Resolution No. 1974-41, representatives of the Town and AFCME 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 showing the redline changes from the previous MOU is contained in Attachment 2. The MOU is a labor agreement that identifies specific terms and conditions of employment applicable to the employees represented by that agreement.

The Town has two other represented groups, the Town Employees' Association (TEA) and the Police Officers' Association (POA). The TEA agreement for a successor MOU is also on the August 6, 2024 agenda. The POA agreement was approved during the April 16, 2024 Council meeting.

PREPARED BY: Katy Nomura
Assistant Town Manager

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

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DISCUSSION:

The Town’s current agreement with AFSCME expired on June 30, 2024. A tentative agreement for a three-year term was reached in June and on June 20, 2024, the Town was notified that AFSCME membership had ratified it. The Town is appreciative of the hard work of the AFSCME membership and of the collaboration of the AFSCME negotiating team.

The following is a summary of the major amended provisions of the agreement:

Term	July 1, 2024, through June 30, 2027
General Wage Increases	<u>Fiscal Year 2024/25</u> Effective the first full pay period in July 2024, the salary rate for all classifications shall be increased by four percent (4%). <u>Fiscal Year 2025/26</u> Effective the first full pay period in July 2025, the salary rate for all classifications shall be increased by four percent (4%). <u>Fiscal Year 2026/27</u> Effective the first full pay period in July 2026, the salary rate for all classifications shall be increased by four percent (4%).
Veterans Day Holiday	Effective after Council approval of this MOU, November 11 (Veterans Day) shall be added to Section 29 of the MOU as an observed paid eight (8) hour holiday for eligible employees.
Class A Licenses and Tanker Endorsements	Employees who maintain a Class A driver’s license and a Tanker Endorsement will receive \$105 per month, inclusive of the \$30 Class A incentive and the \$75 Tanker Endorsement incentive.
Bereavement Leave	MOU Section 33 will be updated to comply with Government Code section 12945.7. Language to be added includes: (1) additional family members such as foster children, (2) language that leave need not be consecutive, and (3) language that leave must be completed within 3 months of the death and that the Town may require documentation of the death within 30 days.

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DISCUSSION (continued):

Uniform Allowance New language allows for up to seven Town-supplied work shirts, not to exceed \$300 per year per employee.

The Town and AFSCME have also agreed to various cleanup MOU language updates. 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 PEMHCA. The cleanup updates do not change existing benefits nor is there a related fiscal impact (see Attachments 1 and 2).

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.

COORDINATION:

This report was coordinated with the Town Manager's Office, Finance Department, and the Town Attorney's Office.

FISCAL IMPACT:

The anticipated fiscal impact for all salary and benefits adjustments in Fiscal Year (FY) 2024/25 is \$84,199. The requested budget adjustment in this amount from General Fund Capital/Special Projects Reserve would provide the necessary funding to cover this cost.

Funding to support the 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. Proposed AFSCME MOU through June 30, 2027
2. Redline AFSCME MOU through June 30, 2027

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Attachments (continued):

3. Salary Schedule for AFSCME effective pay period containing July 7, 2024
4. Salary Schedule for AFSCME effective first full pay period July 2025
5. Salary Schedule for AFSCME effective first full pay period in July 2026