



**TOWN OF LOS GATOS
COUNCIL AGENDA REPORT**

MEETING DATE: 08/06/2024

ITEM NO: 15

DATE: July 25, 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 Town Employees' Association, and Authorize an Expenditure Budget Adjustment in the Amount of \$548,131 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 Town Employees' Associate (TEA) and authorize an expenditure budget adjustment in the amount of \$548,131 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 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 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 American Federation of State, County and Municipal Employees (AFSCME) and the Police Officers' Association (POA). The AFSCME agreement for a successor MOU is on this August 6, 2024 agenda. The POA agreement was approved during the April 16, 2024 Council meeting.

PREPARED BY: Cheryl Parkman
Human Resources Director

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

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DISCUSSION:

The Town's current agreement with TEA expired on June 30, 2024. A tentative agreement for a three-year term was reached in July and TEA membership ratified it on July 24, 2024. The Town is appreciative of the hard work of the TEA membership and of the collaboration of the TEA 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 five percent (5%). <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 three percent (3%). <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 three percent (3%).
Market Adjustments	Effective the first full pay period in July 2024, the Town will make the market adjustment changes for classifications identified in Attachment 2. These changes will be additive to the COLA adjustment above for Fiscal Year 2024/25, not compounding.
Veterans Day Holiday	Effective after Council approval of this MOU, November 11 (Veterans Day) shall be added to Section 13.1 of the MOU as an observed paid eight (8) hour holiday for eligible employees. Also, effective the first full pay period of July 2024 or the first full pay period after Council approval of this MOU, whichever is later, in recognition of Veterans Day, for eligible TEA classifications, holiday in lieu pay will be 5.0%.

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DISCUSSION (continued):

Therapy Canine Pay	Effective first full pay period after July 1, 2024, an employee assigned to handle a canine under the Therapy Canine Program will receive pay for ½ hour per day at the rate of one and one half (1 ½) times the State minimum wage.
Class A Licenses and Tanker Endorsements	Park Service Officers who maintain a Class A driver's license will receive \$30 per month. Park Service Officers who maintain both a Class A or Class B driver's license and a Tanker Endorsement will receive \$75 per month in addition to the Class A incentive (if applicable).
Bereavement Leave	MOU Section 18.7 will be updated to comply with Government Code section 12945.7. Language to be added includes: (1) siblings-in-law, (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.
Uniform Allowance	New language will be added regarding uniforms for Building Inspectors and Code Compliance Officers. Such employees will receive an initial uniform of a jacket, 5 polo shirts, 3 hats, and boots. Engineers in Public Works will receive an annual boot voucher. Subject to supervisor approval, replacement items will be ordered annually. The maximum annual boot reimbursement will be \$180.
Performance Evaluations	All employees' performance evaluations are intended to take place no later than fifteen (15) days prior to the anniversary date of the employee's entry into their current classification. This removes language that specified that employees at top step would receive evaluations between June 1 st and October 1 st each year. Having all employees be consistent will allow easier implementation of performance evaluation software tools.

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DISCUSSION (continued):

The Town and TEA 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 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.

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 \$548,131. 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 TEA MOU through June 30, 2027
2. Redline TEA MOU through June 30, 2027
3. Market Adjustments effective July 7, 2024
4. Salary Schedule for TEA effective pay period containing July 7, 2024
5. Salary Schedule for TEA effective first full pay period July 2025
6. Salary Schedule for TEA effective first full pay period in July 2026