



**TOWN OF LOS GATOS  
COUNCIL AGENDA REPORT**

MEETING DATE: 11/16/2021

ITEM NO: 15

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**DATE:** November 11, 2021  
**TO:** Mayor and Town Council  
**FROM:** Laurel Prevetti, Town Manager  
**SUBJECT:** Approve Addenda to the Town Employees' Association and the American Federation of State, County and Municipal Employees Memoranda of Understanding and Revisions to the Classification Plans for the Unrepresented Management and Confidential Units; and Authorize Salary and Benefits Budget Adjustments in the Amount of \$85,596 from Available General Fund Capital/Special Projects Reserve

**RECOMMENDATION:**

Approve addenda to the Town Employees' Association (Attachment 1) and the American Federation of State, County and Municipal Employees Memoranda of Understanding (Attachment 2) and revisions to the classification plans for the unrepresented Management (Attachment 5) and Confidential (Attachment 6) units; and authorize salary and benefits budget adjustments in the amount of \$85,596 from available General Fund Capital/Special Projects Reserve.

**BACKGROUND:**

Memoranda of Understanding (MOU) between the Town Employees' Association (TEA) and the American Federation of State, County and Municipal Employees (AFSCME) expired on June 30, 2021. During the August 17, 2021 Council Meeting, Town Council approved the extension of term of the existing AFSCME agreement from July 1, 2021 through June 30, 2022 along with a one-time eight (8) hour floating holiday to be used by June 30, 2022.

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 to reach an agreement for a successor MOU.

**PREPARED BY:** Lisa Velasco  
Human Resources Director

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

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BACKGROUND (continued):

The Police Officers' Association (POA) MOU expired on September 30, 2021. The Town and POA have had multiple negotiation meetings beginning in August 2021 to attempt to reach a successor agreement. To date, an agreement has not been reached. A request to approve a successor agreement will be brought to a future Town Council meeting following the successful execution of a tentative agreement.

The Management and Confidential units are at-will, unrepresented units of the Town. Unlike the Town's three bargaining groups who negotiate for successor MOU's, recommendations for changes to the Management and Confidential unit classification plans are at the discretion of the Town Manager, with the consent of the Council, based on budget considerations and other factors at that time.

DISCUSSION:

After several meet and confer sessions with TEA without reaching a successful tentative agreement, a State Represented Mediator was assigned to facilitate meetings with the goal of reaching an agreement. Subsequently, a tentative agreement was reached to extend the term of the current agreement from July 1, 2021 through June 30, 2022, implement a two-percent (2%) salary increase, provide a one-time eight (8) hour floating holiday (not available for cash-out) to be used by June 30, 2022, exchange the existing annual holiday bank of hours for Communications Dispatchers and Park Service Officer to an equivalent Holiday-in-Lieu premium pay of 4.25%, and provide an increase in employee tuition reimbursement from \$1,500 per fiscal year to \$3,000 per fiscal year. All other terms and conditions outlined in the TEA MOU will remain status quo and negotiations will commence again in early 2022.

In accordance with a separate negotiated side letter agreement (Attachment 7) with TEA, staff is also requesting that the classifications of Communications Dispatcher and Communications Dispatcher Lead receive salary adjustments of 5.42% and 2.11% respectively, thereby correcting the salary ranges by bringing them to market median to address recruitment and retention issues.

AFSCME was the first bargaining unit to reach an agreement with the Town for a successor agreement and did not receive the benefit of the two-percent (2%) salary increase that was negotiated through mediation for TEA. Staff recommends that Council approve an addendum to the AFSCME MOU for the same two-percent (2%) salary increase for AFSCME members.

Because the Management and Confidential units are at-will and unrepresented, a formal meet and confer process is not required; however, it is recommended that the Town Council approve a two-percent (2%) salary increase, provide a one-time eight (8) hour floating holiday (not available for cash-out) to be used by June 30, 2022, and provide an increase in

DISCUSSION (continued):

employee tuition reimbursement from \$1,500 per fiscal year to \$3,000 per fiscal year. This action would maintain parity with the represented units and the distance between supervisory and non-supervisory classification salary ranges to prevent any overlapping of supervisory and non-supervisory salary ranges within similar career ladders (also known as compaction).

CONCLUSION:

The TEA tentative agreement has been prepared within the parameters provided to the Town's negotiators by the Town Council and has been ratified by TEA membership. A side letter of agreement is in process to adjust the salary ranges to market median for the Communications Dispatcher and Communications Dispatcher Lead classifications. The Town has also met and conferred with AFSCME regarding a two-percent (2%) salary increase for its membership. It is recommended that the parameters of the tentative agreements be approved, and the Town Manager be authorized to execute the addenda to the MOU's for TEA and AFSCME. It is also recommended that the same authority is extended for the Management and Confidential groups regarding the specific compensation and benefit items outlined in the earlier discussion.

FISCAL IMPACT:

The anticipated fiscal impact for all recommended salary increases in FY 2021/22 is \$431,199. The FY 2021/22 Operating Budget forecast included an anticipation of two-percent (2%) increases in Town salaries and benefits, therefore, a budget adjustment is not necessary for the total salary increase cost of \$345,603.

The additional fiscal impact related to the salary adjustments for Communications Dispatcher and Communications Dispatcher Lead classifications is not included in the current Operating Budget. The requested budget adjustment in the amount of \$85,596 from available General Fund Capital/Special Projects Reserve will provide funding for the additional salary and benefit cost for FY 2021/22. Funding to support the ongoing cost in subsequent years 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. TEA Addendum to MOU
2. AFSCME Addendum to MOU
3. TEA Salary Schedule
4. AFSCME Salary Schedule
5. Town Council and Management Salary Schedule

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SUBJECT: Approve Addenda to MOU's and Revisions to Unrepresented Classification Plans

DATE: November 11, 2021

Attachments (continued):

6. Confidential Salary Schedule
7. TEA Side Letter