



Date: Tuesday, June 25, 2024

Honorable Mayor and Council Members:

Author and title: Hilary Hobbs, Assistant to the Town Manager; Nicole Casey, Administrative Services Director; Bonnie Thompson-Hardin, Human Resources Manager

Title: **Approval of Memorandum of Understanding (MOU) with the Truckee Police Officer's Association, Adoption of the Updated FY 2023/24 Wage Matrix, Adoption of the Updated FY 2024/25 Wage Matrix, Authorize the Town Manager to Amend the Contracts with the Department Head team, and Update to the Town Manager and Town Attorney's pay**

Jen Callaway, Town Manager

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**Recommended Action:** That the Town Council take the following actions:

- Approve the Memorandum of Understanding (MOU) (with attachments) with the Truckee Police Officer's Association (TPOA) for the period beginning July 1, 2024 to June 30, 2027;
- Approve Resolution 2024-40 providing a 5.0% COLA adjustment to the Town Manager, Jennifer Callaway, resulting in an annual pay amount of \$244,907.48 and to Town Attorney, Andy Morris, resulting in an annual pay amount of \$244,943.79, effective the first full pay period in July 2024. (This action must be read aloud in its entirety at the meeting);
- Authorize the Town Manager to amend the contracts with the Town's unrepresented employees (department heads);
- Approve Resolution 2024-41 adopting the updated Town of Truckee Wage Matrix retroactively effective June 23, 2024, pursuant to the requirements of the California Code of Regulations, Title 2, Section 570.5; and
- Approve Resolution 2024-4 adopting the Town of Truckee Wage Matrix effective July 1, 2024, pursuant to the requirements of the California Code of Regulations, Title 2, Section 570.5

**Discussion:**

In January 2024, the Town's negotiations team (Town) began meeting with the Truckee Police Officer's Association (TPOA) representatives regarding the expiration of the MOU. which is set to expire on June 30, 2024.

The Town's negotiation team for the TPOA MOU consisted of Hilary Hobbs, Assistant to the Town Manager, Nicole Casey, Administrative Services Director, Bonnie Thompson-Hardin, Human Resources Manager, and Jack Hughes, partner at Liebert Cassidy Whitmore, LLP. The negotiating team for TPOA included Andrew Holbrook, Police Sergeant, Luke McKinley, Police Officer, Brandon Mosher, Police Officer, Robert Yarbrough, Police Officer and Larry Menth, Labor Relations Consultant with Mastagni Holstedt.

***Definitions –***

*Cost-of-Living Adjustment (COLA)* – Moves both the employee's pay and the minimum and maximum of the associated range.

*Equity Adjustment* – Moves the employee's pay within the associated range.

## **TPOA MOU**

The Town had an initial meeting with the TPOA on January 23 at which point the TPOA provided the Town with their initial proposals. The Town and the TPOA had additional meetings where counter proposals and information were exchanged on March 20<sup>th</sup>, April 10<sup>th</sup>, May 8<sup>th</sup>, and June 6<sup>th</sup>. The Town and the TPOA negotiating teams reached tentative agreements on the terms of the MOU on June 6<sup>th</sup>, 2024 and these terms were ratified by the TPOA employees on Thursday, June 13<sup>th</sup>, 2024. The draft TPOA MOU is provided as Attachment 1. Highlights of this agreement include:

- **Term:** An agreement starting July 1, 2024, through June 30, 2027.
- **Ranges:** Move employees classified as police officers to range 22H and employees classified as police sergeant to range 26H effective June 23, 2024 as recommended by the compensation and classification study completed in 2022.
- **Cost of Living Adjustment (COLA):**
  - A 5.0% COLA effective June 23, 2024.
    - Only applied to employee wages, as ranges 22H and 26H were adjusted by the 5.0% COLA approved as part of the May 12<sup>th</sup> Council Meeting.
  - A COLA with a minimum of 3.0% and a maximum of 5.0% starting the first day of the first full pay period of July 2025 based on the San Francisco-Oakland-San Jose Bureau of Labor Statistics CPI.
  - A COLA with a minimum of 3.0% and a maximum of 5.0% starting the first day of the first full pay period of July 2026 based on the San Francisco-Oakland-San Jose Bureau of Labor Statistics CPI.
- **Equity Adjustment:** A 2.0% additive equity adjustment effective June 23, 2024.
  - The TPOA completed their last round of negotiations prior to the completion of full wage matrix recommendations from Koff for the compensation and classification study. As such, the TPOA members were not moved to their recommended ranges in 2023 as the employees of other units were. Had the members of the TPOA been moved to their recommended ranges of 22H and 26H at that time, they would have had more upward earnings potential. As it was, a majority of the officers were “capped out” at the top of their pay ranges, meaning that they were not eligible for part for performance wage increases. This equity adjustment accounts for the upward movement that the TPOA members were not eligible for given the range cap.
- **PFP Pools:** Continuation of the Town’s pay-for-performance program with flexible pools based on the Towns’ general fund revenue budget.
- **Holidays:** Include Juneteenth as one of the holidays the TPOA members are eligible for. This rolls into a bank that officers can either roll into useable hours or payout in December each year. This will begin in June of 2025
- **Healthcare:**
  - Increase the fixed rate contribution for health, dental, and vision by the lesser or 10.0% or the average increase in the respective plan (PERS Gold for health).
  - Propose the addition of a TPOA Healthcare Designation to save for future year rate increases beyond the negotiated 10.0%.
- **Specialty Pay for Major Investigations Team:** Eligible officers will receive a 5.0% differential on their base pay when acting in the capacity of detective when no detective is available.
- **On-call Pay:** Extending the existing on-call pay to detectives starting no earlier than September 30, 2024. Detectives shall receive \$45 dollars per calendar week while working in an on-call capacity. Only one officer assigned to the detective specialty assignment shall be on-call at any given time.
- **Tuition Reimbursement:** Increasing the tuition reimbursement from \$500 each fiscal year to \$3,000 each fiscal year to align with the Town’s two other employee groups.

## ***Department Head Pay Adjustments***

The Town's eight department heads' employment arrangements are governed under individual contracts and are not covered by any of the Town's employee group MOUs. The contracts previously held a "me-too" clause, which stated that department heads were eligible for any provisions provided to the Mid-Management employee group. Due to a recent Public Employee Relations Board (PERB) decision, contracts and MOUs can no longer contain me-too clauses as it forces one group to negotiate for not only their own group but anyone with the me-too clause. Therefore, adjustments to Department Head pay are not automatically implemented as a result of approval of any Town employee group MOU.

In order to retain the Town's team of department heads and prevent compaction from the employees that the department head team manages, staff recommend the following changes to the department head pay:

- A 5.0% COLA adjustment effective June 23, 2024 to align with the timing of the implementation of the TPOA MOU before Council as part of this item.
- A FY25/26 COLA with a minimum of 4.0% and a maximum of 5.0% starting the first day of the first full pay period of July 2025 based on the February San Francisco-Oakland-San Jose Bureau of Labor Statistics CPI.
- A FY25/26 COLA with a minimum of 3.0% and a maximum of 5.0% starting the first day of the first full pay period of July 2025 based on the February San Francisco-Oakland-San Jose Bureau of Labor Statistics CPI.
- Provide the department heads with a bank of eight (8) Alternative Schedule Holiday Offset (ASHO) hours added to their vacation bank on July 1, 2024 and each subsequent July covered by their individual contracts.

The COLA proposed aligns with the COLA approved for the Mid-management employees' group. The timing coincides with the adoption of the TPOA MOU. The department head team felt it was important to align their pay increase with the timing of when all employee groups had a negotiated deal.

Staff recommend that Council authorize the Town Manager to amend the individual contracts with the Town's Department Heads to accommodate these changes.

The Town Manager and Town Attorney are appointed by the Town Council. The annual pay for these individuals must be read aloud by the Council as part of the adoption. With the 5.0% COLA, the Town Manager's annual pay amount will be \$244,907.48 and the Town Attorney's pay will be \$244,943.79, as outlined in Resolution 2024-40 (see Attachment 2).

## ***Wage Matrix***

If the Council approves changes to the unrepresented employee contracts, the wage matrix needs to be adjusted to incorporate the 5.0% COLA. The updated wage matrix is included as Attachment A to Attachment 3. Additionally, the wage matrix must be adjusted to reflect the movement of the police officers from range 17P to range 22H and police sergeants from 21P to 26H.

Staff recommend approval of Resolution 2024-41, to formally adopt the updated wage matrix retroactively effective to June 23, 2024, in accordance with Government Code section 20636 and California Code of Regulations 570.5, which requires the governing body to "duly approve and adopt" the publicly available pay schedule (Wage Matrix). The resolution is Attachment 3 to this staff report.

Council must also adopt a wage matrix for each fiscal year. The wage matrix above was needed for the last seven days of FY 2023/24 and thus staff recommend approval of Resolution 2024-46 to adopt the same wage matrix for FY2024/25 effective July 1, 2024. This Resolution is Attachment 4 to this staff report.

**Priority:**

<input type="checkbox"/>	Enhanced Communication	<input type="checkbox"/>	Climate and Greenhouse Gas Reduction	<input type="checkbox"/>	Housing
<input type="checkbox"/>	Infrastructure Investment	<input type="checkbox"/>	Emergency and Wildfire Preparedness	<input checked="" type="checkbox"/>	Core Service

**Fiscal Impact:** The additional cost of the updated TPOA MOU provisions, as well as the proposed changes to the individual contracted unrepresented employee agreements is included in the proposed fiscal year 2024/25 annual operating budget presented to Council for adoption as part of tonight's meeting.

**Public Communication:** Ongoing meetings with TPOA and this agenda posting.

**Attachments:**

Attachment 1 – Memorandum of Understanding between the Town of Truckee and the Truckee Police Officer's Association with Attachments A through C

Attachment A – Town of Truckee Wage Matrix FY2023/24

Attachment B – Pay for Performance/Merit Increase Schedule

Attachment C – MOU Revenue Change Calculation

Attachment 2 – Resolution 2024-40 Town Manager and Town Attorney COLA to Annual Pay

Attachment 3 – Resolution 2024-41 Adopting the Amended Fiscal Year 2023/24 Wage Matrix retroactively effective June 23, 2024

Attachment A - Town of Truckee Wage Matrix FY2023/24

Attachment 4 – Resolution 2024-46 Adopting the Fiscal Year 2024/25 Wage Matrix effective July 1, 2024

Exhibit A - Town of Truckee Wage Matrix FY2024/25