



Date: 1/10/2023

Honorable Mayor and Council Members:

Author and title: Hilary Hobbs, Assistant to the Town Manager; Nicole Casey, Administrative Services Director

Title: **Approval of Memorandum of Understanding with the Truckee General Employees Group Association and Mid-Management Employee's Group for the period January 8, 2023, to June 30, 2024 and update to the Town Manager and Town Attorney's pay**

Approved By: _____ Jen Callaway, Town Manager

Recommended Action: That the Town Council do the following:

- Approve the attached Memorandum of Understanding (MOU) (with attachments) between the Town of Truckee and the Mid-Management Employee's Group (MM) for the period January 8, 2023 to June 30, 2024;
- Approve the attached Memorandum of Understanding (MOU) (with attachments) between the Town of Truckee and the Truckee General Employee Membership Association (TGEMA) for the period January 8, 2023 to June 30, 2024;
- Authorize a budget amendment in the amount of \$460,000 to cover the additional personnel expenses incurred under these MOUs and changes to unrepresented employees' contracts allocated to the Town's five main operating funds as detailed in the staff report.
- Approve Resolution 2023-01 providing a 5% COLA adjustment to the Town Manager, Jennifer Callaway, resulting in an annual pay amount of \$210,567.36 and to the Town Attorney, Andy Morris, resulting in an annual pay amount of \$212,604.21, effective the first full pay period in January 2023. (This item must be read aloud at the meeting)
- Approve resolution 2023-02 adopting the updated Town of Truckee Job Classification list, with additional position classifications, effective January 8, 2023 pursuant to the requirements of the California Code of Regulations, Title 2, Section 570.5.

Discussion:

In October of 2022, the Town's negotiations team (Town) began meeting separately with the Mid-Management Employee's (MM) Group and Truckee General Employees Membership (TGEMA) Group representatives regarding the expiration of their respective MOUs which are set to expire on June 30, 2023. Due to the recent completion of the Town's compensation and classification study, the Town offered to begin negotiations early, with the intent of adopting a new MOU in early 2023.

The Town's negotiations team for the MM MOU consisted of Nicole Casey, Administrative Services Director; Hilary Hobbs, Assistant to the Town Manager, and Jack Hughes, partner at Liebert Cassidy Whitmore, LLP. The negotiating team for the MM team included Jenna Gatto, Planning Manager; Scott Mathot, Senior Civil Engineer; and Deverie Acuff, Police Administrative Manager.

The Town's negotiations team for the TGEMA MOU consisted of Nicole Casey, Administrative Services Director; Hilary Hobbs, Assistant to the Town Manager; Bonnie Thompson-Hardin, Human Resources Manager; and Jack Hughes, partner at Liebert Cassidy Whitmore, LLP. The negotiating team for the TGEMA team included Sara Sherburne, Program Analyst I; Bob Raber, Street Maintenance Supervisor;

Jordan Salas, Police Records Technician, and Michael Pugh, Labor Relations Consultant at Mastagni Holstedt, A.P.C.

In recognition of inflation over the past year and as a sign of good faith during the negotiation process, in October 2022 the Town offered each group a temporary 3% COLA adjustment during the negotiation process, executed via side letters with each respective group. This temporary pay increase began on October 30, 2022 and was set to expire on January 7, 2023, per the respective side letters.

Definitions

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

Base Wage Adjustment – Moves the employees' pay within the range. The range does not move.

Mid-Managers MOU

After three meetings, the Town and the MM group were able to agree on an eighteen-month MOU that covers the time period from January 8, 2023, to June 30, 2024. This deal was brought to Council as part of closed session at the December 13, 2022 Council meeting. After the closed session discussion, Council asked staff to bring the deal forward for review and approval.

The draft Mid-Managers MOU is provided as Attachment 1. Highlights of this agreement include:

- **Base Wage Adjustments:** For positions recommended to move to a different pay range within the adopted Compensation and Classification Study (Study), the following base wage adjustments will apply:
 - Base wage adjustment equal to $\frac{1}{4}$ of the increase recommended by the Study, starting the later of the first full pay period of January 2023, or the date Council adopts the MOU.
 - Base wage adjustment equal to $\frac{1}{8}$ of the increase recommended by the Study, starting the first full pay period of July 2023
 - Base wage adjustment equal to $\frac{1}{8}$ of the increase recommended by the Study, starting the first full pay period of October 2023
- **Cost of Living Adjustment (COLA):**
 - Continuation of the temporary 3.0% temporary COLA adjustment that started October 30, 2022.
 - An additional 0.7% COLA starting the later of the first full pay period of January 2023, or the date Council adopts the MOU.
 - An additional 4.5% COLA starting the first full pay period in July 2023
- **PFP Pools:** Continuation of the Town's pay-for-performance program with flexible pools based on the Town's general fund revenue budget. Add a 4% PFP pool for the MM group (previously, the PFP program included 1%, 2%, 3% and 5% pools)
- **Holidays:** Add Juneteenth (June 19) as a holiday for the MM group, beginning 2023. Rename the holiday given on the second Tuesday in October Indigenous People's Day (previously, "Columbus Day"). This change will be made via an amendment to the Town's Personnel Policies, which must be approved by all three groups and is slated to come back to Council at a future meeting when all three groups have had an opportunity to review.
- **Disability Insurance:** The Town agrees to research options for employee-paid short-term disability insurance during the first six months of the MOU
- **Health Care:**
 - For 2024, increase fixed rate contribution by the lesser of 10% or the increase in the CalPERS Gold plan rates for that year.

TGEMA MOU

After three meetings, the Town and the TGEMA group were able to agree on an eighteen-month MOU that covers the time period from January 8, 2023, to June 30, 2024. This deal was brought to Council as part of closed session at the December 13, 2022 Council meeting. After the closed session discussion, Council asked staff to bring the deal forward for review and approval.

The draft TGEMA MOU is provided as Attachment 2. Highlights of this agreement include:

- **Wage Range Adjustments:** For positions recommended to move to a different pay range within the adopted Compensation and Classification Study, the position will be placed into the new range with no base wage adjustment
- **Cost of Living Adjustment (COLA):**
 - Continuation of the temporary 3.0% temporary COLA adjustment that started October 30, 2022.
 - An additional 3.0% COLA starting the later of the first full pay period of January 2023, or the date Council adopts the MOU.
 - An additional 5% COLA starting the first full pay period in July 2023
- **PFP Pools:** Continuation of the Town's pay-for-performance program with flexible pools based on the Town's general fund revenue budget.
- **Holidays:** Add Juneteenth (June 19) as a holiday for the MM group, beginning 2023. Rename the holiday given on the second Tuesday in October Indigenous People's Day (previously, "Columbus Day"). This change will be made via an amendment to the Town's Personnel Policies, which must be approved by all three groups and is slated to come back to Council at a future meeting when all three groups have had an opportunity to review.
- **Disability Insurance:** The Town agrees to research options for employee-paid short-term disability insurance during the first six months of the MOU
- **Health Care:**
 - Increasing the Town's health care fixed rate contribution to the current fixed rate plus the amount the Town has been providing in the form of a health rate offset (agreed upon in November of 2021 to offset the increased costs imposed by CalPERS).
 - For 2023, a 5% increase to the Town's fixed rate contribution for coverage
 - For 2024, increase fixed rate contribution by the lesser of 10% or the increase in the CalPERS Gold plan rates for that year.
- **Bilingual Pay:** American Sign Language added as a language eligible for bilingual pay rate.
- **Commercial Driver's License Stipend:** TGEMA employees in full-time Roads and Snow and Fleet positions who possess a valid California Commercial Driver's License (CDL), will be entitled to a \$2,600 annual stipend. Eligible employees will have up to one (1) year from date of hire to obtain a CDL. Full-time Facilities positions will be eligible for the CDL Stipend with Department Head approval to fulfill Town operational needs.
- **Boot Allowance:** Increase boot allowance from \$300 every other year to \$200 every year.

Anticipated Policy updates

In addition to the topics described above that will be incorporated into the Mid-Manager and TGEMA MOUs respectively, during the course of negotiations the Town agreed to review working practices that will be updated within the Personnel Rules or adopted as standalone policies, for consistency across employee groups. These proposed policy updates are summarized below because they were identified as key interests during the negotiation process.

Personnel Rules: To allow time for the three employee groups (including the Truckee Police Officer's Association) to review these proposed revisions, these changes will be brought back to Council at a later date (tentatively, January 24, 2023, pending employee group reviews):

- **Work Schedules:** Specify the alternative work schedules (4/10 and 9/80) that are available for employees, with approval of direct supervisor and Department Head.

- Holidays: Add Juneteenth (June 19th) as a given holiday for Mid-Manager and TGEMA groups. Rename the second Tuesday in October Indigenous Peoples' Day (previously, "Columbus Day")

Stand-Alone Policies:

- Work from home: Finalize the current pilot program and develop a work from home policy for up to 1 day/week work from home for eligible positions; Work with mid-manager group to develop pilot program for a second work from home day, where feasible
- Extreme weather: Prior to winter 2023-24, develop an extreme weather policy to provide clarity regarding expectations for employees outside of police and public works positions during extreme weather events.
- Alternative Work Schedule policy: Develop an alternative work schedule policy and agreement to complement the changes to the personnel policies.

Department Head Pay Adjustments

The Town's seven 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 stated that department heads were eligible for any provisions provided to the Mid-Management Group. Due to a recent Public Employee Relations Board (PERB) decision, contracts and MOU's 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. Staff is working to revise the contracts and remove this language. Therefore, adjustments to Department Head pay are not automatically implemented as a result of approval of the attached MOUs. As a result of the classification and compensation study and to prevent wage compaction between positions, staff recommends the following changes:

- A 5% COLA adjustment effective the later of the first full pay period in January 2023 or upon Council adoption
- A 4.5% COLA adjustment effective the first full pay period in July 2023 (up from 1.5%)

The COLA proposed for the first full pay period in January 2023 is between the amount the Mid-management team is proposed to receive (3% + 0.7%) and the amount the TGEMA group is proposed to receive (3% + 3%). The COLA proposed for the first full pay period in July 2023 is the same as the Mid-management team is proposed to receive.

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 adoption. With the 5% COLA, the Town Manager's annual pay amount will be \$210,567.36 and the Town Attorney's pay will be \$212,604.21, as outlined in Resolution 2023-01.

Job Classification List

If Council approves the updated MOUs, the Job Classification Lists need to be adjusted to move eligible positions to their new pay ranges and to incorporate the cost-of-living adjustments as specified in each MOU. The updated job classification list is attachment A to both the Mid-Management and TGEMA MOUs.

Staff recommends approval of resolution 2023-02, to formally adopt the updated job classification list retroactively effective to January 8, 2023, in accordance with Government Code section 20636 and California Code of Regulations section 570.5, which requires the governing body to "duly approve and adopt" the public available pay schedule (Wage Matrix). The resolution is Attachment 3 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 these updated TGEMA and MM MOU provisions, as well as the changes to the individually contracted unrepresented employee agreements is estimated to cost \$460,000 for fiscal year 2022-2023. Staff is requesting a budget amendment to cover these costs allocated to the Town's operating funds as follows:

Fund	Amount
101	\$430,000
501	\$5,000
502	\$7,500
503	\$7,500
504	\$10,000

Staff propose to fund this budget amendment from the General Fund Budget Stabilization Designation.

The ongoing costs of this MOU will be included in the Town's fiscal year 2023-2024 annual operating budget and projections.

Public Communication: Agenda Posting

Attachments:

Attachment 1 – Memorandum of Understanding between the Town of Truckee and the Mid-Management Employee's Group with Attachments A through D

Attachment A – Town of Truckee Job Classification List

Attachment B – Pay for Performance/Merit Increase Schedule

Attachment C – MOU Revenue Change Calculation

Attachment D – Market-Based Base Wage Adjustment Schedule

Attachment 2 – Memorandum of Understanding between the Town of Truckee and the Truckee General Employee Membership Association with Attachments A through C.

Attachment A – Town of Truckee Job Classification List

Attachment B – Pay for Performance/Merit Increase Schedule

Attachment C – MOU Revenue Change Calculation

Attachment 3 – Resolution 2023-01 Town Manager and Town Attorney COLA to Annual Pay

Attachment 4 - Resolution 2023-02 Adopting the Amended Fiscal Year 2022-2023 Wage Matrix