

## Agenda Report

TO:

City Council

DATE:

June 22, 2009

FROM:

City Manager

**SUBJECT:** APPROVAL OF AN AMENDMENT TO THE MEMORANDUM OF

UNDERSTANDING BETWEEN THE CITY OF PASADENA AND

THE PASADENA MANAGEMENT ASSOCIATION

## **RECOMMENDATION:**

It is recommended that the City Council approve an Amendment to the Memorandum of Understanding between the City of Pasadena and the Pasadena Management Association (PMA).

## **BACKGROUND:**

The City and representatives of PMA have met and conferred in good faith and have reached agreement on an Amendment to the MOU, which provides for the following:

- 1. The scheduled 2009 salary increase is deferred to January 4, 2010 and no further increases are provided for in calendar year 2010. The existing increase scheduled for April 2011 is unchanged.
- 2. A minimum 10% salary differential between PMA classifications and immediate subordinate classifications in other bargaining groups will be maintained for the remainder of the term of the MOU, to avoid salary compaction issues that might be created by deferral of across the board salary increases.
- 3. The equity funds set aside for April 2010 will be available effective January 4, 2010, for up to 15 classifications identified for study by PMA; equity funds not expended in 2010 will be available for equities in April 2011.

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- 4. With the exception of grant-funded and limited term positions, no layoffs of bargaining unit members will occur through December 31, 2010. No bargaining unit member will be reduced from full-time employment to less than 33 hours per week through December 31, 2010.
- 5. The City agrees that any change in benefits cost sharing arrangements will not be implemented earlier than July 1, 2010.
- 6. A Labor-Management Committee is created, which will meet on a bimonthly basis to resolve concerns that may arise during the term of the MOU.
- 7. Up to 33 employees will be considered for promotion to limited-term positions through December 31, 2009, in which city-wide succession planning efforts will be undertaken.

Staff recommends approval of this Amendment to the MOU, which is consistent with direction received and the approach being taken to address the structural imbalance in the operating budget.

## **FISCAL IMPACT:**

The fiscal impact of the implementation of this Amendment to the MOU is estimated to be a savings of approximately \$1,886,793, thirty-five percent of which is General Fund, from what would have otherwise been expended under the existing four-year MOU between the City of Pasadena and PMA. Savings achieved by forgoing an increase are compounded over time.

Respectfully Submitted,

MICHAEL J. BECK

City Manager

Prepared By:

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**Director of Human Resources**