

Agenda Report

August 15, 2016

TO: Honorable Mayor and City Council
FROM: Human Resources Department
SUBJECT: APPROVE AN AMENDMENT TO THE MEMORANDUM OF UNDERSTANDING BETWEEN THE CITY OF PASADENA AND THE PASADENA MANAGEMENT ASSOCIATION FOR THE TERM OF OCTOBER 19, 2015 – JUNE 30, 2018

RECOMMENDATION:

It is recommended that the City Council:

1. Find that the action proposed herein is not a "project" as defined in the California Environmental Quality Act (CEQA), Public Resources Code Section 21065 and Section 15378(b)(2) of the State CEQA Guidelines and, as such, is not subject to environmental review; and
2. Approve an amendment to the Memorandum of Understanding between the City of Pasadena and the Pasadena Management Association for the term of October 19, 2015 – June 30, 2018.

BACKGROUND:

The Pasadena Management Association (PMA) represents 523 full-time equivalent employees in a variety of professional, supervisory, and management classifications across all City departments. PMA's current Memorandum of Understanding (MOU) which expires on June 30, 2018 provided for a 1% off salary schedule lump sum payment in October of 2015 followed by a 3% cost of living increase in November 2015. Although the MOU does not include additional salary increases, it does provide for salary reopeners in 2016 and 2017 conditioned upon the City and PMA making significant progress on a classification study.

It became evident earlier this year that there would be insufficient financial resources to implement a bargaining unit wide classification study and provide across board salary

increases as envisioned by the reopener provisions. Although significant progress was made on the classification study, the City and PMA agreed to discontinue additional bargaining unit wide classification review and instead focus on the salary reopener, which would provide increases for the bargaining unit as a whole. The scope of future classification work will focus on potentially implementing portions of the work already completed as well as specific classifications where issues such as recruitment, retention, or internal equity exist or individual job duties have changed to warrant reclassification.

Salary reopener discussions began in May 2016 and continued through early August when a tentative agreement was reached. During these discussions, it was agreed that the parties would seek to incorporate the 2017 salary reopener into the 2016 process.

The following is a summary of the changes which have been incorporated into the amended MOU:

1. Salaries:

- a. Effective August 22, 2016, the control rate for unit classifications will be increased by 2.25%. Unit members will have their salaries increased by 2.25% up to the maximum control rate.
- b. Effective the pay period that includes July 1, 2017, the control rate for unit classifications will be increased by 2.25%. Unit members will have their salaries increased by 2.25% up to the maximum control rate.

2. Classification Study: Should the City move forward with implementation of any classification adjustments prior to May 5, 2017, the City will utilize the job descriptions and salaries agreed to between the Association and the City on January 21, 2016 and February 18, 2016. The reclassification process will follow the procedures set forth in the City of Pasadena's Manual of Personnel & Administrative Rules.

3. Exhibit I – Salary Schedule: The PMA salary schedule has been amended to reflect the current list of PMA classifications as well as FY 17 and FY 18 pay rates.

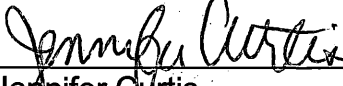
COUNCIL POLICY CONSIDERATION:

Approval of staff's recommendation supports the City Council's strategic goals of maintaining fiscal responsibility and stability.

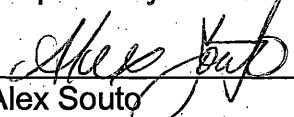
FISCAL IMPACT:

The fully burdened fiscal impact of this amendment is approximately \$4.44 million, with ongoing costs of \$3.14 million annually following the conclusion of the contract. The FY 17 cost of \$1.35 million will be absorbed into each affected department's Operating Budget. Approximately 28% of the fiscal impact will be funded directly through the General Fund.


Respectfully Submitted,


Jennifer Curtis
Director of Human Resources

Prepared by:


Alex Souto
Principal Human Resources Analyst

Approved by:


Steve Mermell,
City Manager

Attachments:

1. Amendment to October 19, 2015 – June 30, 2018 PMA Memorandum of Understanding
2. Amended October 19, 2015 – June 30, 2018 PMA Memorandum of Understanding