

Agenda Report

November 24, 2003

TO: City Council

FROM: City Manager

RE: Approval of the Memorandum of Understanding Between the City of Pasadena and the Pasadena Management Association for the Term April 1, 2003, through March 31, 2005.

RECOMMENDATION:

It is recommended that the City Council approve a successor Memorandum of Understanding between the City of Pasadena and the Pasadena Management Association (PMA) for the period April 1, 2003, through March 31, 2005, and approve a journal voucher allocating funds from the Personnel Reserves as appropriate.

BACKGROUND:

The City and representatives of PMA met and conferred in good faith and the PMA membership has ratified the tentative agreement reached by the parties. Economic adjustments include the following:

1. Control Rate Adjustments: Effective April 7, 2003, the salary control rate for all bargaining unit classifications shall be increased by 5%. Effective March 22, 2004, the control rate for all bargaining unit classifications shall be increased by 3%. Increases granted to individual employees will be based on performance.
2. Specialty Pay: In order to memorialize existing practice, the Memorandum of Understanding shall reflect that Senior Helicopter Mechanics who possess a Federal Aviation Administration Inspection Authorization and perform inspections on aircraft receive 5% specialty pay in addition to their regular hourly rate.
3. Health Insurance: Effective April 7, 2003, the City's contribution to the Employee Option Benefit Fund (EOBF) shall be increased to \$651.17 per month. Effective January 1, 2004, the City's contribution to the EOBF shall be increased by 75% of the average dollar increase of the family coverage rates of the plans offered, currently the Kaiser and Blue Shield family rates. Effective the first payroll period following adoption of this MOU by the City Council, the current cap of \$509 that employees may place in Deferred Compensation accounts shall be removed.
4. Bereavement Leave: Effective upon adoption of this MOU by the City Council, employees may receive three days of bereavement leave based upon their

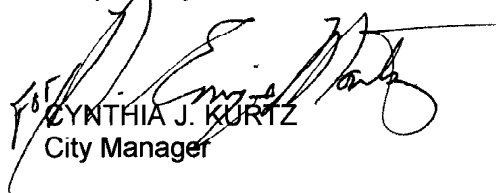
“regular work day” instead of the prior maximum of twenty-four hours. A domestic partner, as defined by State law, will also be counted as an “immediate family member.”

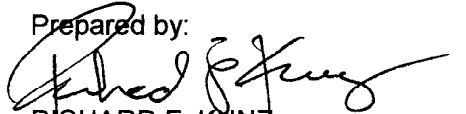
5. Holidays for Part-Time Employees: Part-time employees working at least 20 hours per week shall receive pro-rated holiday time (e.g. a 20 hour per week employee would receive 50% holiday time, a 30 hour per week employee would receive 75% holiday time).
6. Service Credit for Unused Sick Leave: Upon agreement of all Miscellaneous (i.e. non-safety) bargaining units, the City shall amend its contract with the Public Employees Retirement System to provide service credit for unused sick leave upon retirement.

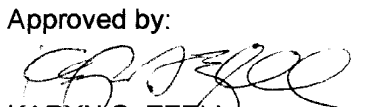
FISCAL IMPACT:

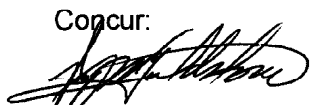
The annual fiscal impact of the implementation of this MOU between the City of Pasadena and PMA is estimated at \$2,173,450 for the first year of the MOU, and \$961,990 for the second year, including salary and related benefit costs. Of these amounts, 60% are non-General Fund expenditures. Funding to cover a 3% increase in salary costs and increases in benefit costs were incorporated into each department's budget for fiscal year 2004. Any expenditures that exceed the operating amount in the adopted budget, which includes the Personnel Reserve, will either be absorbed by each respective department or will require offsetting reductions that will be identified in the third quarter of this fiscal year. Funding for the fiscal year 2005 increase will be included in next year's recommended budget.

Respectfully Submitted,


CYNTHIA J. KURTZ
City Manager

Prepared by:

RICHARD F. KUNZ
Acting Human Resources Manager

Approved by:

KARYN S. EZELL
Director of Human Resources

Concur:

JAY M. GOLDSTONE
Director of Finance