



Agenda Report

July 9, 2018

TO: Honorable Mayor and City Council

FROM: Human Resources Department

SUBJECT: APPROVAL OF MEMORANDUM OF UNDERSTANDING BETWEEN THE CITY OF PASADENA AND THE PASADENA MANAGEMENT ASSOCIATION FOR THE TERM OF JULY 1, 2018 - JUNE 30, 2020

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.
2. Approve a Memorandum of Understanding (MOU) between the City of Pasadena (City) and the Pasadena Management Association (PMA) for the term of July 1, 2018 through June 30, 2020.

BACKGROUND:

The Pasadena Management Association represents approximately 450 employees in a variety of professional and supervisory classifications in all departments throughout the City. The existing MOU between the City and the PMA expired on June 30, 2018. Negotiations for a successor MOU began on March 1, 2018, and the parties reached a tentative agreement on June 15, 2018. On June 21, 2018 PMA members ratified the tentative agreement.

The following is a summary overview of key contract modifications:

1. Salary Increases:
 - a. Effective July 9, 2018, base pay for all classifications will increase by 2%.
 - b. Effective the pay period that includes July 1, 2019, base pay for all classifications will increase by 2.25%.
2. Certificate Pay: Employees in the Water Treatment or Water Distribution Classification Series who hold a higher-level state certification than what is required by their job description will receive a lump sum payment of \$500 upon proof of obtaining the certificate and then in August of each year thereafter with proof the certificate has been maintained. Regardless of the number of additional certifications acquired, an employee is eligible for only one \$500 certificate pay per year.
3. Stand-by Pay: Non-exempt employees who are designated as on-call/stand-by by management will receive one hour of base pay for each Monday through Friday and two hours of base pay for each Saturday, Sunday, regular 9/80 day off, or City-observed holiday.
4. Professional/Personal Development Allowance: Employees with 15 or more years of consecutive city service will receive an allowance of \$850 in March 2019 and \$950 in March 2020. Members with less than 15 years will continue to receive \$750.
5. CalPERS Retirement Contributions: Employees currently contribute 8% of pensionable income toward retirement on a pre-tax basis:
 - a. Classic Members:
 - i. Effective on July 9, 2018, employees will contribute an additional 0.5% toward retirement on a pre-tax basis as cost-sharing for a total retirement contribution of 8.5%.
 - ii. Effective the first full pay period in July 2019, employees will contribute an additional 0.75% toward retirement on a pre-tax basis as cost-sharing for a total retirement contribution of 9.25%.
 - b. New Members as defined by the Public Employees' Pension Reform Act: Will continue to make their current 8% pension contribution until the time that one-half of the total normal cost of pension as determined by PERS exceeds 8%, and at that time new members will pay one-half the normal cost.

6. Salary Continuation: In addition to providing benefits required under the law, the City supplements workers' compensation temporary disability payments to provide salary continuance in an amount equal to 70% of the employee's annual base pay for up to 6 months. The current benefit level 100% of base pay for up to 6 months.
7. This agreement addresses a number of non-economic language changes and cleanup items.

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 two-year agreement is approximately \$4,858,500 million dollars over the term of the contract, inclusive of anticipated increases to retirement costs on all pensionable bargaining unit compensation. The FY 2019 cost of the proposed agreement is approximately \$1,084,357 million, followed by increases of \$3,774,143 million in FY 2020. The additional employee-paid pension contributions made by PMA members during the term of the contract are estimated to equal \$639,000, which will off-set the City's total pension costs. The FY 2019 Operating Budget accounts for the recommended increases.

Respectfully Submitted,



Jennifer Curtis

Director of Human Resources

Prepared by:



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Senior Human Resources Analyst

Approved by:



Steve Mermell

City Manager

Attachment:

1. Pasadena Management Association Memorandum of Understanding - July 1, 2018 – June 30, 2020.