



# Agenda Report

August 1, 2022

**TO:** Honorable Mayor and City Council

**FROM:** Human Resources Department

**SUBJECT: APPROVAL OF MEMORANDUM OF UNDERSTANDING BETWEEN THE CITY OF PASADENA AND THE AMERICAN FEDERATION OF STATE, COUNTY, AND MUNICIPAL EMPLOYEES, LOCAL 858, FOR THE TERM OF JULY 1, 2022 - JUNE 30, 2026**

**RECOMMENDATION:**

It is recommended that the City Council:

1. Find that the proposed action herein is exempt from the California Environmental Quality Act (CEQA) pursuant to CEQA guidelines Section 15061(b)(3) (Common Sense Exemption);
2. Approve a Memorandum of Understanding (MOU) between the City of Pasadena and the American Federation of State, County, and Municipal Employees (AFSCME), Local 858, for the term of July 1, 2022 through June 30, 2026; and
3. Adopt a Resolution authorizing tax deferral of member paid contributions to the California Public Employees' Retirement System (CalPERS) for AFSCME employees with PEPR membership in CalPERS.

**BACKGROUND:**

The American Federation of State, County and Municipal Employees, Local 858 represents approximately 300 full-time equivalent positions in eleven City departments, including Water and Power, Public Works, Police, Planning, and Human Services and Recreation. AFSCME's existing Memorandum of Understanding (MOU) is a three-year agreement that expired on June 30, 2022.

The City and AFSCME commenced negotiations for a successor MOU on May 12, 2022. The parties reached a tentative agreement for a four-year contract on July 12, 2022. The

tentative agreement provides for cumulative base wage increases of 11.75% over the contract term and other supplemental enhancements such as premium pay for job related certifications, increases to special pay, and modifications to overtime provisions. On July 18, 2022, AFSCME's membership approved the tentative agreement.

The following is a summary overview of key contract modifications. Unless otherwise indicated below, all changes take effect upon Council adoption of this MOU.

1. Salary Increases:

- a. Effective July 18, 2022, base pay for all classifications will increase by 2.75%.
- b. Effective the pay period that includes July 1, 2023, base pay for all classifications will increase by 2.75%.
- c. Effective the pay period that includes July 1, 2024, base pay for all classifications will increase by 3.0%.
- d. Effective the pay period that includes July 1, 2024, base pay for all classifications will increase by 3.25%.

2. Certification Pays:

- a. Water Treatment / Distribution: Employees assigned to Pasadena Water and Power's Water Delivery unit who possess and maintain a water distribution and/or treatment certification issued by the California State Water Resources Control Board in excess of the requirements of their position will receive a monthly premium in the amount of \$75 for each qualifying certificate.
- b. Cross Connection Control Specialist / Tester Certification: Employees assigned to Pasadena Water and Power Water Delivery, Public Works Building Systems and Fleet Maintenance, or Parks Maintenance who possess a Cross Connection Control Specialist / Tester Certification from the American Waterworks Associations or the American Backflow Prevention Association will receive a monthly premium in the amount of \$75.00.
- c. National Institute for Automotive Service Excellence (NIASE) Certification Pay: Equipment Mechanics who possess and maintain ASE certifications will receive a monthly premium of up to \$250, depending on the level of certifications.

- d. Commercial Class A or B Driver's License Certification Pay: Employees in classifications that do not require possession of a commercial class A or B drivers' license but who nevertheless possess and maintain a commercial class A or B driver's license for utilization in the event of operational necessity will receive a monthly premium in the amount of \$25.00.
  - e. Master Plumber: Employees in the classifications of Plumber and Senior Plumber who possess and maintain a STAR Plumbing Mastery certification through the National Inspection Testing Certification Corporation (NITC) will receive a monthly premium in the amount of \$250.
  - f. Tree Worker Specialist: Employees in the classification of Maintenance Worker assigned to the Forestry Division who possess and maintain a certification as a Tree Worker Climber Specialist or Tree Worker Aerial Lift Specialist from the International Society of Arboriculture will receive a monthly premium in the amount of \$75.00 for each qualifying certification.
3. Special Assignment Pay:
- a. Sewer Maintenance Pay: The monthly premium for employees assigned to perform sewer maintenance duties will be increased to \$150 (from \$100).
  - b. Field Training Officer: Employees in the classification of Park Safety Specialist who are certified as a Field Training Officer will receive \$2.60 per hour when assigned to provide training to a trainee.
4. Equipment Mechanics - In lieu of a tool allowance, annual base pay for the classifications of Equipment Mechanic I, Equipment Mechanic II, Equipment Mechanic III, and Senior Equipment Mechanic will be increased by \$500.
5. Overtime:
- a. Employees may elect to accrue comp time in lieu of paid overtime up to 120 hours. All unused compensatory time off shall be cashed out annually at the employee's regular rate of pay in the last complete pay period of the fiscal year.
  - b. Scheduled overtime on regular days off will have a two-hour minimum.
6. Holidays:
- a. Employees will receive double time for hours worked on holidays in excess of 8 hours. Such hours are currently compensated at 1.5 times the hourly rate.
  - b. Holiday pay on regular days off for continuous shift members of the Police Department will be increased to 10 hours (from 8).
7. Uniforms: The City will reimburse the cost of uniform maintenance for employees in the classification of Park Safety Specialist.

8. Boot Allowance: The annual boot allowance for employees required to wear safety boots in the course of their work will be increased to \$250 (from \$200).
9. Tuition Reimbursement: Tuition reimbursement will be increased to a maximum of \$2,000 per year (from \$1,000 per year).
10. Benefits: The City will adopt a resolution per IRS Code section 414(h)(2) to ensure that the payment of the member contribution for employees hired on or after January 1, 2013 who are "new members" as defined by the Public Employees' Pension Reform Act will be made on a pre-tax basis.
10. This agreement includes additional 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 agreement is approximately \$8.9 million dollars over the term of the four-year contract, with annual ongoing costs of approximately \$3.7 million following expiration of the contract. The FY 2023 Operating Budget includes funding in anticipation of negotiated salary increases. However, in the event that appropriations in the FY 2023 Operating Budget are insufficient, additional appropriations will be requested through the budget clean-up process.

Respectfully Submitted,

  
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ALEX SOUTO

Acting Director of Human Resources

Approved by:

  
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CYNTHIA J. KURTZ  
Interim City Manager

Attachment:

1. July 1, 2022 - June 30, 2026 AFSCME Memorandum of Understanding
2. 414(h)(2) Resolution: Pre-Tax CalPERS member contribution for PEPRA members