

Agenda Report

July 31, 2023

TO: Honorable Mayor and City Council

FROM: Human Resources Department

SUBJECT: APPROVAL OF MEMORANDUM OF UNDERSTANDING BETWEEN THE CITY OF PASADENA AND PASADENA MANAGEMENT ASSOCIATION FOR THE TERM OF JULY 1, 2023 - JUNE 30, 2027

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); and
2. Approve an Amended Memorandum of Understanding (MOU) between the City of Pasadena (City) and the Pasadena Management Association (PMA), for the term of July 1, 2023 through June 30, 2027.

BACKGROUND:

The Pasadena Management Association (PMA) represents four hundred and sixty-seven full-time employees in professional, supervisory and management classifications. The current Memorandum of Understanding between the City and the PMA expired on June 30, 2023.

Negotiations for a successor MOU began on April 18, 2023, and the parties reached a tentative agreement on a new multi-year contract on July 19, 2023. PMA ratified the tentative agreement on July 26, 2023. The proposed 4-year agreement will have a term of July 1, 2023 through June 30, 2027.

The following is a summary of the key contract provisions:

1. Term: July 1, 2023 – June 30, 2027
2. Salary Increases:

- a. Effective July 31, 2023: 3.0%
 - b. Pay period that includes January 1, 2024: 1.00%
 - c. Pay period that includes July 1, 2024: 3.50%
 - d. Pay period that includes July 1, 2025: 3.00%
 - e. Pay period that includes July 1, 2026: 2.75%
3. Work Schedules: For non-exempt employees, leave hours will be counted as hours worked for the purpose of calculating overtime.
 4. Reclassification: Increase the target compensation alignment from 50th – 65th percentile in the labor market to 60th – 70th percentile.
 5. Holidays: Effective upon agreement by all bargaining units, the City will observe March 31st and June 19th as holidays and February 12th will be combined with the third Monday in February observance.
 6. Management Time Off: Increase discretionary management time off hours. Up to a maximum of an additional 22 discretionary hours may be granted per calendar year with City Manager and Director of Human Resources approval.
 7. Anti-compactation Pay: For unit members currently receiving anti-compactation pay, roll the anti-compactation pay into base salary to create a 10% differential between the unit member and their highest paid subordinate.
 8. Tuition Reimbursement: Increase from \$1,000 to \$5,000 per fiscal year.
 9. Car Allowance: Increase from \$275 to \$300.
 10. Retirement: Effective July 31, 2023, PEPRA employees will no longer pay cost share of the employer rate.
 11. Movement Through the Salary Schedule: Increase the percentage of salary a department head may grant an employee whose performance exceeds expectations from 5% per year to 7% per year.
 12. Vacation:
 - a. Increase maximum banked vacation hours from 320 hours to 400 hours.
 - b. New employees may be authorized to begin employment at the six-year accrual rate with the approval of the City Manager.
 13. Add employee-paid State Disability Insurance (SDI) program – (1% of Salary).

14. Non-economic language changes: This agreement includes non-economic changes to language related to health benefits, classification and compensation studies and licenses and certifications.

COUNCIL POLICY CONSIDERATION:

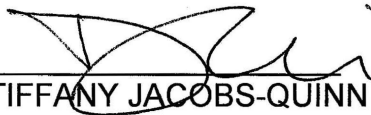
Approval of staff's recommendation supports the City Council's strategic goals of maintaining fiscal responsibility and stability.

FISCAL IMPACT:

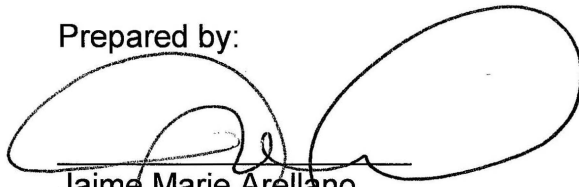
The fully burdened fiscal impact of the proposed 4-year agreement is approximately \$27.1 million over the term of the contract, with ongoing expenses of approximately \$10.48 million annually following expiration of the contract, 30% of which will impact the General Fund.

The FY 2024 Operating Budget includes additional funding in anticipation of negotiated wage increases. However, staff will monitor personnel expenses and request a supplemental appropriation during the fiscal year if necessary.

Respectfully Submitted,


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Human Resources Director

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Approved by:


MIGUEL MÁRQUEZ
City Manager