Agenda Report

November 10, 2026

TO: Honorable Mayor and City Council

FROM: Human Resources Department

SUBJECT: **APPROVE A MEMORANDUM OF UNDERSTANDING BETWEEN THE CITY OF PASADENA AND THE AMERICAN FEDERATION OF STATE, COUNTY AND MUNICIPAL EMPLOYEES FOR THE TERM OF JULY 1, 2026 - JUNE 30, 2029**

RECOMMENDATION:

It is recommended that the City Council:

1. Find that the proposed action herein is exempt from the California Public Resources Code Section 21065 and within the meaning of California Environmental Quality Act ("CEQA") Guidelines Section 15378(b); and

2. Approve a Memorandum of Understanding (MOU) between the City of Pasadena (City) and the American Federation of State, County and Municipal Employees (AFSCME) for the term of July 1, 2026 through June 30, 2029.

BACKGROUND:

The American Federation of State, County and Municipal Employees (AFSCME) represents approximately 300 employees in a variety of maintenance and trades classifications in many City departments. The existing Memorandum of Understanding (MOU) between the City and AFSMCE expired on June 30, 2026. Negotiations for a successor MOU began on February 9, 2026. The parties engaged in the labor negotiations process over the subsequent eight months. AFSCME's membership ratified the tentative agreement during the week of October 12, 2026.

The following is a summary of the key contract provisions. Unless otherwise indicated below, all changes take effect the first pay period following Council adoption of the MOU:

1. Term: July 1, 2026 – June 30, 2029

2. Salary Increases:
    a. Effective the pay period following Council adoption of the MOU: 3.5%
    b. Effective the pay period that includes July 1, 2027: 3.25%
    c. Effective the pay period that includes July 1, 2028: 3.25%

3. One-Time Non-PERSable Lump Sum: All current bargaining unit members actively employed by the City of Pasadena shall receive a one-time payment of nine-hundred seventy-five dollars ($975), subject to all applicable taxes and deductions. Employees who have separated from the City are not eligible to receive the one-time payment.

4. Holidays: The following twelve (12) days shall be observed as holidays:
    - January 1;
    - the third Monday in January;
    - the third Monday in February;
    - March 31;
    - the last Monday in May;
    - June 19;
    - July 4;
    - the first Monday in September;
    - November 11;
    - the fourth Thursday in November;
    - the day following the fourth Thursday in November;
    - December 25.

5. One-Time Floating Holiday: Effective with the first paycheck in January, for the calendar year of 2027 only, each unit member will receive one (1) additional floating holiday credited to the holiday bank.

6. Shift Differential: Effective two pay periods following Council adoption of the MOU, shift differential pay for swing shift and graveyard shift shall be paid at a rate of 4.5% of base pay.

7. Bilingual Pay: Bilingual pay shall be paid at a rate of $100 per month.

8. Standby Pay:
    a. Effective two pay periods following Council adoption of this MOU, Stand-by/On-call pay for bargaining unit members in the classifications of Water System Mechanic I/II, Lead Water System Mechanic, Water System Technician, Caulker & Repairer Mechanic, Maintenance and Construction Worker, Water Treatment Operator, Senior Water Treatment Operator,

Chief Water Treatment Operator, and Senior IT Support Specialist will be compensated as follows:

i. For each day assigned to stand-by that falls on the employee's regular day off or a City holiday, employees will be compensated at the rate of three (3) hours of base pay at their current hourly rate.
ii. For all other days assigned to stand-by, employees will be compensated at the rate of one (1) hour of base pay at their current hourly rate.

9. Certification Pay:
    a. Commercial Driver's License: Unit members who possess and maintain a Commercial Class A or B driver's license will receive $50 monthly ($23.08 bi-weekly)
    b. Cross-Connection Control Specialist/Tester or Backflow Prevention Tester: Effective two pay periods following Council adoption of this MOU, unit members who possess and maintain a job-related Cross Connection Control Specialist/Tester or Backflow Prevention Tester Certification will receive two percent (2.0%) of base pay for a maximum of one (1) certification.
    c. Bloodborne Pathogens and Communicable Disease Certification: Effective two pay periods following Council adoption of this MOU, employees in the classification of Senior Equipment Mechanic will receive three point seven five percent (3.75%) of base pay for obtaining and maintaining a Bloodborne Pathogens and Communicable Disease Certificate.
    d. Mental/Behavioral Health Training Certification: Effective two pay periods following Council adoption of this MOU, employees in the classification of Park Safety Specialist, Senior Park Safety Specialist, Detention Officer and Lead Detention Officer will receive two percent (2.0%) of base pay for obtaining and maintaining Mental and Behavioral Health Training Certification.
    e. CSFM or CPSI Certification: Effective two pay periods following Council adoption of this MOU, employees in the classification of Maintenance Worker I/II/III assigned to the Parks, Recreation and Community Services Department will receive two percent (2.0%) of base pay for obtaining and maintaining either a Certified Sports Field Manager (CSFM) certification or a Certified Playground Safety Inspector (CPSI) certification for a maximum of one (1) certification.

10. Field Training Pay: Park Safety Specialists or Senior Park Safety Specialists who are certified as a Field Training Officer will receive three dollars ($3.00) per hour when assigned to provide training to a trainee.

11. Vacation Accrual and Cashout: The vacation accrual maximum shall increase, and employees who have used forty (40) hours of accrued leave in the calendar year may elect to cash out up to forty (40) hours of vacation at their base hourly rate of pay.

12. Life Insurance: Effective January 1, 2027, the City will increase life insurance coverage to the amount of $75,000 for each employee.

13. Tuition Reimbursement: Regular employees shall be eligible for tuition reimbursement of up to three thousand dollars ($3,000) per fiscal year.

14. Boot Reimbursement: Employees who incur an additional cost over the provided $250 Safety Boot/Shoe Allowance for approved safety boots/shoes will be reimbursed up to an additional $100 upon presentation of a receipt.

15. This agreement includes a number of non-economic language cleanup items and incorporates previous side-letter agreements.

COUNCIL POLICY CONSIDERATION:

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

ENVIRONMENTAL ANALYSIS:

The proposed action is not a "project" subject to the California Public Resources Code Section 21065 and within the meaning of California Environmental Quality Act ("CEQA") Guidelines Section 15378(b). The proposed action constitutes a continuing administrative or organizational activity that will not result in a direct or reasonably foreseeable indirect physical change in the environment.

FISCAL IMPACT:

The fully burdened fiscal impact of the proposed 3-year agreement is approximately $8.8 million over the term of the contract, with ongoing expenses of approximately $4.3 million dollars annually following expiration of the contract. The FY 2027 cost of the agreement is approximately $1.5 million, and 33% of the costs will impact the General Fund. The FY 2027 Operating Budget includes 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,

TIFFANY JACOBS-QUINN
Human Resources Director

Prepared by:

Jaime Arellano
Principal Human Resources Analyst

Approved by:

MATTHEW E. HAWKESWORTH
Interim City Manager

Attachments:
Attachment A – American Federation of State, County and Municipal Employees Memorandum of Understanding – July 1, 2026 – June 30, 2029