



# CITY OF POMONA COUNCIL REPORT

May 7, 2018

To: Honorable Mayor and Members of the City Council

From: Linda Lowry, City Manager

Submitted by: Linda Matthews, Human Resources/Risk Management Director

Subject: **Adoption of Resolutions Approving an Extension and Amendment of the 2016-17 Memorandum of Understanding Between the City of Pomona and the Pomona Mid-Management/Confidential Employees' Association for the period of July 1, 2017 through September 30, 2019 and Amending the Fiscal Year 2017/18 Operating Budget**

## OVERVIEW

**Recommendations** - That the City Council adopt the attached resolutions:

1. Approving an Extension and Amendment of the 2016-17 Memorandum of Understanding between the City of Pomona and the Pomona Mid-Management/Confidential Employees Association (PMMCEA) for the period of July 1, 2017 through September 30, 2019; and
2. Amending the Fiscal Year (FY) 2017-2018 Adopted Operating Budget by appropriating \$94,152 from the General Fund reserves and \$150,445 from the fund balance of Other Funds as presented in Exhibit A.

**Fiscal Impact-** The estimated cost of this agreement for FY 2017/18 is \$244,597 for all funds, of which \$94,152 is from the General Fund. A significant portion of the cost for all funds is from one-time payments of \$139,740. Necessary budget amendments for FY 2017/18 for all funds are included in the attached budget resolution. The cost for General Fund operations will be taken from the General Fund Reserves. Costs for FY 2018/19 will be included in the FY 2018/19 Operating Budget. The estimated cost for FY 2018/19 is \$256,870 for all funds, of which \$94,475 is from the General Fund.

**Previous Council Action** – None

## EXECUTIVE SUMMARY

The Pomona Mid-Management/Confidential Employees' Association (PMMCEA) represents approximately 60 managerial, supervisory, and confidential City employees. The Memorandum of Understanding (MOU) with PMMCEA ended on June 30, 2017. Approval of the proposed resolution will result in an extension and amendment of the current MOU for the period of July 1, 2017 through September 30, 2019. The agreement includes salary increases of 2% effective October 2017 and

October 2018; one-time payments each fiscal year of the agreement of \$2,400 for employees with two-party or family coverage and \$2,000 for employees with single coverage or who waive health insurance; and other minor language changes.

## DISCUSSION

City representatives and representatives of the PMMCEA have met and conferred to negotiate an extension and amendment to the 2016-17 MOU. On April 9, 2018, a Tentative Agreement was reached between the parties and the terms were ratified by PMMCEA members on April 25, 2018. The key economic provisions of the extension and amendment are listed below.

Provision	Negotiated Change
Term	July 1, 2017 to September 30, 2019 (2 years and 3 months)
Salary	October 1, 2017 – 2% increase (retroactive) October 1, 2018 – 2% increase
One-time Payments	FY 2017/18 - \$2,400 for two-party or family medical coverage and \$2,000 for waive or single coverage FY 2018/19 – same as FY 2017/18

The amendment also creates separate provisions for Standby and Call Back pay applicable only to employees in the Information Technology Department. Standby pay shall be one (1) hour for each day the employees work and two (2) hours for each day the employee is off; call back pay of one hour shall apply only if the employee reports to the worksite. Other employees in the unit receive two (2) and three (3) hours of standby for days worked/not worked.

The amendment also includes other minor language changes. It acknowledges that the City is in the process of implementing a new payroll system and the parties may need to meet and confer regarding implementation issues related to the new system. It also includes a Side Letter of Agreement regarding the administration of Agency Shop. Agency Shop was voted in by the unit employees in May 2016 and requires all non-managerial employees in this unit to join the association or pay a fair share fee.

This agreement balances the fiscal pressures facing the City as well as the need to provide a competitive compensation plan to ensure the City can recruit and retain qualified employees. Members of PMMCEA, along with all City employees, made significant concessions from 2009 through 2014 as a result of the Great Recession. Among other concessions, employees were on reduced work schedules ranging from a 5% to 10% cut in hours and pay. In addition they began paying 7% in retirement contributions, which the City previously paid on their behalf. In the 2014-2016 MOU, the furloughs were eliminated. This unit received general salary increases totaling 7% from 2014 through 2016, which is essentially equivalent to the 7% increase in retirement contributions made by employees that was implemented during the recession.

The State minimum wage increased from \$10.50 in January 2017 to \$11 per hour in January 2018, and will rise to \$12 per hour in January 2019, a 14% increase over two years. The salary increases of 2% each year assist with general cost of living increases and will help minimize compaction issues from the rising minimum wage rates.

Employees in this unit have absorbed all but \$25 per month of the increases in health premiums since 2005. Out-of-pocket costs for family medical coverage now range from \$351 to \$1,051 per month. The one-time payments will provide additional compensation without committing to long-term on-going costs.

Attachment 1 includes the Extension and Amendment with all of the language changes, with new language underlined and old language shown with a strikethrough. Attachment 2 includes the budget amendments associated with this action.

Attachments:

1. City Council Resolution approving an Extension and Amendment of the 2016-17 Memorandum of Understanding Between the City of Pomona and the Pomona Mid-Management/Confidential Employees' Association for the period of July 1, 2017 through September 30, 2019  
**Exhibit A** – PMMCEA Extension and Amendment to the 2016-2017 Memorandum of Understanding
2. City Council Resolution amending the FY 2017/18 Operating Budget  
**Exhibit A** – FY 2017-18 General Fund and Non General Fund PMMCEA MOU Impacts to Operating Budget