



CITY OF POMONA COUNCIL REPORT

September 16, 2019

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 RESOLUTION APPROVING MEMORANDUM OF UNDERSTANDING BETWEEN THE CITY OF POMONA AND THE POMONA MID-MANAGEMENT/CONFIDENTIAL EMPLOYEES' ASSOCIATION FROM OCTOBER 1, 2019 THROUGH SEPTEMBER 30, 2021

RECOMMENDATION:

It is recommended that the City Council adopt the following resolution:

RESOLUTION NO. 2019-137 – A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF POMONA APPROVING A TWO (2) YEAR MEMORANDUM OF UNDERSTANDING BETWEEN THE CITY OF POMONA AND THE POMONA MID-MANAGEMENT/CONFIDENTIAL EMPLOYEES' ASSOCIATION FROM OCTOBER 1, 2019 THROUGH SEPTMEBER 30, 2021.

EXECUTIVE SUMMARY: The Pomona Mid-Management/Confidential Employees' Association (PMMCEA) represents approximately 60 managerial, supervisory, and confidential City employees. Approval of the proposed resolution (Attachment 1) will result in a two-year successor Memorandum of Understanding (MOU) with PMMCEA from October 1, 2019 through September 30, 2021. The change to terms include salary increases of four percent (4%) effective October 1, 2019 and 2020; increases to Section 125 Benefit Plan contributions to help offset the increasing cost of medical insurance; a \$500 one-time payment to each employee in November 2019 and July 2020; increase compensatory time bank maximum accrual rate from 90 to 120 hours; increasing bilingual pay; adding notary pay; and other minor changes described below.

FISCAL IMPACT: The estimated cost of this agreement is \$439,063 for Fiscal Year (FY) 2019/20 and \$409,867 for FY 2020/21, of which \$181,035 and \$164,817 is from the General Fund, respectively. Necessary budget adjustments for FY 2019/20 will be presented to the City Council for approval as part of the first quarter budget report. Future costs for this agreement will be budgeted for in the appropriate fiscal year.

DISCUSSION:

The Pomona Mid-Management/Confidential Employees' Association (PMMCEA) represents approximately 60 managerial, supervisory, and confidential City employees. The current MOU with PMMCEA expires September 30, 2019. The City met and conferred with PMMCEA regarding terms and conditions of employment. These negotiations resulted in a tentative agreement, which was ratified by the employees on August 29, 2019 and is being presented to the City Council for approval in Attachment 1. The key terms of the MOU are described below.

Term - The Term will be for two (2) years from October 1, 2019 to September 30, 2021.

Salary Increase - 4% salary increase effective October 1, 2019 and another 4% increase effective October 1, 2020.

Medical Premiums and Section 125 Cafeteria Plan Contributions - Employees have absorbed most of the increasing cost of medical benefits since 2004 as the City's contributions toward medical insurance remained fixed at up to \$700 per month. In 2015, the City created a separate Section 125 Benefit Plan contribution of \$25 which could be used to be pay for medical, dental or vision insurance premiums, with any remaining amount paid as taxable cash. Even with these City contributions, the monthly out-of-pocket cost is significant for employees. As an example, the employee's 2019 out-of-pocket cost for Kaiser Permanente, a frequently selected mid-range plan, for family coverage is \$883.46 per month. In an effort to provide more affordable health coverage for employees, this agreement increases the Section 125 Plan Benefits for benefit plan years 2020 and 2021 as follows:

Level of Medical Coverage	Monthly Increase Effective December 2019 for Plan Year 2020	Monthly Increase Effective December 2020 for Plan Year 2021
Waive coverage	\$10	\$10
Single	\$20	\$20
Two-party	\$300	\$100
Family	\$400	\$200

One-time Payments – Provide one-time payments of \$500 to all employees in a paid status in November 2019 and July 2020.

Bilingual Pay – Increase bilingual pay from \$750 per year to \$40 per pay period (\$1,040 per year) effective October 13, 2019.

Notary Pay – Add compensatory for performing notary duties for City business of \$15 per pay period effective October 13, 2019.

Day After Thanksgiving Holiday – Starting in 2020, City Hall will remain open the Wednesday before Thanksgiving. As long as the City Hall continues to be closed on Fridays and the City elects to remain open the Wednesday before Thanksgiving, employees will accrue an additional day of floating holiday time in January instead of observing the Friday after Thanksgiving as a paid holiday. The first floating holiday will be accrued in January 2020. Employees who are required to work the day after Thanksgiving will still continue to receive the overtime

compensation associated with a designated holiday. Newly hired employees will accrue floating holidays on a prorated basis upon hire instead of waiting 13 pay periods to receive the full floating holiday time.

Compensatory Time Off - Increase the maximum amount of compensatory time off that can be accrued from 90 hours to 120 hours effective October 13, 2019.

Assignment Pay – Add an assignment pay provision that compensates employees for temporarily performing higher level duties when a vacant position does not exist.

In addition, other minor language changes are being made as follows: clarify some language provisions; allow a reopener to negotiate changes that may be needed related to the upgrading of the human resources and payroll systems; modify union rights to recent changes in the law; and delete obsolete language. The complete MOU is included in Attachment 1, Exhibit A and shows all of the changes, with new language underlined and old language shown with a strikethroughs.

COUNCIL PRIORITIES & GOALS:

This item supports the 2019-2020 City Council Priorities 1 through 4: Fiscal and Operational; Economic Development; Clean and Safe Communities; and Infrastructure.

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

ATTACHMENT:

Attachment No. 1 – Resolution No. 2019-137

Exhibit A – Memorandum of Understanding with the Pomona Mid-Management/Confidential Employees' Association