



CITY OF POMONA

COUNCIL REPORT

October 18, 2021

To: Honorable Mayor and Members of the City Council

From: James Makshanoff, 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, 2021 THROUGH SEPTEMBER 30, 2023

RECOMMENDATION:

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

RESOLUTION NO. 2021-141 – A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF POMONA, CALIFORNIA, APPROVING A TWO (2) YEAR MEMORANDUM OF UNDERSTANDING BETWEEN THE CITY OF POMONA AND THE POMONA MID-MANAGEMENT/CONFIDENTIAL EMPLOYEES' ASSOCIATION FROM OCTOBER 1, 2021 THROUGH SEPTMEBER 30, 2023.

EXECUTIVE SUMMARY: The Pomona Mid-Management/Confidential Employees' Association (PMMCEA) represents approximately 70 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, 2021 through September 30, 2023. The change to terms include salary increases of two and one-half percent (2.5%) effective October 1, 2021 and 2022; increases to Section 125 Benefit Plan contributions to help offset the increasing cost of medical insurance; a \$5,000 one-time payment to each employee in November 2021; increase vacation buy back hours and reduce minimum vacation balance requirements; add two fixed holidays and eliminate one floating holiday; and other terms as described below.

FISCAL IMPACT: The estimated on-going incremental annualized cost for the new terms of the agreement with PMMCEA employees only is \$320k for the first year of the agreement and \$325k for the second year of the agreement. Of these amounts, \$116k and \$122k are from the General Fund for the first and second years of the agreement, respectively. In addition, there are one-time payments of \$401k in Fiscal Year 2021-22, which will be funded primarily by the American

Rescue Funds, but may also include some funding from certain Non-General Fund and the General Fund. Finally, if residential Solid Waste services are outsourced as a result of an RFP, there will be one-times costs associated with the pay out of sick leave pursuant to the Solid Waste Side letter of \$55k, which will be paid from the Solid Waste Fund. Necessary budget adjustments for FY 2021-22 will be presented to the City Council for approval as part of the first quarter budget report in November. In addition, the one-time costs will need to be added to the ARP expenditure plan. 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 70 managerial, supervisory, and confidential City employees. The current MOU with PMMCEA expired September 30, 2021. 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 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, 2021 to September 30, 2023.

Salary Increase – 2.5% salary increase effective October 1, 2021 and another 2.5% increase effective October 1, 2022.

Medical Premiums and Section 125 Cafeteria Plan Contributions - Section 125 Benefit Plan contribution be used to pay for medical, dental or vision insurance premiums, with any remaining amount paid as taxable cash. The Cafeteria Plan contribution for two-party coverage will increase by \$100 per month in December 2021 and again in December 2022. The Cafeteria Plan contributions for family coverage will increase by \$200 per month in December 2021 and again in December 2022. Said increases will help offset the increasing costs of medical premiums, while still continuing to require employees to contribute toward two-party or family coverage for most medical plans.

One-time Payments – A one-time payment of \$5,000 will be provided. This payment is in recognition of the unique challenges associated with providing public service during the COVID-19 pandemic.

Holidays - Effective beginning calendar year 2022, the list of holidays observed shall be modified to add Juneteenth (June 19) and Cesar Chavez (March 31) and eliminate one (1) floating holiday.

Vacation Buy Back – Effective with the buyback opportunity in December 2022, employees will be able to buy back an additional 20 hours of vacation time and will need a minimum of 250 hours instead of 300 hours accrued to participate.

Bilingual Pay – Remove the requirement that an employee pass probation to receive the bilingual pay.

Tuition Reimbursement – Increase tuition reimbursement program from \$1,000 to \$1,500 per fiscal year for job-related professional improvement courses or required courses in a job related degree program offered at any accredited academic institution.

Salary Step Progression – Employees hired by the City on or after January 1, 2022 will be eligible to receive an increase to step 2 after 12 months of service instead of after 6 months of service.

Boot Reimbursement – Effective for FY 2022-23, increase the reimbursement for purchasing safety boots from \$150 to \$250. In addition, the City will explore implementing a voucher system beginning FY 2022-23.

Contract Overtime – Group C employees assigned to the Police Department may earn paid overtime for working contract overtime where the City charges overtime rates to the contractor and there is no cost to the City.

Solid Waste Side Letter – The parties have agreed to procedures to follow related to the franchising process for solid waste services, which may or may not result in the City outsourcing residential solid waste collection. The side letter includes some desired terms to include as part of the Request for Proposal to ensure in displaced employees will be provided the opportunity for jobs with the private hauler and also authorizes 100% of sick leave payout for any employee displaced as a result of the outsourcing and who does not use the sick leave toward retirement credit.

In addition, other minor language changes are being made as follows: upon reclassification, employees will receive a one-step increase and the evaluation date shall be set to the reclassification date; modify accrual date of floating holidays to each January 1 instead of pay period after January 1; a reopener if the General Services represented by Teamsters Local 1932 receive a greater general salary increase or one-time payment; and delete obsolete language. The complete MOU including the Solid Waste Side Letter is included in Attachment 1, Exhibit A and shows all of the changes, with new language underlined and old language shown with strikethroughs.

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

ATTACHMENT:

Attachment No. 1 – Resolution No. 2021-141

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