



## **CITY OF GLENDALE, CALIFORNIA REPORT TO THE CITY COUNCIL**

### **AGENDA ITEM**

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Report: Memorandum of Understanding (MOU) Between the City of Glendale and Glendale Management Association (GMA) on Behalf of General Managers; and Resolution Addressing Executives.

1. Resolution Approving and Adopting the MOU Commencing July 1, 2024, through June 30, 2027
2. Resolution providing for the establishment of classification titles and compensation for employees covered by the Glendale Management Association/General Managers MOU
3. Resolution of Appropriation in the sum of \$1,307,140 to provide funding for the MOU agreement between the City and Glendale Management Association/General Managers for the period commencing on March 1, 2024 and ending June 30, 2024.
4. Resolution providing for the establishment of classification titles and compensation for Executives.
5. Resolution providing for Supplementary Benefits and Compensation of Certain Officers and Executive Employees of the City of Glendale to Supplement the Classification and Compensation Resolution of Said City

### **COUNCIL ACTION**

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**Item Type:** Action Item

**Approved for** February 27, 2024 **calendar**

### **EXECUTIVE SUMMARY**

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The Glendale Management Association (GMA) is the employee bargaining unit that represents mid-level and upper management employees of the City, including managerial, supervisory, technical, and professional employees throughout every City department. The City has been engaged in labor negotiations with the GMA on behalf of the General Manager (non-sworn) contingent of the bargaining unit since December 2023. Approximately 346 budgeted positions are covered by this bargaining group.

After several months of negotiations, staff is pleased to bring forth resolutions adopting a three-year Memorandum of Understanding (MOU) with the GMA, which will run effective July 1, 2024 through June 30, 2027. As the Council is aware, MOU agreements govern the wages, hours, terms and conditions of employees. Staff believes this MOU agreement provides an appropriate balance of maintaining a fair and competitive compensation structure while addressing the fiscal limitations of the City and doing so in a highly fiscally responsible manner.

## **RECOMMENDATION**

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That the attached Resolutions and memorandum of Understanding between the City of Glendale and GMA, on behalf of General Managers (non-sworn), be approved as submitted. Additionally, that the attached Resolution relating to the cost-sharing and compensation structure for Executives be approved as submitted.

## **BACKGROUND AND ANALYSIS**

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Over the course of the past three months, the City has engaged in labor negotiations with representatives of the GMA, on behalf of the General Managers (non-sworn), with the hopes of coming to agreement on a successor MOU. The previous MOU between the City and GMA General Managers covered three-years and is set to expire on June 30, 2024.

The primary issue during this negotiation process was maintaining a competitive compensation structure for the skilled, technical, and managerial professions represented, while addressing the organization's fiscal realities and ability to pay. While the economy has improved significantly over the last two years, many concerns remain over both the City's budget forecast and the rising costs of inflation in general.

The GMA negotiating team brought forth concerns regarding the escalating cost-of-living and the erosion of buying power largely due to inflation. Recent cost-of-living adjustments for this group have been relatively modest and their members' inability to remain competitive in the labor market has been an ongoing concern. Lack of competitiveness for the highly skilled managerial, professional, and technical positions represented by GMA has an impact on the City's ability to recruit and retain talented staff.

Considering these challenges, staff is pleased to bring forth a three-year MOU agreement between the City and GMA, which will run effective July 1, 2024, through June 30, 2027. The proposed MOU is the culmination of months of negotiation between the City and GMA bargaining teams. Staff believes that this tentative agreement, which provides for competitive cost-of-living adjustments or cost share reductions in each of the three years, places the employees in a slightly more competitive position within the labor market and addresses concerns over the general cost-of-living.

The proposed three-year agreement provides cost-of living adjustments through a

combination of both direct compensation increases and reductions in existing PEPRA CalPERS cost-share agreements, as set forth below:

- FY 24/25: 6% COLA (effective the pay period that includes March 1, 2024)  
Reduce employee-pick up of employer contributions for PEPRA employees by 0.25% effective July 1, 2024
- FY 25/26 4% COLA (effective the pay period that includes July 1, 2025)  
Reduce employee pick-up of employer contributions for PEPRA employees by 0.25% effective July 1, 2025
- FY26/27 4% COLA (effective the pay period that includes July 1, 2026)  
Reduce employee pick-up of employer contributions for PEPRA employees by 0.25% effective July 1, 2026

In addition to the aforementioned COLA, the proposed agreement includes updates to several special pay categories and certifications for specific job classifications. Notably, starting with the pay period encompassing July 1, 2025, the City will offer a matching contribution of up to \$25 per month to employees' 457 deferred compensation accounts. Furthermore, the City commits to conducting a comprehensive classification and total compensation study for benchmark classifications by December 31, 2026.

Effective July 1, 2024, the agreement will also revise the MOU to include updated uniform allowances for certain job classifications. Additionally, general managers will receive the same medical insurance contributions as those currently provided to sworn police managers.

The agreement also stipulates that employees are entitled to up to six weeks of paid baby-bonding leave within 12-months following the birth or adoption of a child.

Included in this staff report as a separate item is a Resolution for Executives, who are unrepresented. In the absence of a MOU, the Classification and Compensation Resolution for appointed Executives enumerates the salary and benefit items available for Executives in the form of market adjustments. In that regard, the following positions listed in the class and compensation resolution will receive market adjustments: Assistant City Manager, Police Chief, Fire Chief, Chief Innovation Officer, Chief Information Officer, Director of Community Development, Director of Community Services & Parks, Director of Finance, Chief Human Resources Officer, General Manager of GWP, and Director of Public Works.

The terms set forth in the proposed MOU were ratified by the GMA general managers membership with a vote of 98% in favor.

Staff similarly recommends City Council adoption of the proposed three-year MOU. If approved, the economic terms of the proposed MOU will take effect upon adoption in time for the March 21, 2024 pay date. Further, in order to maintain organizational parity,

the Executive Resolution for providing Supplementary Benefits and Compensation mirrors that of the GMA MOU.

### **FISCAL IMPACT**

The primary costs of the three-year agreement set forth in these Resolutions are related to the compensation adjustments, specifically COLA, and other extra/certification pay adjustments spread over three years. The total cost compounded over three years is \$24,871,823 of which only \$12,386,168 is charged to the General Fund. The breakdown below represents fully loaded costs for each of the three years of the proposed City/GMA MOU.

<b>Term</b>	<b>Fiscal Year</b>	<b>Cost</b>
March-June 2024	2023/24	\$ 1,307,140
Year One	2024/25	\$ 4,408,580
Year Two	2025/26	\$ 7,696,498
Year Three	2026/27	\$11,459,605
<b>Total</b>		<b>\$24,871,823</b>

### **Executives/Resolution**

March-June 2024	2023/24	\$ 86,500
Year One	2024/25	\$ 358,600
<b>Total</b>		<b>\$ 445,100</b>

Funding for March 1, 2024 to June 30, 2024 of the City/GMA MOU was not included as part of the FY 2023/24 approved budget. Therefore, staff is requesting an appropriation of \$1,307,140, of which \$699,115 is from the General Fund undesignated fund balance. Funding for March 1, 2024 to June 30, 2024 of the Executives/Resolution will cost \$86,500 and the individual departments will absorb the cost.

### **ENVIRONMENTAL REVIEW (CEQA/NEPA)**

This item is not subject to CEQA review.

### **CAMPAIGN DISCLOSURE**

This item is exempt from campaign disclosure requirements.

**ADMINISTRATIVE ACTION**

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**Submitted by:**

Paula Adams, Chief Human Resources Officer

**Prepared by:**

Paula Adams, Chief Human Resources Officer

**Approved by:**

Roubik R. Golanian, P.E., City Manager

**EXHIBITS/ATTACHMENTS**

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1. Exhibit A: Classification and Compensation Resolution, which contains salary range amounts for classifications covered by the GMA bargaining unit and the Executive Classifications.