



CITY OF GLENDALE, CALIFORNIA REPORT TO THE CITY COUNCIL

AGENDA ITEM

Report: Memorandum of Understanding (MOU) between the City and Glendale City Employees' Association

1. Resolution Approving and Adopting the MOU Commencing July 1, 2021 through June 30, 2024
2. Resolution providing for the establishment of classification titles and compensation for employees covered by the Glendale City Employees' Association MOU
3. Resolution of Appropriation in the sum of \$1,259,545 to provide funding for the MOU agreement between the City and Glendale City Employees' Association for the fiscal year commencing July 1, 2021 through June 30, 2022

COUNCIL ACTION

Item Type: Action Item

Approved for September 14, 2021 **calendar**

ADMINISTRATIVE ACTION

Submitted by:

Matt Doyle, Director of Human Resources

Prepared by:

Matt Doyle, Director of Human Resources

Reviewed by:

Michele Flynn, Director of Finance

Michael J. Garcia, City Attorney

Approved by:

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

RECOMMENDATION

That the attached Resolutions and Memorandum of Understanding between the City of Glendale and Glendale City Employees' Association (GCEA) be approved as submitted. Additionally, that the attached Resolutions relating to the compensation and benefits of affected employees be approved as submitted.

BACKGROUND/ANALYSIS

Starting in April 2021, the City and Glendale City Employees' Association (GCEA) have been engaged in labor negotiations with the goal of coming to agreement on a successor Memorandum of Understanding (MOU). As the Council is aware, the respective MOUs govern the wages, hours, terms and conditions of employment for employees of the City of Glendale. The previous MOU between the City and GCEA was of a duration of one year and expired on June 30, 2021.

The GCEA represents all rank and file non-management general City employees who are not sworn police or fire, or utility field employees. They are by far the largest and most diverse employee bargaining unit, representing close to 700 employees ranging from occupations such as librarian, engineer, police and fire communications, parking enforcement, maintenance, clerical/administrative and many others. Given the size and breadth of issues and concerns inherent with such a large bargaining group, the GCEA began the negotiations with a very long and detailed list of requests addressing organization-wide concerns, as well as individual departmental issues. The previous one-year MOU was adopted in June 2020 amidst significant uncertainty surrounding the economic impact of the COVID-19 pandemic, and contained no cost-of-living adjustments nor any benefit enhancements for the entire 20/21 fiscal year.

The primary issue driving this year's negotiation process was maintaining a reasonably competitive compensation structure while addressing the organization's fiscal realities and ability to pay while the pandemic continues to be a reality. The GCEA negotiating team brought forth concerns regarding the escalating cost-of-living in the region and their members' inability to keep up in light of recent MOU agreements that contained relatively modest compensation adjustments. They argued that the erosion of purchasing power made life very challenging for their members. In a similar vein, the GCEA highlighted concerns over the cost of medical insurance and sought to attain some level of equity with other bargaining units within the City on medical costs. Additionally, they identified new and existing professional certifications in several occupations that should be worthy of additional compensation as a result of the added value to the organization that these designations bring to employees who possess them.

From the City's perspective, maintaining a fair and competitive compensation and benefits structure is an equally high priority, as doing so assists in recruitment outreach and in the retention of quality personnel. The loss of talented and experienced staff to other jurisdictions has been an ongoing concern. The City's negotiation team was also extremely cognizant of the arguments raised by the GCEA regarding the high cost-of-living, including concerns over inflation, and how it impacts our employees. Having said that, the City is grappling with increasing employment-related costs relating primarily to pension expenses that are projected to climb throughout the City's multi-year financial forecast. Additionally, as the COVID-19

pandemic continues to advance, great uncertainty still exists in regard to the City's revenues and overall financial outlook.

In light of these challenges, staff is pleased to bring forth a three-year MOU agreement between the City and GCEA, which will run effective July 1, 2021 through June 30, 2024. The proposed MOU is the culmination of over four months and over a dozen negotiation sessions between the City and GCEA negotiating teams. Staff believes that this tentative agreement, which provides for modest cost-of-living adjustments (COLA) in each of the three years, relief on medical insurance costs and adjustments to several special pay categories, places the employees in a more competitive position within the labor market and addresses their concerns over the cost-of-living.

As previously stated, the proposed three-year MOU provides modest COLAs through a combination of both direct compensation increases and reductions in existing employee CalPERS cost-share agreements, as set forth below.

- FY 21/22: 1% COLA (effective upon adoption of MOU)
1% Reduction in PERS cost-share (effective 1/1/22)
- FY 22/23: 2% COLA (effective 7/1/22)
- FY 23/24: 1.5% COLA (effective 7/1/23)
0.5% Reduction in PERS cost-share (effective 7/1/23)

In addition to the COLAs the MOU provides significant relief for medical insurance costs. Previously, this group paid among the highest costs for medical insurance. So, an effort was made to standardize these costs so that they were more consistent with some of the other bargaining groups.

As previously mentioned, adjustments were made to various special pay categories and certifications impacting a wide variety of occupations including environmental services, inspection teams, water distribution license holders, wastewater maintenance crews, arborist classifications, as well as Fire Communications and Police Property and Records staff.

The City maintained its policy of employee PERS cost-sharing for both the employee "member" share, as well as two and one-half percent (2.5%) of the "employer" share. Additionally, for future medical insurance renewals, employees will be expected to continue to pick up half of the annual medical insurance premium adjustment, with the City paying the other half.

The proposed MOU between the City and GCEA is provided as an attachment (Exhibit 1). The document is "red-lined," indicating changes that have been agreed to from the previous MOU.

The terms set forth in the proposed MOU were ratified by the membership of the GCEA with a vote of 79% in favor, well above the required two-thirds majority.

Staff 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 September 23, 2021 pay date.

Included in this staff report is a Classification and Compensation Resolution which effectuates the proposed agreed-upon compensation adjustments for GCEA-represented employees, including Employee Relations Confidential classifications. These terms will also take effect in time for the September 23, 2021 pay date.

A Resolution of Appropriation is also included in this report setting aside funds during Fiscal Year 2021/2022 for this proposed MOU agreement.

Staff recommends approval of the Resolutions as submitted.

FISCAL IMPACT

The primary costs of the three-year agreement set forth in these Resolutions are related to the compensation adjustments, both COLA and cost-share reductions, medical insurance relief, and other extra/certification pay adjustments spread over three years. The breakdown below represents costs for each of the three years of the proposed City/GCEA MOU.

Term	Fiscal Year	Cost
Year One	2021/2022	\$1,259,545
Year Two	2022/2023	\$3,364,282
Year Three	2023/2024	\$4,669,627
	Total	\$9,293,454

ALTERNATIVES

Alternative 1: Approve Resolutions as submitted.

Alternative 2: Not approve Resolutions as submitted.

Alternative 3: The City Council may consider other alternatives not proposed by staff.

CAMPAIGN DISCLOSURE

NA

EXHIBITS

1. Text of proposed Memorandum of Understanding between the City of Glendale and Glendale City Employees' Association: Three-year agreement commencing July 1, 2021 through June 30, 2024.
2. Exhibit A - Classification and Compensation Resolution, which contains salary range amounts for classifications covered by the GCEA bargaining unit.