



CITY OF GLENDALE, CALIFORNIA REPORT TO THE CITY COUNCIL

AGENDA ITEM

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, 2021 through June 30, 2024
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 \$386,336 to provide funding for the MOU agreement between the City and Glendale Management Association/General Managers for the fiscal year commencing July 1, 2021
4. Resolution providing for the establishment of classification titles and compensation for Executives

COUNCIL ACTION

Item Type: Action Item

Approved for October 26, 2021 **calendar**

EXECUTIVE SUMMARY

The Glendale Management Association (GMA) is the employee bargaining unit that represents all 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 June of this year. Approximately 335 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, 2021 through June 30, 2024. 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 pandemic era.

COUNCIL PRIORITIES

Fiscal Responsibility. The resulting multi-year agreement provides a fair and reasonable compensation package for affected employees, however doing so in a highly fiscally responsible manner.

RECOMMENDATION

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 provisions for Executives be approved as submitted.

BACKGROUND

Over the course of the past four months, the City has engaged in labor negotiations with representatives of the GMA, on behalf of 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 was of a duration of one-year and expired on June 30, 2021.

The previous MOU was adopted abruptly in June of 2020 amidst significant uncertainty surrounding the COVID-19 pandemic, and contained no cost-of-living adjustments nor any benefit enhancements for the entire 2020/2021 fiscal year.

The primary issue driving 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 it was hoped that the economy would have improved significantly with the lifting of many of the COVID-19 restrictions over the past year, many concerns remain over both the City's budget forecast and the sluggish economic recovery 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.

In light of these challenges, staff is pleased to bring forth a three-year MOU agreement between the City and GMA, which will run effective July 1, 2021 through June 30, 2024. The proposed MOU is the culmination of several months of negotiation between the City

and GMA bargaining teams. Staff believes that this tentative agreement, which provides for modest cost-of-living adjustments in each of the three years, either through salary adjustments or cost-share reductions, 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 employee CalPERS cost-share agreements, as set forth below.

- FY 21/22: 0.5% COLA (effective upon adoption of MOU)
1.0% Reduction in PERS cost-share (effective 2/1/22)
- FY 22/23: 2.0% COLA (effective 7/1/22)
- FY 23/24: 1.25% COLA (effective 7/1/23)
1.25% Reduction in PERS cost-share (effective 7/1/23)

In addition to the above COLAs, the proposed agreement provides adjustments to a few special pay categories and certifications for job classifications in areas such as environmental services, inspections, water distribution licenses, wastewater maintenance and workplace safety enforcement.

The City accepted the GMA's proposal to grant the Juneteenth commemoration, which will be the first new officially recognized City holiday granted in over thirty years. Thus, moving forward, June 19th of each year will be an official City holiday.

Included in this staff report as a separate item is a Resolution for Executives, who are unrepresented. In the absence of an MOU, the Classification and Compensation Resolution for both appointed and elected Executives enumerate the salary and benefit items available for Executives. Staff is proposing that the above reduction in PERS cost-sharing for GMA General Managers (1% in February 2022 and 1.25% in July 2023) be extended to the Executive team as well in order to maintain consistency throughout the organization.

ANALYSIS

The proposed MOU between the City and GMA General Managers is provided as Exhibit 1. The document is "red-lined," indicating changes that have been agreed to from the current MOU.

The terms set forth in the proposed MOU were ratified by the GMA General Managers membership with a vote of 68.9% 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 November 4, 2021 pay date.

STAKEHOLDERS/OUTREACH

N/A

FISCAL IMPACT

GMA/MOU

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, and other extra/certification pay adjustments spread over three years. The total cost compounded over three years is **\$5,248,478**, of which only **\$2,525,568** is charged to the General Fund. The breakdown below represents costs for each of the three years of the proposed City/GMA MOU.

Term	Fiscal Year	Cost
Year One	2021/2022	\$ 386,336
Year Two	2022/2023	\$1,816,061
Year Three	2023/2024	\$3,046,081
	Total	\$5,248,478

Executives/Resolution

Year One	2021/2022	\$ 13,500
Year Two	2022/2023	(N/A)
Year Three	2023/2024	\$ 44,000
	Total	\$ 57,500

Funding for Year One of the City/GMA MOU was not included as part of the FY 2021-22 approved budget. Therefore, staff is requesting for an appropriation of \$386,336, of which \$179,968 is from the General Fund undesignated fund balance. Year One of the Executives/Resolution will cost \$13,500 and the departments will absorb the cost.

ENVIRONMENTAL REVIEW

N/A

CAMPAIGN DISCLOSURE

N/A

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.

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

EXHIBITS / ATTACHMENTS

1. Text of proposed Memorandum of Understanding between the City of Glendale and Glendale Management 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 GMA bargaining unit.