



# CITY COUNCIL STAFF REPORT



**September 14, 2021**

## **ITEM TITLE**

Employee Compensation and Bargaining Agreement: Approve a Memorandum of Understanding with Association of Chula Vista Employees (“ACE”); an Amended Compensation Summary for Unrepresented Employees; and a Revised Compensation Schedule for Certain Groups

**Report Number:** 21-0155

**Location:** No specific geographic location

**Department:** Human Resources

**Environmental Notice:** The activity is not a “Project” as defined under Section 15378 of the California Environmental Quality Act State Guidelines; therefore, pursuant to State Guidelines Section 15060(c)(3) no environmental review is required.

## **Recommended Action**

Adopt resolutions: A) Approving a Memorandum of Understanding (“MOU”) between the City of Chula Vista and the Association of Chula Vista Employees (“ACE”), related to compensation and other terms and conditions of employment; B) Approving the amended Compensation Summary for Unrepresented Employees; and C) Approving the revised Fiscal Year 2021-2022 Compensation Schedule effective September 10, 2021, as required by California Code of Regulations., Title 2, Section 570.5.

## **SUMMARY**

The Memorandum of Understanding (MOU) between the City of Chula Vista and the Association of Chula Vista Employees (“ACE”) expired on June 30, 2021. Over the last five months, representatives from ACE and the City have worked collaboratively toward the development of a mutually beneficial MOU. An agreement was reached on the term of the MOU, salary and equity adjustments, non-PERSable stipends, retirement cost-sharing, and floating holidays. Staff also recommends that these salary and benefit adjustments be extended to unrepresented Confidential employees.

## **ENVIRONMENTAL REVIEW**

The Director of Development Services has reviewed the proposed activity for compliance with the California Environmental Quality Act (CEQA) and has determined that the activity is not a “Project” as defined under Section 15378 of the State CEQA Guidelines; therefore, pursuant to Section 15060(c)(3) of the State CEQA Guidelines, the activity is not subject to CEQA. Thus, no environmental review is required.

## **BOARD/COMMISSION/COMMITTEE RECOMMENDATION**

Not Applicable.

## **DISCUSSION**

### ACE Memorandum of Understanding

The Memorandum of Understanding (MOU) between the City of Chula Vista and the Association of Chula Vista Employees (“ACE”) expires on June 30, 2021. Representatives of ACE and the City have worked collaboratively toward the development of a mutually beneficial MOU.

The City and ACE have met and conferred in good faith, as required by the Meyers-Milias-Brown Act (Govt. Code Section 3500 et. seq.; “MMBA”) and reached agreement on the terms of a successor MOU, including the term of the MOU (to expire June 30, 2024), salary and equity adjustments, non-PERSable essential worker stipend, retirement cost-sharing and floating holidays. Below is a summary of the significant points of the agreement reached:

1. **Term and Effect:** September 14, 2021 to June 30, 2024
2. **Salary and Equity Adjustments**
  - a. Equity adjustments to the median and 3% salary increase in the pay period in which City Council adopts via resolution in open session
  - b. 2% salary increase the first full pay period of July 2022
  - c. 3% salary increase the first full pay period of July 2023
3. **Non-PERSable Essential Worker Stipend**
  - a. \$2,000 in the pay period in which City Council adopts via resolution in open session
  - b. \$1,000 the first full pay period of July 2022
  - c. \$500 the first full pay period of July 2023
4. **Retirement Cost-Sharing**

CalPERS normal cost sharing of 50% for Tier I and Tier II employees pursuant to Government Code (“GC”) section 20516 effective the last full pay period of June 2024.
5. **Floating Holidays**

Eight (8) additional hours of floating holiday per year for Fiscal Years 2021-2022, 2022-2023 and 2023-2024.

The ACE membership is slated to complete their vote on the proposed salary and benefit enhancements on September 13, 2021.

Approval of Resolution A would approve the MOU between the City of Chula Vista and ACE, related to compensation and other terms and conditions of employment; and authorizing the City manager to execute the aforementioned MOU and any additional documents which may be necessary or required to implement said MOU.

#### Unrepresented Confidential Employees

The City workforce consists of both represented and unrepresented employees. It has long been a practice of the City (with few exceptions) to update the compensation and benefit summary for unrepresented employees (the same or similar benefit provided to represented employees). The affected unrepresented employees are in the Confidential employee group.

Salary and benefit adjustments for these unrepresented employees are the following:

#### **1. Salary and Equity Adjustments**

- a. Equity adjustments to the median and 3% salary increase from the July 5, 2019 salary (less any increase already provided effective July 2, 2021) in the pay period in which City Council adopts via resolution in open session
- b. 2% salary increase the first full pay period of July 2022
- c. 3% salary increase the first full pay period of July 2023

#### **2. Non-PERSable Essential Worker Stipend**

- a. \$1,000 the first full pay period of July 2022
- b. \$500 the first full pay period of July 2023

Approval of Resolution B would approve the amended Compensation Summary for Unrepresented Employees to reflect the changes noted above.

#### Compensation for Councilmembers, the Mayor and elected City Attorney

Sections 302, 304(c) and 503(c) of the City of Chula Vista City Charter establishes the compensation for Councilmembers, the Mayor and elected City Attorney, respectively, based upon the formulas set forth in those sections. The City received notification from the Judicial Council of California on August 18, 2021, of a salary change for the position of Judge of the Superior Court of the State of California, to which the salaries for Councilmembers, the Mayor and elected City Attorney are tied and made the appropriate changes retroactive to July 1, 2021. Staff made the change to the salary rates for Mayor, Councilmembers and City Attorney upon notification from the State of California (in accordance with the City Charter), and the Mayor, Councilmembers and City Attorney are receiving this pay rate.

#### Compensation Schedule Requirement

California Code of Regulations, Title 2, Section 570.5 requires that, for purposes of determining a retiring employee's pension allowance, the pay rate be limited to the amount listed on a pay schedule that meets certain requirements and be approved by the governing body in accordance with the requirements of the applicable public meeting laws. The revised Fiscal Year 2021-2022 Compensation Schedule ("Compensation Schedule") was last approved by the City Council at their meeting of August 10, 2021.

Approval of Resolution C will approve the revised Compensation Schedule effective September 10, 2021, which reflects: (1) the salary and equity adjustments for employees represented by ACE, (2) the salary and equity adjustments for Confidential employees and (3) the adjusted salaries for Mayor, Councilmembers and City Attorney (Elected) in accordance with City Charter sections 302, 304(C) and 503(C) effective July 1, 2021.

### **DECISION-MAKER CONFLICT**

This item is not site specific and Staff is not independently aware, and has not been informed by any City Council member, of any other fact that may constitute a basis for a decision maker conflict of interest in this matter.

### **CURRENT-YEAR FISCAL IMPACT**

The net impact to the General Fund in the current fiscal year is approximately \$231,641, and non-General Funds in the amount of approximately \$126,203. It is anticipated that these costs will be absorbed within current year departmental operating budgets, any costs that exceed budget will be addressed in the quarterly financial updates brought to City Council.

The cost of the Essential Workers Stipends is approximately \$870,441 and will be funded out of the American Rescue Plan fund appropriated by the City Council on August 24, 2021.

### **ONGOING FISCAL IMPACT**

Ongoing salary costs will be incorporated into subsequent fiscal year budgets.

### **ATTACHMENTS**

1. Memorandum of Understanding (MOU) between the City of Chula Vista and the Association of Chula Vista Employees, September 14, 2021 – June 30, 2024
2. Revised Compensation Summary for Unrepresented Employees
3. Memorandum from the Judicial Council of California dated August 12, 2021
4. Revised Fiscal Year 2021-2022 Compensation Schedule effective September 10, 2021

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