



# CITY COUNCIL STAFF REPORT



**March 18, 2025**

## **ITEM TITLE**

Employee Compensation and Bargaining Agreement: Memorandum of Understanding with the Chula Vista Mid-Managers/Professional Association; Compensation Summary for Unrepresented Employees; and Revised Compensation Schedule

**Report Number:** 25-0088

**Location:** No specific geographic location

**Department:** Human Resources

**G.C. § 84308 Regulations Apply:** No

**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 Chula Vista Mid-Managers/Professional Association ("MM/PROF"), SEIU Local 221, 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 2024-25 Compensation Schedule effective March 7, 2025, 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 Chula Vista Mid-Managers/Professional Association ("MM/PROF"), SEIU Local 221, expired on December 31, 2024. Over several months, representatives from MM/PROF and the City have worked collaboratively toward the development of a mutually beneficial MOU. An agreement was reached on a successor MOU to include the term of the MOU, salary and equity adjustments, and various provisions of the MOU. Salary adjustments for positions represented by MM/PROF, as well as their unrepresented counterparts, necessitate amendments to the City's Compensation Schedule. Staff recommends that these benefit adjustments be extended to unrepresented Mid-Management and Professional employees and a salary adjustment for a senior management position to address salary compaction.

## 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

### **Mid-Managers/Professional Association Memorandum of Understanding**

The MOU between the City of Chula Vista and the Chula Vista Mid-Managers/Professional Association (“MM/PROF”) expired on December 31, 2024. Over the last few months, representatives from MM/PROF and the City have worked collaboratively toward the development of a mutually beneficial MOU.

The City and MM/PROF 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 December 31, 2027), salary and equity adjustments, an increase in the cafeteria benefits flex allotment and a change to the effective date for cafeteria benefits for new hires, incorporation of prior side letters, and language clean-up to various provisions of the MOU. Below is a summary of the significant points of the agreement reached:

1. **Term and Effect:** March 18, 2025 to December 31, 2027
2. **Salary and Equity Adjustments**
  - a. Equity adjustments to the median plus a 2% salary increase, or 5% (whichever is higher) in the first full pay period in which the City Council approves the MOU via resolution in open session
  - b. 5% salary increase the first full pay period of January 2026
  - c. 5% salary increase the first full pay period of January 2027
3. **Increase in Cafeteria Benefits Flex Allotment**
  - a. Increase to \$13,250 for employees who waive medical insurance coverage or elect employee-only level of medical insurance coverage
  - b. Increase to \$19,700 for employees who elect to cover dependents on their medical insurance plan

The MM/PROF membership ratified their vote on a successor MOU to include the proposed salary and benefits on March 6, 2025.

Adoption of Resolution A approves the MOU between the City of Chula Vista and MM/PROF, related to compensation and other terms and conditions of employment and authorizes the City Manager to execute the aforementioned MOU and any additional documents which may be necessary or required to implement said MOU.

## **Compensation Summary for Unrepresented 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 Unclassified Middle Management, Confidential Middle Management, Unclassified Professional and Confidential Professional employee groups.

A summary of the adjustments for these unrepresented employees are shown below:

### **1. Salary Adjustments**

- a. Salary adjustments for employees in position titles with an MM/PROF represented counterpart will receive a salary adjustment at the same time and equal to that of their represented counterpart.

### **2. Cafeteria Benefits Flex Allotment**

- a. Increase to \$13,250 for employees who waive medical insurance coverage or elect employee-only level of medical insurance coverage
- b. Increase to \$19,700 for employees who elect to cover dependents on their medical insurance plan

Adoption of Resolution B will approve the revised Compensation Summary for Unrepresented Employees to reflect these changes.

## **Revised Compensation Schedule and Compensation Schedule Requirement**

The negotiated salary adjustments for MM/PROF have resulted in salary compaction between certain Senior Management and Mid-Management positions, which will be addressed at a future date. However, immediate adjustments are proposed for the following positions to address salary compaction or maintain internal alignment:

### **Summary of Updated Classifications**

<b>Position Title</b>	<b>Employee Group</b>	<b>Bi-Weekly E Step (Maximum) Salary</b>
Deputy Director, City Clerk Services	Senior Management	\$5,193.52
Fiscal and Management Analyst	Professional Confidential	\$5,792.11
Fiscal Debt Management Analyst	Professional Confidential	\$5,792.11
Human Resources Manager	Senior Management	\$6,528.13
Public Works Superintendent	Senior Management	\$7,211.81
Special Projects Manager	Senior Management	\$6,081.72

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 fiscal year 2024-25 Compensation Schedule (“Compensation Schedule”) was last approved by the City Council at their meeting of March 4, 2025.

Adoption of Resolution C approves the revised Compensation Schedule effective March 7, 2025, which reflects the salary adjustments for positions represented by MM/PROF; their unrepresented counterparts; and the Deputy Director, City Clerk Services, Fiscal and Management Analyst, Fiscal Debt Management Analyst, Human Resources Manager, Public Works Superintendent and Special Projects Manager positions.

**DECISION-MAKER CONFLICT**

Staff has reviewed the decision contemplated by this action and has determined that it is not site-specific and consequently, the real property holdings of the City Council members do not create a disqualifying real property-related financial conflict of interest under the Political Reform Act (Cal. Gov’t Code § 87100, et seq.).

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 current-year fiscal impact of this action is estimated to total \$402,608 across all funds, as reflected in the table below:

Fund	Personnel
General Fund	\$ 302,342
Measure A Sales Tax Fund	4,666
Advanced Life Support Program Fund	14,124
Environmental Services Fund	3,611
Chula Vista Housing Fund	13,276
Central Garage Fund	2,339
Development Services Fund	58,693
Sewer Service Fund	3,557
<b>Total Fiscal Impact</b>	<b>\$ 402,608</b>

A portion of these costs were included within the fiscal year 2024-25 adopted budget. The General Fund is estimated to incur additional costs of \$112,615; Advanced Life Support Program Fund, \$2,193; Development Services Fund, \$5,478; and the Sewer Service Fund, \$831 related to the proposed MM/PROF MOU. The additional costs are expected to be absorbed within each individual fund’s existing budget.

**ONGOING FISCAL IMPACT**

The ongoing fiscal impact is estimated to total \$1,368,323 in fiscal year 2025-26 and \$1,999,745 in fiscal year 2026-27 and \$2,345,078 in fiscal year 2027-28. Ongoing personnel costs will be incorporated into the subsequent fiscal year budgets. The fiscal impact on all funds is reflected in the following table:

Fund	FY2025-26	FY2026-27	FY2027-28
General Fund	\$ 1,135,782	\$ 1,566,171	\$ 1,796,840
Measure A Sales Tax Fund	21,090	35,713	43,666
Advanced Life Support Fund	56,215	82,644	97,075
Environmental Services Fund	15,047	23,496	28,099
Chula Vista Housing Fund	55,565	86,426	103,245
Central Garage Fund	10,293	17,169	20,910
Development Services Fund	236,545	353,460	417,258
Sewer Service Fund	13,785	19,860	23,179
<b>Total Fiscal Impact</b>	<b>\$ 1,544,322</b>	<b>\$ 2,84,939</b>	<b>\$ 2,530,272</b>

## ATTACHMENTS

1. Memorandum of Understanding (MOU) between the City of Chula Vista and the Chula Vista Mid-Managers/Professional Association ("MM/PROF"), March 18, 2025 – December 31, 2027
2. Compensation Summary for Unrepresented Employees
3. Revised Fiscal Year 2024-2025 Compensation Schedule effective March 7, 2025

*Staff Contact: Tanya Tomlinson, Director of Human Resources/Risk Management*