



Agenda Report

22-1476

Agenda Date: 12/6/2022

REPORT TO COUNCIL

SUBJECT

Actions to Adopt a Resolution Approving and Adopting Updated Salary Plans for Various As-Needed, Classified, and Unclassified Positions, Including City Manager

COUNCIL PILLAR

Enhance Community Engagement and Transparency

BACKGROUND

Section 9 of the Personnel and Salary Resolution requires City Council approval of compensation plans for both classified and unclassified positions. California Code Regulations Section 570.5 governs and requires the adoption of updated publicly available salary schedules by the governing body. The proposed Council action satisfies these applicable requirements. The updated salary plans reflect the negotiated and Council approved Cost of Living Adjustments (COLA) included in each agreement for Unit 1, Unit 3, Units 578, Unit 6, Unit 9, Unit 9A, Unit 9B, and the City Manager.

The City of Santa Clara contracts with the California Public Employees' Retirement System (CalPERS) to provide retirement benefits for employees in both classified and unclassified positions. When the City makes modifications to the salary schedules for its classified or unclassified positions, the City Council must approve and adopt the publicly available salary schedules to comply with California Code of Regulations (CCR) section 570.5. If the City Council does not approve these resolutions, the City will be non-compliant with CalPERS record keeping and reporting requirements. The City of Santa Clara is a contracting agency with CalPERS and is required to comply with its requirements.

The As-Needed Salary Plan has been modified to reflect the change in the City of Santa Clara minimum wage effective January 1, 2023. The minimum wage for the City of Santa Clara will be increased to \$17.20/hour, which is based on the Regional Consumer Price Index per the Minimum Wage Ordinance. The proposed updates to the As-Needed Salary Plan are recommended to be effective December 25, 2022.

The Classified and Unclassified Salary Plans have been modified to reflect negotiated wage increases, approved by City Council, for several bargaining units. All classifications that are covered by the listed bargaining units, shall receive an automatic wage increase as described below effective December 25, 2022.

- Santa Clara Firefighters, International Association of Firefighters, Local 1171 (Unit 1): A wage increase of approximately 5.0%. Previously approved by City Council in open session as part of an agreement on a successor Memorandum of Agreement (MOU) on or about July 12,

2022

- International Brotherhood of Electrical Workers, Local Union 1245 (Unit 3): A wage increase of approximately 6.5%. Previously approved by City Council in open session as part of an agreement on a successor MOU on or about June 21, 2022. These wages are funded by the Silicon Valley Power enterprise fund, rather than the City's general fund.
- City of Santa Clara Employees' Association (Unit 578): A wage increase of approximately 5.0%. Previously approved by City Council in open session as part of a Side Letter Agreement amending the current MOU on or about September 27, 2022.
- American Federation of State County and Municipal Employees, Local 101 (Unit 6): A wage increase of approximately 5.0%. Previously approved by City Council in open session as part of an agreement on a successor MOU on or about May 24, 2022.
- Unclassified Miscellaneous Management (Unit 9): A wage increase of approximately 3.25%. Previously approved by City Council in open session as part of an agreement on a successor MOU on or about November 17, 2020. This adjustment is also applicable to the City Manager compensation range.
- Unclassified Police Management (Unit 9A): A wage increase of approximately 4.7%. Previously approved by City Council in open session as part of an agreement on to amend their current MOU on or about December 15, 2020.
- Unclassified Fire Management (Unit 9B): A wage increase of approximately 4.0%. Previously approved by City Council in open session as part of an agreement on a successor MOU on or about November 1, 2022.

DISCUSSION

Approval and Adoption of the Salary Plan for Classified, Unclassified, and As-needed Positions

The As-Needed Salary Plan is recommended to be modified as follows, in order to comply with the City's Minimum Wage Ordinance increase of \$17.20/hour, effective January 1, 2023:

- Crossing Guard (Job Code 362) - with an hourly range of \$17.20 - \$24.00,
- Emergency Medical Technician (Job Code 100) - with an hourly range of \$17.20 - \$20.19,
- Instructor/Lifeguard (Job Code 501) - with an hourly range of \$17.20 - \$25.31,
- Laborer (Job Code 502) - with an hourly range of \$17.20 - \$24.85,
- Law Clerk I (Job Code 524) - with an hourly range of \$17.20 - \$20.16,
- Library Page (Job Code 542) - with a flat hourly rate of \$17.20,
- Library Technology Aide (Job Code 537) - with a flat hourly rate of \$17.20,
- Nutrition Meal Server (Job Code 608) - with an hourly range of \$17.20 - \$20.81,
- Records Assistant (Job Code 606) - with an hourly range of \$17.20 - \$18.41,
- Recreation Instructor (Job Code 699) - with an hourly range of \$17.20 - \$30.91,
- Recreation Leader I (Job Code 681) - with an hourly range of \$17.20 - \$21.56,
- Recreation Office Assistant (Job Code 698) - with an hourly range of \$17.20 - \$21.56,
- Student Intern I (Job Code 497) - with an hourly range of \$17.20 - \$18.72; and
- Temporary Employee (Job Code 349)- with an hourly range of \$17.20 - \$214.06.

The Classified and Unclassified Salary Plans have been modified to reflect negotiated wage

increases for several bargaining groups. All classifications that are covered by the respective bargaining units shall receive an automatic increase effective the pay period beginning on December 25, 2022.

On July 12, 2022, the City Council approved the 2020-2025 Memorandum of Understanding (MOU) between the City and the Santa Clara Firefighters, International Association of Firefighters, Local 1171 (Unit 1). For the third year of the MOU, the MOU provides for a wage increase of approximately 5.0%.

On June 21, 2022, the City Council approved the 2022-2025 MOU between the City and the International Brotherhood of Electrical Workers, Local 1245 (Unit 3). For the second year of the MOU, the MOU provides for a wage increase of approximately 6.5%. This increase is funded by the Silicon Valley Power enterprise fund, rather than the City's general fund.

On September 27, 2022, the City Council approved the side letter that amends the 2019-2023 MOU between the City and the City of Santa Clara Employees' Association (Unit 578). For the fourth year of the MOU, the MOU provides for a wage increase of approximately 5.0%.

On May 24, 2022, the City Council approved the 2022-2024 MOU between the City and the American Federation of State County and Municipal Employees, Local 101 (Unit 6). For the second year of the MOU, the MOU provides for a wage increase of approximately 5.0%.

On November 17, 2020, the City Council approved the 2019-2024 MOU between the City and the Unclassified Miscellaneous Management (Unit 9). For the fourth year of the MOU, the MOU provides for a wage increase of approximately 3.25%. As set forth below, this adjustment is also applicable by contract to the current and former City Managers.

On December 15, 2020, the City Council approved an extension of the MOU between the City and the Unclassified Police Management (Unit 9A) from 2018-2021 to extend through 2023. For the last year of the MOU, the MOU provides for a wage increase of approximately 4.7%, which was the increase they were scheduled to receive in 2020 but deferred as cost savings measures for the COVID-19 pandemic.

On November 1, 2022, the City Council approved the 2023-2025 MOU between the City and the Unclassified Fire Management (Unit 9B). For the first year of the MOU, the MOU provides for a wage increase of approximately 4.0%.

Current and Former City Manager Compensation Rates

In accordance with section 4 of the Employment Agreement for Interim City Manager Services, current City Manager Rajeev Batra shall receive the COLA applicable to Unit 9 members. Batra's new rate of pay shall be \$221.01 per hour. Additionally, the City entered into an employment agreement with former City Manager Santana on August 22, 2017 whereby Santana received the periodic cost of living adjustments applicable to Unit 9. The Unit 9 COLA of 3.25% does not exceed the applicable 12-month Consumer Price Index for Urban Wage Earners and Clerical Workers (San

Francisco Area) of 6.35% as of October 2022, per the U.S. Bureau of Labor Statistics. Although Santana is no longer the City Manager, by virtue of the Council's approval of the Employment Agreement and the Severance and Release Agreement, the Unit 9 COLA is applicable to her rate of compensation. Santana's new rate of compensation shall be \$232.64. Out of an abundance of caution, and based upon the broadly worded requirements pertaining to a "local agency executive" contained in Government Code §3511.1, 3511.2, staff shall orally report the new compensation rates for the current and former City Managers at a regular meeting, in accordance with Government Code §54953(c)(3), 54956(b).

ENVIRONMENTAL REVIEW

The action being considered does not constitute a "project" within the meaning of the California Environmental Quality Act ("CEQA") pursuant to CEQA Guidelines section 15378(b)(5) in that it is a governmental organizational or administrative activity that will not result in direct or indirect changes in the environment.

FISCAL IMPACT

The general wage increases have a total cost of approximately \$6.88 million (all funds), of which approximately \$3.94 million is in the General Fund and \$2.94 million is in other funds.

Bargaining Unit	General Fund	All Funds
IAFF (Unit 1)	\$ 1.51 M	\$ 1.51 M
IBEW (Unit 3)	0.00 M	1.12 M
Employees' Association (Unit 578)	1.12 M	2.03 M
AFSCME (Unit 6)	0.46 M	0.75 M
Miscellaneous Management (Unit 9)	0.61 M	1.23 M
Police Management (Unit 9A)	0.09 M	0.09 M
Fire Management (Unit 9B)	<u>0.15 M</u>	<u>0.15 M</u>
TOTAL	\$ 3.94 M	\$ 6.88 M

The fiscal impact to the FY 2022/23 Operating Budget to update as-needed class specifications that are covered under the City's Minimum Wage Ordinance increase from \$16.40 per hour to \$17.20 per hour effective January 1, 2023 is approximately \$11K. This additional cost will be absorbed by the various departments in their existing budgets for FY 2022/23 and will be factored into the FY 2023/24 budget.

COORDINATION

This report has been coordinated with the Finance Department and City Attorney's Office.

PUBLIC CONTACT

Public contact was made by posting the Council agenda on the City's official-notice bulletin board outside City Hall Council Chambers. A complete agenda packet is available on the City's website and in the City Clerk's Office at least 72 hours prior to a Regular Meeting and 24 hours prior to a Special Meeting. A hard copy of any agenda report may be requested by contacting the City Clerk's Office at (408) 615-2220, email clerk@santaclaraca.gov <<<mailto:clerk@santaclaraca.gov>>>, or at the public

information desk at any City of Santa Clara public library.

RECOMMENDATION

1. Adopt a Resolution to approve the revised salary plans for various classified, unclassified, and as-needed positions, including the position of City Manager to satisfy the requirements of California Code of Regulations Section 570.5 effective December 25, 2022.

Reviewed by: Aracely Azevedo, Director of Human Resources

Approved by: Rajeev Batra, City Manager

ATTACHMENTS

1. As-Needed Salary Plan (effective 12-25-2022) approved 12-6-2022
2. Classified Salary Plan (effective 12-25-2022) approved 12-6-2022
3. Unclassified Salary Plan (effective 12-25-2022) approved 12-6-2022
4. City of Santa Clara Minimum Wage Ordinance No. 1969
5. Santana Employment Agreement
6. Santana Severance and Release Agreement
7. Batra Employment Agreement
8. Resolution Updated Salary Plan