



CITY OF CALISTOGA

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STAFF REPORT

TO: Honorable Mayor and City Council
FROM: Gloria Leon, Administrative Services Director
REPORT BY: Dylan Feik, City Manager
DATE: April 2, 2019
SUBJECT: Consider Resolution Approving a Three-Year Memorandum of Understanding (MOU) between the City of Calistoga and the Calistoga Public Employees' Association (CPEA)

SIGNATURE:

DYLAN FEIK, City Manager

DESCRIPTION: Resolution Approving a Three-Year Memorandum of Understanding (MOU) between the City of Calistoga and the Calistoga Public Employees' Association (CPEA), Authorizing the City Manager to Execute the MOU, approving a Budget Adjustment not to exceed \$21,941 from the Unappropriated General Fund and \$43,793 from the Enterprise Funds Reserves for FY 2018-19.

RECOMMENDATION:

1. Adopt Resolution to approve a three-year Memorandum of Understanding (MOU) between the City of Calistoga and the Calistoga Public Employees' Association, and authorize the City Manager to execute the MOU
2. Approve budget adjustments to the Fiscal Year 2018-19 Operating Budget for an amount not to exceed \$21,941 from the unappropriated General Fund and \$43,793 from the Enterprise Funds reserves to various department budgets.

SUMMARY: To consider resolution to approve a three-year MOU between the City of Calistoga and the Calistoga Public Employees' Association, and to approve budget adjustments to the Fiscal Year 2018-19 Operating Budget in an amount not to exceed \$65,734.

BACKGROUND:

The City's negotiating team and Calistoga Public Employees' Association (CPEA) conducted seven negotiating sessions before completing negotiations and signing a tentative agreement on March 13, 2019. This tentative agreement provides for a three-year Memorandum of Understanding (MOU). The bargaining unit is made up of 20 employees (includes vacancies). The proposed MOU contains several changes (Attachments 1 & 2). The significant changes are summarized below:

1. The MOU is for a three-year time period, starting January 1, 2019 through December 31, 2021.
2. The Koff & Associates salary structure showing ranges for each position is accepted. This salary structure consists of five steps that are five percent apart from each other with a 2.5% differential between each range. Further, all current full-time employees, except those on probation or Y-rated, will be placed one step above the step that is closest to their current compensation, if recommended by the Koff Study.
3. Article 13: Salary Adjustments. The members of the CPEA (excluding 'Y' rated employees) will receive a salary adjustment of four percent (4%) for FY 2018-19, effective January 1, 2019; three percent (3%) for FY 2019-20, effective January 1, 2020; and three percent (3%) for FY 2020-21, effective January 1, 2021.
4. Article 13: Salary Adjustments. Effective January 1, 2019, Y-Rated positions will receive a one-time bonus of four percent (4%) of their base annual salary. The one-time bonus is reportable to CalPERS for Classic Members only. Effective January 1, 2020, Y-Rated positions will receive a salary adjustment of three percent (3%) for FY 2019-20 and effective January 1, 2021 Y-Rated positions will receive a salary adjustment of three percent (3%) for FY 2020-21.

The following classifications are Y-Rated:

- Accounting Assistant
 - Administrative Services Technician
 - Administrative Assistant
 - Assistant Engineer
 - Associate Civil Engineer
 - Building Inspector
 - Maintenance Technician I and II
 - Senior Maintenance Technician
 - Senior Accounting Assistant
 - Senior Plant Operator
5. Article 13: Salary Adjustments. It is acknowledged that the City of Calistoga may have limited financial ability to pay future salary increases, and such ability is entirely dependent upon the economic conditions that prevail in the community,

financial impacts related to critical emergency responses, and legislative actions of the State of California.

Recognizing that approximately two-thirds of all General Fund revenue received by the City is a result of Transient Occupancy Tax Collections, and that these tax revenues are critically influenced by emergency situations including wildfire, flood or other major disaster, the following is applied:

During the term of this agreement, in the event there is a 10% decline in City Transient Occupancy Tax Revenue, or should the City be required to exceed 10% of the General Fund Expenditure Budget excl. CIP expenditures on emergency responses related to a major disaster, any remaining subsequent salary increase may be suspended or cancelled following a City Council-declared emergency.

6. Article 17: Stand-by Pay. Plant Operators who are on stand-by will receive one hour of pay for any wake up or any call even if they did not need to respond. If there is a second call during that one (1) hour period, no additional premium would be due. If, in the event there are five (5) calls and they are (only an example) one- and one-half hours apart, there shall be a premium call out for each one. This will not have any impact on the compensation the on-call person receives for being on stand-by.
7. The City of Calistoga on or around September 2021 will conduct a salary study for all CPEA employees.
8. All other items and conditions of employment not addressed in this staff report that are included in the parties' Memorandum of Understanding (MOU) in effect from January 1, 2016 through December 31, 2018 shall continue to remain in effect and unchanged during the term of the MOU. These items have been included in the proposed MOU.

FINANCIAL IMPACT:

The fiscal impact of the Memorandum of Understanding changes is as follows:

1. Employee Compensation:
 - a. Fiscal Year 2018-19 Anticipated Fiscal Impact: \$65,729 (January 1, 2019 through June 30, 2019)
 - b. Fiscal Year 2019-20 Anticipated Fiscal Impact: \$71,780
 - c. Fiscal Year 2020-21 Anticipated Fiscal Impact: \$95,662
 - d. Fiscal Year 2021-22 Anticipated Fiscal Impact: \$67,857 (July 1, 2021 through December 31, 2021)

These total compensation numbers reflect the various salary adjustments each year, one-time four percent (4%) bonus for Fiscal Year 2018-19 and the 5% step increases (for those employees who are eligible).

The Fiscal Year 2018-19 additional anticipated expense is for the time period of January 1, 2018 through June 30, 2019. Staff is recommending total budget adjustments to the Fiscal Year 2018-19 Operating Budget for an amount not to exceed \$65,729 from the unappropriated General Fund and Enterprise Funds reserves to the respective department budget as shown in Exhibit A to the resolution.

ATTACHMENTS:

1. Draft Resolution adopting a new MOU and Budget Adjustment
2. Draft Memorandum of Understanding with Calistoga Public Employees' Association
3. Proposed Monthly Salaries Exhibit A for employees receiving a 4% salary adjustment
4. Proposed Monthly Salaries Exhibit B for employees receiving a 4% one-time bonus
5. Koff & Associates Proposed Range Placement Recommendations by Position

RESOLUTION NO. 2019-xxx

RESOLUTION OF THE CITY COUNCIL, OF THE CITY OF CALISTOGA, COUNTY OF NAPA, STATE OF CALIFORNIA, APPROVING A THREE YEAR MEMORANDUM OF UNDERSTANDING WITH THE CALISTOGA PUBLIC EMPLOYEES' ASSOCIATION, AUTHORIZING THE CITY MANAGER TO EXECUTE THE MEMORANDUM OF UNDERSTANDING AND APPROVING BUDGET ADJUSTMENTS TO THE FISCAL YEAR 2018-19 OPERATING BUDGET FOR AN AMOUNT NOT TO EXCEED \$21,941 FROM THE UNAPPROPRIATED GENERAL FUND RESERVES AND \$43,793 FROM THE ENTERPRISE FUND RESERVES TO VARIOUS DEPARTMENT BUDGETS

WHEREAS, pursuant to provisions of the California State Government Code certain employees in specific positions of the City of Calistoga have organized themselves into a bargaining unit; and

WHEREAS, the employees in specified positions are recognized as the Calistoga Public Employees' Association (CPEA); and

WHEREAS, the City of Calistoga has negotiated with the CPEA in the past to establish a Memorandum of Understanding agreement (MOU) to outline benefits and compensation for positions that are part of CPEA; and

WHEREAS, the existing MOU executed between the City of Calistoga and the CPEA expired on December 31, 2018; and

WHEREAS, the City of Calistoga and representatives of the CPEA have negotiated in good faith for a new MOU as set forth in the attached MOU; and

WHEREAS, the City Council and representatives of the CPEA have agreed in principle to the terms of the new MOU and signed tentative agreements on March 13, 2019 to this effect.

WHEREAS, the City Council of the City of Calistoga hereby adopts and modifies the CPEA employee salary and labor benefits and directs the City Manager to administer these changes as follows:

1. Compensation:

CPEA employees (unless employee is Y-rated):

- Effective January 1, 2019, salary adjustment of 4%
- Effective January 1, 2020, salary adjustment of 3%
- Effective January 1, 2021, salary adjustment of 3%

Y-Rated CPEA Employees

- Effective January 1, 2019, one-time bonus of 4% of their base annual salary. Is reportable to CalPERS for Classic Members only.

The following classifications are Y-Rated:

1. Accounting Assistant
2. Administrative Assistant
3. Administrative Services Technician
4. Assistant Engineer
5. Associate Civil Engineer

6. Building Inspector
7. Maintenance Technician I/II
8. Permit Technician
9. Senior Accounting Assistant
10. Senior Maintenance Technician
11. Senior Plant Operator

- Effective January 1, 2020, salary adjustment of 3%
- Effective January 1, 2021, salary adjustment of 3%

NOW THEREFORE, BE IT RESOLVED that the City Council of the City of Calistoga hereby approves the Memorandum of Understanding between the City of Calistoga and Calistoga Public Employees' Association, for a period from January 1, 2019 through December 31, 2021 shown as Exhibit A to this resolution and authorizes the City Manager to execute the Memorandum of Understanding agreement; and

NOW THEREFORE, BE IT FURTHER RESOLVED that the City Council of the City of Calistoga hereby approves budget adjustments to the Fiscal Year 2018-19 Operating Budget for an amount not to exceed \$21,941 from the unappropriated General Fund reserves and \$43,793 from the Enterprise Fund reserves to various department budgets as set forth as Exhibit B to this resolution.

PASSED, APPROVED, AND ADOPTED by the City Council of the City of Calistoga at a regular meeting held this **2nd day of April, 2019**, by the following vote:

AYES:
NOES:
ABSTAIN:
ABSENT:

CHRIS CANNING, Mayor

ATTEST:

IRENE CAMACHO-WERBY, City Clerk

City of Calistoga

CPEA

January 1 through June 30, 2019

Budget adjustment

Finance

01	4108	4305 incentive pay	2,853
01	4108	4303 fica & medicare	218
01	4108	4310 PERS	510
01	4108	4312 workers comp	157
<u>total</u>			<u>3,738</u>

Planning

01	4115	4309 incentive pay	653
01	4115	4303 fica & medicare	50
01	4115	4310 PERS	218
01	4115	4312 workers comp	35
<u>total</u>			<u>956</u>

Public Works - Admin

01	4121	4309 incentive pay	870
01	4121	4303 fica & medicare	67
01	4121	4310 PERS	289
01	4121	4312 workers comp	48
<u>total</u>			<u>1,274</u>

Streets

01	4122	4309 incentive pay	2,299
01	4122	4303 fica & medicare	175
01	4122	4310 PERS	515
01	4122	4312 workers comp	127
<u>total</u>			<u>3,116</u>

City of Calistoga

CPEA

January 1 through June 30, 2019

Budget adjustment

Parks

01	4123	4309 incentive pay	3,005
01	4123	4303 fica & medicare	230
01	4123	4310 PERS	895
01	4123	4312 workers comp	165
<u>total</u>			<u>4,295</u>

Maintenance

01	4124	4309 incentive pay	151
01	4124	4303 fica & medicare	11
01	4124	4310 PERS	50
01	4124	4312 workers comp	9
<u>total</u>			<u>221</u>

Building Inspections

01	4125	4309 incentive pay	653
01	4125	4303 fica & medicare	50
01	4125	4310 PERS	218
01	4125	4312 workers comp	35
<u>total</u>			<u>956</u>

Pool

01	4126	4309 incentive pay	402
01	4126	4303 fica & medicare	31
01	4126	4310 PERS	133
01	4126	4312 workers comp	23
<u>total</u>			<u>589</u>

Building

01	4127	4309 incentive pay	3,187
01	4127	4303 fica & medicare	243
01	4127	4310 PERS	645
01	4127	4312 workers comp	176
<u>total</u>			<u>4,251</u>

City of Calistoga

CPEA

January 1 through June 30, 2019

Budget adjustment

P & R Recreation

01	4152	4301 salaries	571
01	4152	4303 fica & medicare	43
01	4152	4310 PERS	42
01	4152	4312 workers comp	31
<u>total</u>			<u>687</u>

P & R Education/Recreation Classes

01	4153	4301 salaries	476
01	4153	4303 fica & medicare	37
01	4153	4310 PERS	35
01	4153	4312 workers comp	26
<u>total</u>			<u>574</u>

P & R Seniors

01	4154	4301 salaries	476
01	4154	4303 fica & medicare	37
01	4154	4310 PERS	35
01	4154	4312 workers comp	26
<u>total</u>			<u>574</u>

P & R Aquatic

01	4156	4301 salaries	381
01	4156	4303 fica & medicare	29
01	4156	4310 PERS	28
01	4156	4312 workers comp	21
<u>total</u>			<u>459</u>

Sharpsteen

01	4173	4309 incentive pay	171
01	4173	4303 fica & medicare	13
01	4173	4310 PERS	57
01	4173	4312 workers comp	10
<u>total</u>			<u>251</u>

City of Calistoga

CPEA

January 1 through June 30, 2019

Budget adjustment**Water Distribution**

02	4131	4309 incentive pay	6,110
02	4131	4303 fica & medicare	468
02	4131	4310 PERS	1,460
02	4131	4312 workers comp	336
<u>total</u>			<u>8,374</u>

Water Treatment

02	4132	4301 salaries	3,915
02	4132	4302 overtime	396
02	4132	4309 incentive pay	1,807
02	4132	4303 fica & medicare	468
02	4132	4310 PERS	1,150
02	4132	4312 workers comp	337
<u>total</u>			<u>8,073</u>

Water Conservation

02	4135	4309 incentive pay	304
02	4135	4303 fica & medicare	23
02	4135	4310 PERS	101
02	4135	4312 workers comp	17
<u>total</u>			<u>445</u>

WWTP Collection

03	4141	4301 salaries	310
03	4141	4302 overtime	28
03	4141	4309 incentive pay	6,131
03	4141	4303 fica & medicare	495
03	4141	4310 PERS	1,570
03	4141	4312 workers comp	356
<u>total</u>			<u>8,890</u>

City of Calistoga

CPEA

January 1 through June 30, 2019

Budget adjustment

WWTP Treatment

03	4142	4301 salaries	10,699
03	4142	4302 overtime	1,139
03	4142	4309 incentive pay	2,629
03	4142	4303 fica & medicare	1,107
03	4142	4310 PERS	1,642
03	4142	4312 workers comp	795
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total			<u>18,011</u>