



DATE: September 18, 2023

TO: Honorable Mayor and Members of the City Council through City Manager

FROM: Brian Cochran, Assistant City Manager
Aman Kaur, Senior Human Resources Analyst

SUBJECT: Resolution Ratifying the Memoranda of Understanding, Effective July 1, 2020 – June 30, 2026, Reached by the Duly Authorized Representatives of the City of Petaluma and the Petaluma Professional and Mid-Managers Association, Units 4, 9, and 11

RECOMMENDATION

It is recommended that the City Council adopt the attached Resolution Ratifying the Memoranda of Understanding, Effective July 1, 2020 – June 30, 2026, Reached by the Duly Authorized Representatives of the City of Petaluma and the Petaluma Professional and Mid-Managers Association, Units 4, 9, and 11.

BACKGROUND

The Petaluma Professional and Mid-Managers Association (PPMMA) represents Units 4, 9 and 11 and the existing Memoranda of Understanding (MOU) is effective July 1, 2020 through June 30, 2024. Pursuant to Section 6.1 (B) - Reopener of the MOU, the City and PPMMA opened negotiations to discuss wages. During the course of bargaining, the parties agreed to an extension of the term of the contract, through 2026, cost of living adjustments (COLA) throughout the remaining term of the agreement, a few market equity adjustments¹ for specific positions, a total compensation study during the term of the agreement, longevity pay, and changes to standby pay and overtime consistent with the American Federation of State, County and Municipal Employees (AFSCME) contract. Additionally, the parties agreed to various contract language cleanup for purposes of clarity, efficiency, and compliance.

¹ Market equity adjustments are typically based on internal benchmarking and/or market analysis. A market analysis is a common exercise in which the City of Petaluma is analyzed in relation to recognized comparable agencies to evaluate how similarly situated positions compare to those in Petaluma.

DISCUSSION

In completing the required reopener pursuant to Section 6.1 (B), the parties collaboratively worked to come to an agreement on various terms including wages, longevity pay, contract language cleanup, and an extension of the contract through June 30, 2026.

Terms of the extended MOU include:

- An extension of the term through June 30, 2026;
- Cost of living adjustments (COLA) as follows:
 - 2023 (First full pay period following July 1, 2023) – 4.0%²
 - 2024 (First full pay period following July 1, 2024) – 3.0%
 - 2025 (First full pay period following July 1, 2025) – 3.0%
- Market Equity Adjustments:
 - Parties identified and agreed to apply market-based equity adjustments to a few specific classifications (as depicted in the salary tables attached to the MOU).
- A total compensation benchmark study in 2025 to provide information for successor MOU negotiations;
- Longevity Pay of five percent (5%) for employees with fifteen (15) years of service with the City;
- Standby Pay:
 - Increased from three dollars and twenty-five cents (\$3.25) per hour to eighteen percent (18%) per hour consistent with AFSCME.
- Overtime Pay:
 - City fixed-date holidays shall be considered hours worked for overtime calculation purposes consistent with AFSCME.

The recommended action ratifies terms of the extended MOU negotiated by the two parties, for Units 4, 9, and 11. All terms are memorialized in the MOU attached as Exhibit A to the Resolution.

PUBLIC OUTREACH

This agenda item appeared on the City’s tentative agenda document on September 11, 2023, which was a publicly noticed meeting.

COUNCIL GOAL ALIGNMENT

The ratification of this action aligns with the City Council Goal of “A City That Works For Everyone.” This objective includes recruiting, hiring, retaining, and advancing a workforce that is diverse, representative, skilled, talented, and prepared to meet the demands of a full-service City.

² Replaces the negotiated COLA of two percent (2%) in the existing MOU.

ENVIRONMENTAL REVIEW

The proposed action is exempt from the requirements of the California Environmental Quality Act (CEQA) in accordance with CEQA Guidelines Section 15378(b)(4), in that, approving this action does not meet CEQA's definition of a "project," because the action does not have the potential for resulting either a direct physical change in the environment or a reasonably foreseeable indirect physical change in the environment, and because this is a personnel-related action that constitutes organizational or administrative activities of governments that will not result in direct or indirect physical changes in the environment.

FINANCIAL IMPACTS

Terms with known³ estimated costs include:

- The annual estimated costs with regard to COLAs as shown above are:
 - 4% COLA in 2023 – estimated cost of \$379,106 in fiscal year 23-24, \$127,003 allocated to the General Fund and \$252,103 to Non-General Funds.
 - 3% COLA in 2024 – estimated cost of \$295,703 in fiscal year 24-25, \$99,063 allocated to the General Fund and \$196,640 to Non-General Funds.
 - 3% COLA in 2025 – estimated cost of \$304,574 in fiscal year 25-26, \$102,035 allocated to the General Fund and \$202,539 to Non-General Funds.
- Market equity adjustments:
 - The estimated cost of market equity adjustments is \$59,000 in the first year, \$26,750 allocated to the General Fund and \$32,250 to Non-General Funds.
- Longevity Pay – estimated cost of \$48,000 in the first year, \$7,200 allocated to the General Fund and \$40,800 to Non-General Funds.

ATTACHMENTS

1. Resolution
2. Exhibit A (PPMMA MOU 2020-2026)

³ Costs associated with standby pay and overtime pay are typically not known for the year.