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File #: 19-0844, Version: 1

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### **REPORT TO COUNCIL**

#### **SUBJECT**

Approve a Memorandum of Understanding between the City of Sunnyvale and the Sunnyvale Managers Association, and Adopt a Resolution Amending the City's Salary Resolution and the Schedule of Pay to Increase Salaries for Pay Plan Category E (Employees Represented by the Sunnyvale Managers Association)

#### **BACKGROUND**

A Tentative Agreement has been reached between the City of Sunnyvale (City) and the Sunnyvale Managers Association (SMA) on a Successor Memorandum of Understanding (MOU). SMA represents miscellaneous management employees. This report recommends approval of the MOU, which if approved by the City Council, will be in effect from July 1, 2019 through June 30, 2023.

The MOU between the City and SMA expired on June 30, 2019. Representatives for the City and SMA began the meet and confer process in March 2019 and met 12 times to reach an agreement. The City was notified on July 31, 2019 that the SMA membership ratified the Tentative Agreement.

#### **EXISTING POLICY**

Council Policy 7.3.1 Legislative Management - Goals and Policies, Goal 7.3D: Maintain a quality work force, Consistent with state and federal laws, City Charter, and adopted policies in order to assure that City services are provided in an effective, efficient, and high quality manner.

#### **ENVIRONMENTAL REVIEW**

The action being considered does not constitute a "project" with the meaning of the California Environmental Quality Act ("CEQA") pursuant to CEQA Guidelines section 15378(b)(4) in that is a fiscal activity that does not involve any commitment to any specific project which may result in a potential significant impact on the environment.

#### **DISCUSSION**

The significant provisions of the new SMA MOU are as follows:

##### **Term**

July 1, 2019 to June 30, 2023.

##### **Salary**

- Effective August 11, 2019: 3.0% across the board increase.
- Effective July 12, 2020: 4.0% across the board increase.
- Effective July 11, 2021: 3.0% across the board increase.

- Effective July 10, 2022: 3.0% across the board increase.

### **Salary Range**

- Effective September 8, 2019: The maximum of the salary range will be increased by 2.5%. The range will be 85% to 102.5% of Control Point.
- Effective July 11, 2021: The maximum of the salary range will be increased by 2.5%. The range will be 85% to 105% of Control Point.

### **Paid Time Off (PTO)**

Employees have the option to cash out up to 100 hours of PTO per year (increased from 80 hours per year), as long as the employee maintains a balance of 120 hours.

### **FISCAL IMPACT**

The FY 2019/20 Budget includes assumptions in total compensation, but did not fully account for the impact of this Successor MOU. The impact of the Successor MOU for FY 2019/20 is estimated to be approximately \$156,000. The one-year impact can be absorbed within the City's operating budget. The total twenty-year impact is approximately \$18.7 million and will be included in the FY 2020/21 Recommended Budget.

About 63% of this cost is borne by the General Fund with the remainder captured in the city's various other funds where operations are budgeted, primarily in the City's enterprise funds. The twentieth year of the General Fund Budget Stabilization Fund is estimated to decrease from approximately \$64.5 million to \$50.0 million as a result of the MOU. The fiscal impact of the agreement on all funds can be absorbed in the current year and incorporated into the FY 2020/21 Recommended Budget.

### **PUBLIC CONTACT**

Public contact was made by posting the Council agenda on the City's official-notice bulletin board outside City Hall, at the Sunnyvale Senior Center, Community Center and Department of Public Safety; and by making the agenda and report available at the Sunnyvale Public Library, the Office of the City Clerk and on the City's website.

### **ALTERNATIVES**

1. Authorize the City Manager to Execute the Memorandum of Understanding between the City of Sunnyvale and the Sunnyvale Managers Association, and Adopt a Resolution Amending the City's Salary Resolution and the Schedule of Pay to Increase Salaries for Pay Plan Category E (Employees Represented by the Sunnyvale Managers Association).
2. Do Not Authorize the City Manager to Execute the Memorandum of Understanding between the City of Sunnyvale and the Sunnyvale Managers Association, and do not adopt the related resolution.
3. Provide other direction to staff.

### **STAFF RECOMMENDATION**

Alternative 1: Authorize the City Manager to Execute the Memorandum of Understanding between the City of Sunnyvale and the Sunnyvale Managers Association, and Adopt a Resolution Amending the City's Salary Resolution and the Schedule of Pay to Increase Salaries for Pay Plan Category E (Employees Represented by the Sunnyvale Managers Association).

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Reviewed by: Tina Murphy, Director, Human Resources  
Reviewed by: Teri Silva, Assistant City Manager  
Approved by: Kent Steffens, City Manager

**ATTACHMENTS**

1. Memorandum of Understanding between the City of Sunnyvale and the Sunnyvale Managers Association - redlined version
2. Memorandum of Understanding between the City of Sunnyvale and the Sunnyvale Managers Association - final version
3. Resolution Amending the City's Salary Resolution and the Schedule of Pay to Increase Salaries for Pay Plan Category E (Employees Represented by the Sunnyvale Managers Association)