



## ADMINISTRATIVE SERVICES DEPARTMENT

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## CITY COUNCIL STAFF REPORT

Meeting: August 16, 2022

### Subject

Approve and update the salary and terms, conditions of employment, and new job classification for the Unrepresented (Management and Confidential) Employees and Appointed Employees.

### Recommended Action

1. Adopt Draft Resolution No. 22-XXX amending the Compensation Program and salary schedules for the Unrepresented (Management and Confidential) Employees effective July 1, 2022;
2. Adopt Draft Resolution No. 22-XXX amending the Compensation Program for the Appointed Employees effective July 1, 2022;
3. Approve a new job classification of Sr. Public Works Project Manager;
4. Approve salary realignment for the classifications of Capital Improvement Project Manager to Transportation Manager and of Deputy City Manager to Assistant Director of Community Development/Building Official and Assistant Director of Parks and Recreation; and
5. Accept title changes for classifications in the Unrepresented Employee Compensation Program
6. Adopt Resolution 22-XXX to approve budget modification 23-234, increasing budget appropriations by \$1,152,236 ensuring that there are sufficient budget appropriations to cover the costs associated with the Unrepresented Employee Group; and
7. Adopt Resolution 22-XXX to approve budget modification 23-235, increasing budget appropriations by \$27,227 ensuring that there are sufficient budget appropriations to cover the costs associated with the Appointed Employee Group.

### Description

Historically, Council has aligned the compensation plans for the Unrepresented and Appointed employee groups with the proposed terms and conditions of employment for the Cupertino City Employees' Association (CEA)/IFPTE Local 21. As part of the Council packet for the August 16, 2022 City Council meeting,

Council has been presented with the salary and terms and conditions of employment for the CEA successor MOU, covering the period from July 1, 2022 through June 30, 2025. Based on that prior Council action, staff is requesting that Council adopt relevant changes to the Unrepresented Employees' Compensation Program and the Appointed Employees' Compensation Program, as appropriate from the new CEA/IFPTE Local 21 compensation changes. The following summarizes the two programs:

- The Unrepresented Employees' Compensation Program includes employees in management or confidential positions as adopted by the City Council and may be amended or otherwise modified from time to time.
- The Appointed Compensation Program includes the City Manager and City Attorney who are evaluated by the City Council on an annual basis. Compensation for these employees are considered on the basis of equity of pay for duties and responsibilities assigned, meritorious service and comparability with similar work in other public employment in the same labor market.

Compensation programs vary from group to group. As applicable, the terms and conditions of employment approved for CEA/IFPTE Local 21 are being proposed for the Unrepresented (Management and Confidential) Employees and Appointed Employees. Attachment A provides a table representing the proposed salary and benefits changes to the respective groups. The complete terms and conditions are also outlined below:

- Term – 3 years, July 1, 2022 through June 30, 2025
- Cost of Living adjustments (COLAs): 5.0% in year one; for years 2 and 3 of the MOU, CEA/IFPTE Local 21 has agreed to reopen negotiations concerning COLAs for FY23-24 and FY24-25. The results from these reopened negotiations will be, if approved by the Council, applied to the Unrepresented (Management and Confidential) Employees group and approved by the Council at such time in the future.
- A one-time non-pensionable \$3,800 lump sum payment in recognition of employees' contributions throughout the COVID-19 pandemic
- Adding Juneteenth as a paid holiday starting in 2023.

Additionally, for the executive management group, which includes the Assistant City Manager, Deputy City Manager, Department Heads, Assistant Department Heads, Assistant to the City Manager, and Public Information Officer, staff is recommending eliminating the Executive Salary Range for these employees, and restoring the 5-step salary structure. The City Manager will continue to have the authority to appoint new executive managers at any point in the salary range,

based on their qualifications and experience. Restoring the 5-step salary structure would be cost neutral, as the Executive Salary Range program was not implemented.

To maintain fair labor practices, job classifications and salary ranges within the organization are periodically reviewed to ensure employees are working within the job duties and responsibilities of their designated job classification and for pay equity. As a result, staff recommends that council approve the job classification of Sr. Public Works Project Manager. Staff also recommends council consider approving a salary realignment for the classifications of Capital Improvement Project Manager to Transportation Manager and of Deputy City Manager to Assistant Director of Community Development/Building Official and Assistant Director of Parks and Recreation. Finally, staff recommends removal of the classification of City Architect as this classification has not been filled in over 10 years and classification title changes for the Director and Assistant Director of Recreation and Community Services to the Director and Assistant Director of Parks and Recreation consistent with the department's name change. No additional full-time equivalent positions are being requested as part of these recommended changes

Staff also recommends the addition of Standby pay for Employees in the classification of Information and Technology Assistant who are required to be available during their off-shift hours for possible recall for emergency service. Employees in this classification shall be compensated \$300.00 per 128 hours assigned to work on a Standby basis. Standby pay was implemented in 2020 for specific classifications represented by the CEA/IFPTE Local 21 by way of side letter agreement. We are requesting the addition of Standby pay for the aforementioned unrepresented classifications to ensure equity with similarly situated employees

Last, staff recommends the removal of language regarding Unrepresented Employees working in dual classifications and the associated pay differential. This practice has not been used in several years and is inconsistent with current City policy regarding out of class and acting assignments.

Title 2 of the California Code of Regulations, section 570.5, requires that the pay schedule of every CalPERS agency be approved and adopted by the agency's governing body pursuant to public meeting law. The City's Salary Schedule for Unrepresented (Management and Confidential) Employees is attached for the Council's review and approval, effective July 1, 2022.

### Fiscal Impact

The City will incur an additional cost of \$1,152,236 for Unrepresented employees and \$27,227 for Appointed employees in the first year (FY2022-23). The total additional cost for CEA, OE3, Unrepresented, and Appointed employees is \$2,372,559. A budget adjustment for increased costs in the first year is recommended. At the time of the adopted budget, costs related to the labor contracts were unknown and not included in the adopted budget.

Prepared by: Vanessa Guerra, Human Resources Manager

Reviewed by: Kristina Alfaro, Director of Administrative Services

Approved for Submission by: Dianne Thompson, Assistant City Manager

### Attachments:

A – Unrepresented Comp Program - CLEAN

B – Unrepresented Comp Program - Redline

C – APPOINTED Comp Program - CLEAN

D – APPOINTED Comp Program - Redline

E – Draft Resolution amending the Unrep Employees' Compensation Program

F – Draft Resolution amending the Appointed Employees' Compensation Program

G - Senior Public Works Project Manager Job Description 8-2022

H - Draft Resolution for budget modification 23-234 UNREP

I - Draft Resolution for budget modification 23-235 APPOINTED