



# Memorandum

**TO:** HONORABLE MAYOR  
AND CITY COUNCIL

**FROM:** Jennifer Schembri

**SUBJECT:** SEE BELOW

**DATE:** May 31, 2022

Approved

Date

06/02/22

**SUBJECT: TERMS OF A SIDE LETTER AGREEMENT BETWEEN THE CITY OF SAN JOSE AND THE MUNICIPAL EMPLOYEES' FEDERATION, AFSCME LOCAL 101 (MEF); AND AMENDING THE CITY OF SAN JOSE PAY PLAN; AND CHANGES FOR EXECUTIVE MANAGEMENT AND PROFESSIONAL EMPLOYEES IN UNIT 99 AND OTHER UNREPRESENTED EMPLOYEES (UNITS 81/82)**

## RECOMMENDATION

Adopt a resolution:

- A. Approving the terms of a Side Letter Agreement with the Municipal Employees' Federation, AFSCME Local 101 (MEF) to provide the following effective June 26, 2022:
  1. Provide employees in the Library Clerk FT/PT (6213/6214) classification with an approximate 11.15% pensionable pay increase consistent with the Side Letter Agreement that has been signed by all parties;
  2. Provide employees in the Senior Library Clerk FT/PT (6215/6216) classification with an approximate 6.50% pensionable pay increase consistent with the Side Letter Agreement that has been signed by all parties;
  3. Provide employees in the Library Assistant FT/PT (6221/6222) classification with an approximate 3.00% pensionable pay increase consistent with the Side Letter Agreement that has been signed by all parties;
  4. Provide employees in the Literacy Program Specialist FT/PT (6238/6237) classification with an approximate 3.00% pensionable pay increase consistent with the Side Letter Agreement that has been signed by all parties;
  5. Provide employees in the Librarian I FT/PT (6231/6232) classification with an approximate 2.00% pensionable pay increase consistent with the Side Letter Agreement that has been signed by all parties;
  6. Provide employees in the Librarian II FT/PT (6233/6234) classification with an approximate 5.00% pensionable pay increase consistent with the Side Letter Agreement that has been signed by all parties; and

7. Effective June 26, 2022, City Council Policy 3-3 Living Wage Policy will no longer apply to employees represented by MEF.

**B. Amending the City of San José Pay Plan as follows:**

1. Increase the annual salary range of the classification of Library Clerk FT/PT (6213/6214) to \$52,644.80 – \$63,980.80, effective June 26, 2022;
2. Increase the annual salary range of the classification of Senior Library Clerk FT/PT (6215/6216) to \$58,136.00 – \$70,616.00, effective June 26, 2022;
3. Increase the annual salary range of the classification of Library Assistant FT/PT (6221/6222) to \$66,955.20 – \$81,369.60, effective June 26, 2022;
4. Increase the annual salary range of the classification of Literacy Program Specialist FT/PT (6238/6237) to \$72,134.40 – \$87,547.20, effective June 26, 2022;
5. Increase the annual salary range of the classification of Librarian I FT/PT (6231/6232) to \$73,881.60 – \$89,793.60, effective June 26, 2022; and
6. Increase the annual salary range of the classification of Librarian II FT/PT (6233/6234) to \$81,328.00 – \$98,966.40, effective June 26, 2022.

- C. Effective June 26, 2022, City Council Policy 3-3 Living Wage Policy will no longer apply to employees represented by Unit 99 or Unit 81/82 and will no longer be applied to any employees in the City's workforce.**

**OUTCOME**

Adoption of the resolution will approve a Side Letter Agreement between the City of San José (City) and MEF to allow for a pensionable pay increase for the Library Clerk FT/PT (6213/6214), Senior Library Clerk FT/PT (6215/6216), Library Assistant FT/PT (6221/6222), Literacy Program Specialist FT/PT (6238/6237), Librarian I FT/PT (6231/6232), and Librarian II FT/PT (6233/6234) classifications as provided in the table below:

<b>Classification</b>	<b>Pensionable Increase</b>
Library Clerk FT/PT (6213/6214)	11.15%
Senior Library Clerk FT/PT (6215/6216)	6.50%
Library Assistant FT/PT (6221/6222)	3.00%
Literacy Program Specialist FT/PT (6238/6237)	3.00%
Librarian I FT/PT (6231/6232)	2.00%
Librarian II FT/PT (6233/6234)	5.00%

The City of San José's Pay Plan will be amended to change the salary ranges for the classifications noted above, in accordance with the terms of the Side Letter Agreement. These increases to the salary ranges are not inclusive of any general wage increase received by MEF for Fiscal Year 2022-2023.

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Additionally, the City and MEF agree that City Council Policy 3-3 Living Wage Policy will no longer apply to employees represented by MEF effective June 26, 2022. City Council Policy 3-3 Living Wage Policy will also no longer apply to employees represented by Unit 99 or Unit 81/82 and will no longer be applied to any employees in the City's workforce.

## **BACKGROUND**

City Council Policy 3-3, titled Living Wage Policy, was enacted by the City Council on November 17, 1998, when it adopted Resolution No. 68554. While not obligated to do so under the Living Wage Policy, the City has adhered to this policy with respect to its own workforce, and in doing so has created instances of salary compaction in areas of the City's workforce, including within some classifications assigned to the Library.

As part of an overall tentative agreement on a successor Memorandum of Agreement (MOA), the City and MEF signed a Side Letter Agreement to continue discussions related to the City's Living Wage Policy, dated August 6, 2021 (Attachment A).

On May 26, 2022, the City and MEF agreed to the salary adjustments provided in the tables below to address salary compaction issues in the Library, and further agreed that effective June 26, 2022, the first full pay period in Fiscal Year 2022-2023, City Council Policy 3-3 will no longer apply to employees represented by MEF (Attachment B). As part of this agreement, eligible employees in MEF-represented classifications shall continue to receive the recent Fiscal Year 2021-2022 living wage rate applicable to their classifications until such time that they reach a salary step that exceeds the living wage rate, and that these employees will only be eligible for negotiated wage increases agreed to between the City and MEF on a prospective basis starting after June 26, 2022.

<b>Classification</b>	<b>Pensionable Increase</b>
Library Clerk FT/PT (6213/6214)	11.15%
Senior Library Clerk FT/PT (6215/6216)	6.50%
Library Assistant FT/PT (6221/6222)	3.00%
Literacy Program Specialist FT/PT (6238/6237)	3.00%
Librarian I FT/PT (6231/6232)	2.00%
Librarian II FT/PT (6233/6234)	5.00%

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Classification	Current Pensionable Salary Range (Annual)	New Pensionable Salary Range Effective June 26, 2022 (Annual)
Library Clerk FT/PT (6213/6214)	\$47,361.60 – \$57,553.60	\$52,644.80 – \$63,980.80
Senior Library Clerk FT/PT (6215/6216)	\$54,579.20 – \$66,310.40	\$58,136.00 – \$70,616.00
Library Assistant FT/PT (6221/6222)	\$65,000.00 – \$78,998.40	\$66,955.20 – \$81,369.60
Literacy Program Specialist FT/PT (6238/6237)	\$70,033.60 – \$84,988.80	\$72,134.40 – \$87,547.20
Librarian I FT/PT (6231/6232)	\$72,425.60 – \$88,025.60	\$73,881.60 – \$89,793.60
Librarian II FT/PT (6233/6234)	\$77,459.20 – \$94,244.80	\$81,328.00 – \$98,966.40

As stated, above, these rates of pay are not inclusive of any general wage increase received by MEF members for Fiscal Year 2022-2023. In addition to the pensionable rates of pay set forth above, per Article 12.1.1 of the MEF MOA, incumbents in the classifications listed above currently receive a 5.00% ongoing non-pensionable compensation increase.

Additionally, the City and MEF have agreed that the City will continue to review classifications on an as needed basis for the purpose of addressing any compaction issues that have resulted from the Living Wage Policy. The City and MEF also agree to meet no later than June 2023 to discuss and review any possible issues resulting from the Living Wage Policy and classifications within the Department of Parks, Recreation, and Neighborhood Services, including the Recreation Leader classification.

As provided above, while not obligated to do so under the Living Wage Policy, the City has adhered to this policy with respect to its own workforce, including for unrepresented employees. Effective June 26, 2022, Living Wage Policy will no longer apply to employees represented by Unit 99 or Unit 81/82 and will no longer be applied to any employees in the City’s workforce.

**ANALYSIS**

The following is a summary of the key provisions contained in the Side Letter Agreement:

<b>Library Clerk FT/PT Pensionable Increase</b>	Effective the first pay period in Fiscal Year 2022-2023 after the agreement has been signed by all parties and has been approved by the City Council, employees in the Library Clerk FT/PT classification shall receive a pensionable wage increase in the amount of 11.15%. This will result in an increase to the top and bottom of the salary range in the Pay Plan for the Library Clerk FT/PT classification.
<b>Senior Library Clerk FT/PT Pensionable Increase</b>	Effective the first pay period in Fiscal Year 2022-2023 after the agreement has been signed by all parties and has been approved by the City Council, employees in the Senior Library Clerk FT/PT classification shall receive a pensionable wage increase in the amount of

	6.50%. This will result in an increase to the top and bottom of the salary range in the Pay Plan for the Senior Library Clerk FT/PT classification.
<b>Library Assistant FT/PT Pensionable Increase</b>	Effective the first pay period in Fiscal Year 2022-2023 after the agreement has been signed by all parties and has been approved by the City Council, employees in the Library Assistant FT/PT classification shall receive a pensionable wage increase in the amount of 3.00%. This will result in an increase to the top and bottom of the salary range in the Pay Plan for the Library Assistant FT/PT classification.
<b>Literacy Program Specialist FT/PT Pensionable Increase</b>	Effective the first pay period in Fiscal Year 2022-2023 after the agreement has been signed by all parties and has been approved by the City Council, employees in the Literacy Program Specialist FT/PT classification shall receive a pensionable wage increase in the amount of 3.00%. This will result in an increase to the top and bottom of the salary range in the Pay Plan for the Literacy Program Specialist FT/PT classification.
<b>Librarian I FT/PT Pensionable Increase</b>	Effective the first pay period in Fiscal Year 2022-2023 after the agreement has been signed by all parties and has been approved by the City Council, employees in the Librarian I FT/PT classification shall receive a pensionable wage increase in the amount of 2.00%. This will result in an increase to the top and bottom of the salary range in the Pay Plan for the Librarian I FT/PT classification.
<b>Librarian II FT/PT Pensionable Increase</b>	Effective the first pay period in Fiscal Year 2022-2023 after the agreement has been signed by all parties and has been approved by the City Council, employees in the Librarian II FT/PT classification shall receive a pensionable wage increase in the amount of 5.00%. This will result in an increase to the top and bottom of the salary range in the Pay Plan for the Librarian II FT/PT classification.
<b>Council Policy 3-3</b>	The City and MEF agree that City Council Policy 3-3 Living Wage Policy will no longer apply to employees represented by MEF effective June 26, 2022. City Council Policy 3-3 Living Wage Policy will also no longer apply to employees represented by Unit 99 or Unit 81/82 or be applied to any employees the City's workforce.

**CONCLUSION**

It is recommended that the City Council adopt the Administration's recommendation outlined in this memorandum which would provide that:

- City Council Policy 3-3, titled Living Wage Policy, will no longer apply to employees represented by MEF effective June 26, 2022;
- City Council Policy 3-3, titled Living Wage Policy, will also no longer apply to employees represented by Unit 99 or Unit 81/82 or be applied to any employees the City's workforce.

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- Provide a pensionable base pay increase to the Library Clerk FT/PT (6213/6214), Senior Library Clerk FT/PT (6215/6216), Library Assistant FT/PT (6221/6222), Literacy Program Specialist FT/PT (6238/6237), Librarian I FT/PT (6231/6232), and Librarian II FT/PT (6233/6234) classifications, as indicated above, to address compaction issues within the Library series that currently exist as a result of salary compaction due to the Living Wage Policy; and
- Corresponding amendments to the City of San José Pay Plan to change the salary ranges for the classifications in accordance with the terms of the Side Letter Agreement.

### **EVALUATION AND FOLLOW-UP**

No further follow-up with the City Council related to this action is anticipated at this time.

### **CLIMATE SMART SAN JOSE**

The recommendation in this memorandum has no effect on Climate Smart San José energy, water, or mobility goals.

### **PUBLIC OUTREACH**

This memorandum has been posted on the City Clerk's website as part of the June 14, 2022, City Council meeting agenda.

### **COORDINATION**

This memorandum was coordinated with the City Manager's Budget Office and the City Attorney's Office.

### **COMMISSION RECOMMENDATION/INPUT**

No commission recommendation or input is associated with this action.

### **COST SUMMARY/IMPLICATIONS**

The additional ongoing costs pertaining to the base pay increase for the Library Clerk FT/PT (6213/6214), Senior Library Clerk FT/PT (6215/6216), Library Assistant FT/PT (6221/6222), Literacy Program Specialist FT/PT (6238/6237), Librarian I FT/PT (6231/6232), and Librarian II FT/PT (6233/6234) classifications is approximately \$1.48 million in all funds, of which

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approximately \$1.2 million is in the General Fund. A portion of these costs may be offset by savings realized by City Council Policy 3-3 no longer applying to MEF-represented employees, effective June 26, 2022. Because of the timing of this agreement, the recommended increases for 2022-2023 are not included in the Base Budget and recommendations to adjust the various Department's personal services budget to include these increases will be brought forward through a future budget process. The ongoing increases will be factored into the annual development of the 2023-2024 Base Budget.

### **CEQA**

Not a Project, File No. PP17 008, General Procedure and Policy Making resulting in no changes to the physical environment.

  
JENNIFER SCHEMBRI  
Director of Employee Relations  
Director of Human Resources

The principal author of this memorandum was Bill Gold, Senior Executive Analyst in the Office of Employee Relations. For questions, please contact Jennifer Schembri, Director of the Office of Employee Relations and Director of Human Resources, at (408) 535-8150.

Attachment A – Side Letter Agreement titled City's Living Wage, dated August 6, 2021

Attachment B – Side Letter Agreement titled Library Series Special Wage Adjustment and Changes to the City's Living Wage, dated May 26, 2022

**SIDE LETTER AGREEMENT**

BETWEEN  
THE CITY OF SAN JOSE  
AND  
THE MUNICIPAL EMPLOYEES' FEDERATION, AFSCME, LOCAL NO. 101 (MEF)

**Living Wage**


The City and the Municipal Employees' Federation (MEF) agree to continue discussions related to the City's Living Wage.

This Agreement is considered part of the tentative agreement for a successor MOA between the parties. This Agreement shall become effective only as part of the overall tentative agreement for a successor MOA, when signed by all parties below, ratified by MEF and approved by the City Council.

**FOR THE CITY:**

 8/6/2021  
\_\_\_\_\_  
Jennifer Schembri Date  
Director of Human Resources  
Director of Employee Relations

**FOR THE UNION:**

 Aug 5, 2021  
Carol McEwan (Aug 5, 2021 19:48 PDT)  
\_\_\_\_\_  
Carol McEwan (in lieu of) John Tucker Date  
Union Representative, AFSCME Local 101

 8/4/2021  
\_\_\_\_\_  
Steve Solorio Date  
MEF President, AFSCME Local 101



**SIDE LETTER AGREEMENT**

BETWEEN  
THE CITY OF SAN JOSE  
AND  
THE MUNICIPAL EMPLOYEES' FEDERATION, AFSCME, LOCAL 101 (MEF)

**LIBRARY SERIES SPECIAL WAGE ADJUSTMENT  
AND CHANGES TO THE CITY'S LIVING WAGE**

Effective the first full pay period in Fiscal Year 2022-2023 after this agreement is signed by all parties below and approved by the City Council in open session, employees in the classifications listed below shall receive the following pensionable wage increases to correct salary compaction created as a result of the City's Living Wage:

Classification	Pensionable Increase
Library Clerk (FT/PT)	11.15%
Senior Library Clerk	6.50%
Library Assistant	3.00%
Literacy Program Specialist	3.00%
Librarian I (FT/PT)	2.00%
Librarian II (FT/PT)	5.00%

This will result in an increase to the top and bottom of the salary range of employees in the classifications noted above.

Further, effective Fiscal Year 2022-2023, the City and MEF agree that Council Policy 3-3 Living Wage Policy will no longer apply to employees represented by MEF. Thus, the parties agree that:

- Eligible employees in MEF-represented classifications shall continue to receive the appropriate Fiscal Year 2021-2022 living wage rate until such time that they reach a salary step that exceeds the living wage.
- Employees represented by MEF who were otherwise eligible for living wage increases under the Living Wage Policy prior to this agreement, will only be eligible for negotiated wage increases agreed to between the City and MEF going forward (e.g., for Fiscal Year 2022-2023 and beyond).

Example:

City Pay Plan (Pensionable Pay Only)									
	Step 1	Step 2	Step 3	Step 4	Step 5	Step 6	Step 7	Step 8	Step 9
Animal Care Attendant	\$21.06	\$21.58	\$22.12	\$22.67	\$23.20	\$23.78	\$24.39	\$25.03	\$25.61

- The benefited living wage rate for Fiscal Year 2021-2022 is \$24.07 per hour, inclusive of the 5% ongoing non-pensionable compensation increase provided to MEF-represented classifications in Article 12.1.1 of the MEF MOA.
- To identify the pensionable rate of pay equivalent to the \$24.07 per hour, \$24.07 is divided by 1.05 and rounded to the 6<sup>th</sup> decimal point (\$22.923810 per hour).

**Side Letter – Library Series Special Wage Adjustment & Changes to the City’s Living Wage**

May 25, 2022

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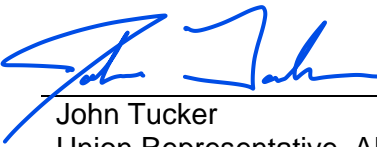
- Benefited employees in Steps 1 – 4 of the Animal Care Attendant classification currently earn the benefited living wage.
  - Upon approval of this Agreement, eligible employees will continue to earn the benefited living wage of \$24.07.
  - Per Article 12.1.3 of the 2021-2023 MEF MOA, MEF-represented classifications will receive a 3.00% general wage increase effective the first full pay period in Fiscal Year 2022-2023. As such, the benefited living wage for MEF-represented classifications will increase by 3.00%, from \$24.07 to \$24.79, and any MEF-represented benefited employee who is in a salary step below the pensionable rate of pay equivalent to rate will receive \$24.79 per hour, inclusive of the 5% ongoing non-pensionable compensation increase described above, until they reach a salary step that is greater than the Fiscal Year 2021-2022 living wage rate as escalated by subsequent general wage increases negotiated by MEF.
- The City will continue to review classifications on an as needed basis for the purpose of addressing any compaction issues that have resulted from the living wage. No later than June of 2023, the City and MEF will meet to discuss and review any possible issues with the living wage and PRNS classifications, including Recreation Leader.

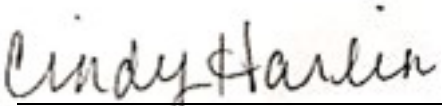
This Side Letter will resolve the Side Letter titled Living Wage reached on August 6, 2021. This agreement shall become effective on the first full pay period after this agreement has been signed by all parties below and approved by the City Council in open session.

**FOR THE CITY:**

**FOR THE UNION:**

 5/26/2022  
\_\_\_\_\_  
Jennifer Schembri Date  
Director of Human Resources  
Director of Employee Relations

 5/26/22  
\_\_\_\_\_  
John Tucker Date  
Union Representative, AFSCME

 5/26/2022  
\_\_\_\_\_  
Cindy Harlin Date  
MEF President