

RESOLUTION NO. _____

A RESOLUTION OF THE COUNCIL OF THE CITY OF SAN JOSE APPROVING THE TERMS OF AN AGREEMENT BETWEEN THE CITY OF SAN JOSE AND OPERATING ENGINEERS, LOCAL NO. 3 (OE#3) RELATING TO PAY INCREASES, APPROVING THE TERMS OF AN AGREEMENT BETWEEN THE CITY OF SAN JOSE AND MUNICIPAL EMPLOYEES' FEDERATION, AFSCME, LOCAL 101 (MEF) RELATING TO PAY INCREASES, APPROVING THE TERMS OF AN AGREEMENT BETWEEN THE CITY OF SAN JOSE AND CITY ASSOCIATION OF MANAGEMENT PERSONNEL, IFPTE, LOCAL 21 (CAMP) RELATING TO PAY INCREASES, AND AMENDING THE PAY PLAN

BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF SAN JOSE:

1. That the terms of a Side Letter Agreement between the City and Operating Engineers, Local No. 3 (OE#3) are hereby approved as follows:
 - a. Provide employees in the Automation Engineer I (1361) classification with an approximate 5.00% pensionable pay increase effective the beginning of the first full pay period after the Side Letter Agreement has been signed by all parties and has been approved by the City Council;
 - b. Provide employees in the Automation Engineer II (1363) classification with an approximate 5.00% pensionable pay increase effective the beginning of the first full pay period after the Side Letter Agreement has been signed by all parties and has been approved by the City Council; and
 - c. Provide employees in the Automation Engineer III (1364) classification with an approximate 5.00% pensionable pay increase effective the beginning of the first full pay period after the Side Letter Agreement has been signed by all parties and has been approved by the City Council.
2. That the terms of a Side Letter Agreement between the City and the Municipal Employees' Federation, AFSCME, Local 101 (MEF) are hereby approved as follows:
 - a. Provide employees in the Senior Automation Engineer I (1367) classification with an approximate 5.00% pensionable pay increase effective the beginning of the first full pay period after the Side Letter Agreement has been signed by all parties and has been approved by the City Council; and
 - b. Provide employees in the Senior Automation Engineer II (1368) classification with an approximate 5.00% pensionable pay increase effective the beginning of the first

full pay period after the Side Letter Agreement has been signed by all parties and has been approved by the City Council.

3. That the terms of a Side Letter Agreement between the City and the City Association of Management Personnel, IFPTE, Local 21 (CAMP) are hereby approved as follows:

- a. Provide employees in the Automation Engineer Supervisor (1365) classification with an approximate 5.00% pensionable pay increase effective the beginning of the first full pay period after the Side Letter Agreement has been signed by all parties and has been approved by the City Council.

4. That the City of San Jose Pay Plan is amended as follows:

- a. Amend the City of San Jose Pay Plan to increase the annual salary range of the classification of Automation Engineer I (1361) to \$74,048.00 – \$90,084.80, effective May 29, 2022;
- b. Amend the City of San Jose Pay Plan to increase the annual salary range of the classification of Automation Engineer II (1363) to \$90,084.80 – \$109,491.20, effective May 29, 2022; and
- c. Amend the City of San Jose Pay Plan to increase the annual salary range of the classification of Automation Engineer III (1364) to \$99,715.20 – \$121,284.80, effective May 29, 2022.
- d. Amend the City of San Jose Pay Plan to increase the annual salary range of the classification of Senior Automation Engineer I (1367) to \$106,600.00 – \$129,833.60, effective May 29, 2022.
- e. Amend the City of San Jose Pay Plan to increase the annual salary range of the classification of Senior Automation Engineer II (1368) to \$117,187.20 – \$142,812.80, effective May 29, 2022.
- f. Amend the City of San Jose Pay Plan to increase the annual salary range of the classification of Automation Engineer Supervisor (1365) to \$128,918.40 – \$157,081.60, effective May 29, 2022.

5. The terms of the Side Letter Agreements are set forth in the Memorandum to the Mayor and City Council dated May 3, 2022 from Jennifer Schembri, Director of Employee Relations and Director of Human Resources, and attached hereto as Attachment A and incorporated in this Resolution.

NVF:SSH
4/26/22

ADOPTED this _____ day of _____, 2022, by the following vote:

AYES:

NOES:

ABSENT:

DISQUALIFIED:

SAM LICCARDO
Mayor

ATTEST:

TONI J. TABER, CMC
City Clerk



Memorandum

TO: HONORABLE MAYOR
AND CITY COUNCIL

FROM: Jennifer Schembri

SUBJECT: SEE BELOW

DATE: May 3, 2022

Approved

Date

SUBJECT: TERMS OF SIDE LETTER AGREEMENTS BETWEEN THE CITY OF SAN JOSE, THE INTERNATIONAL UNION OF OPERATING ENGINEERS, LOCAL NO. 3, MUNICIPAL EMPLOYEES' FEDERATION, AND THE CITY ASSOCIATION OF MANAGEMENT PERSONNEL AND AMENDING THE PAY PLAN

RECOMMENDATION

Adopt a resolution to:

A. Approve the terms of a Side Letter Agreement with the International Union of Operating Engineers, Local No. 3 (OE#3) to provide the following:

1. Provide employees in the Automation Engineer I (1361) classification with an approximate 5.00% pensionable pay increase effective the beginning of the first full pay period after the Side Letter Agreement has been signed by all parties and has been approved by the City Council;
2. Provide employees in the Automation Engineer II (1363) classification with an approximate 5.00% pensionable pay increase effective the beginning of the first full pay period after the Side Letter Agreement has been signed by all parties and has been approved by the City Council;
3. Provide employees in the Automation Engineer III (1364) classification with an approximate 5.00% pensionable pay increase effective the beginning of the first full pay period after the Side Letter Agreement has been signed by all parties and has been approved by the City Council; and

B. Approve the terms of a Side Letter Agreement with the Municipal Employees' Federation, AFSCME, Local 101 (MEF) to provide the following:

1. Provide employees in the Senior Automation Engineer I (1367) classification with an approximate 5.00% pensionable pay increase effective the beginning of the first full pay period after the Side Letter Agreement has been signed by all parties and has been approved by the City Council;

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2. Provide employees in the Senior Automation Engineer II (1368) classification with an approximate 5.00% pensionable pay increase effective the beginning of the first full pay period after the Side Letter Agreement has been signed by all parties and has been approved by the City Council; and
- C. Approve the terms of a Side Letter Agreement with the City Association of Management Personnel, IFPTE, Local 21 (CAMP) to provide the following:
1. Provide employees in the Automation Engineer Supervisor (1365) classification with an approximate 5.00% pensionable pay increase effective the beginning of the first full pay period after the Side Letter Agreement has been signed by all parties and has been approved by the City Council; and
- D. Amend the City of San Jose Pay Plan as follows:
1. Amend the City of San Jose Pay Plan to increase the annual salary range of the classification of Automation Engineer I (1361) to \$74,048.00 – \$90,084.80, effective May 29, 2022;
 2. Amend the City of San Jose Pay Plan to increase the annual salary range of the classification of Automation Engineer II (1363) to \$90,084.80 – \$109,491.20, effective May 29, 2022;
 3. Amend the City of San Jose Pay Plan to increase the annual salary range of the classification of Automation Engineer III (1364) to \$99,715.20 – \$121,284.80, effective May 29, 2022;
 4. Amend the City of San Jose Pay Plan to increase the annual salary range of the classification of Senior Automation Engineer I (1367) to \$106,600.00 – \$129,833.60, effective May 29, 2022;
 5. Amend the City of San Jose Pay Plan to increase the annual salary range of the classification of Senior Automation Engineer II (1368) to \$117,187.20 – \$142,812.80, effective May 29, 2022; and
 6. Amend the City of San Jose Pay Plan to increase the annual salary range of the classification of Automation Engineer Supervisor (1365) to \$128,918.40 – \$157,081.60, effective May 29, 2022.

OUTCOME

Adoption of the resolution will approve Side Letter Agreements between the City and OE#3, the City and MEF, and the City and CAMP to allow for a special pensionable pay increase for the following classifications:

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| Classification | Union | Pensionable Increase |
|---------------------------------------|-------|----------------------|
| Automation Engineer I (1361) | OE#3 | 5.00% |
| Automation Engineer II (1363) | OE#3 | 5.00% |
| Automation Engineer III (1364) | OE#3 | 5.00% |
| Senior Automation Engineer I (1367) | MEF | 5.00% |
| Senior Automation Engineer II (1368) | MEF | 5.00% |
| Automation Engineer Supervisor (1365) | CAMP | 5.00% |

Further, the City of San Jose'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 Agreements.

BACKGROUND

Classifications in the Automation Engineer series, formerly known as the Industrial Process Control Specialist series, are responsible for various tasks, including, but not limited to, performing work in the design, installation, configuration, operation and maintenance of the San José – Santa Clara Regional Wastewater Facility's Distributed Control System, its industrial control network, and its data historian systems and perform related work as required.

As part of the City's efforts to fill vacancies, the City has taken efforts to update classification specifications to clarify and streamline minimum and desirable qualifications, and ensure that the duties contained in classification specifications align with the City's expectations for incumbents in these positions. As a result of recent recruitments in the Automation Engineer series that failed to yield many applicants, the City made updates to the classification specifications for the Automation Engineer I/II/III, Senior Automation Engineer I/II, and Automation Engineer Supervisor classifications, including revisions to minimum qualifications, revised competencies, skills, and abilities. These revisions were approved by the Civil Service Commission on April 7, 2022. Simultaneously, the City identified that recruitment and retention issues exist within the Automation Engineer series.

As a result of the classification specification revisions and the identification of recruitment and retention issues within this classification series, the City conducted a survey that found that there were very few agencies within the City's marketplace that have comparable classifications. Although the City found very few agencies with comparable classifications, the City and unions reached agreements to provide these classifications with the following special pensionable wage increases:

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| Classification | Union | Pensionable Increase | Date of Agreement |
|---------------------------------------|-------|----------------------|-------------------|
| Automation Engineer I (1361) | OE#3 | 5.00% | April 7, 2022 |
| Automation Engineer II (1363) | OE#3 | 5.00% | April 7, 2022 |
| Automation Engineer III (1364) | OE#3 | 5.00% | April 7, 2022 |
| Senior Automation Engineer I (1367) | MEF | 5.00% | April 14, 2022 |
| Senior Automation Engineer II (1368) | MEF | 5.00% | April 14, 2022 |
| Automation Engineer Supervisor (1365) | CAMP | 5.00% | April 11, 2022 |

These Side Letter Agreements are attached to this memorandum. The increases shown in the table, above, would result in the following changes to the salary ranges of classifications within the Automation Engineer series:

| Classification | Current Pensionable Salary Range (Annual) | New Pensionable Salary Range (Annual) |
|---------------------------------------|---|---------------------------------------|
| Automation Engineer I (1361) | \$70,512.00 – \$85,800.00 | \$74,048.00 – \$90,084.80 |
| Automation Engineer II (1363) | \$85,800.00 – \$104,270.40 | \$90,084.80 – \$109,491.20 |
| Automation Engineer III (1364) | \$94,972.80 – \$115,502.40 | \$99,715.20 – \$121,284.80 |
| Senior Automation Engineer I (1367) | \$101,524.80 – \$123,656.00 | \$106,600.00 – \$129,833.60 |
| Senior Automation Engineer II (1368) | \$111,612.80 – \$136,011.20 | \$117,187.20 – \$142,812.80 |
| Automation Engineer Supervisor (1365) | \$122,782.40 – \$149,593.60 | \$128,918.40 – \$157,081.60 |

In addition to the pensionable rates of pay indicated above, per Article 12.1.1 of the MEF MOA, incumbents in the Senior Automation Engineer I/II classifications currently receive a 5.00% ongoing non-pensionable compensation increase. Similarly, per Article 10.1 of the CAMP MOA, incumbents in the Automation Engineer Supervisor classification also currently receive a 5.00% ongoing non-pensionable compensation increase. OE#3 has no such ongoing non-pensionable compensation increase language in its MOA.

ANALYSIS

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

| | |
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| Automation Engineer I Base Pay Increase | Effective the first pay period after the agreement has been signed by all parties and has been approved by the City Council, employees in the Automation Engineer I classification shall receive a pensionable base pay 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 Automation Engineer I classification. |
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| Automation Engineer II Base Pay Increase | Effective the first pay period after the agreement has been signed by all parties and has been approved by the City Council, employees in the Automation Engineer II classification shall receive a pensionable base pay 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 Automation Engineer II classification. |
| Automation Engineer III Base Pay Increase | Effective the first pay period after the agreement has been signed by all parties and has been approved by the City Council, employees in the Automation Engineer III classification shall receive a pensionable base pay 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 Automation Engineer III classification. |
| Senior Automation Engineer I Base Pay Increase | Effective the first pay period after the agreement has been signed by all parties and has been approved by the City Council, employees in the Senior Automation Engineer I classification shall receive a pensionable base pay 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 Senior Automation Engineer I classification. |
| Senior Automation Engineer II Base Pay Increase | Effective the first pay period after the agreement has been signed by all parties and has been approved by the City Council, employees in the Senior Automation Engineer II classification shall receive a pensionable base pay 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 Senior Automation Engineer II classification. |
| Automation Engineer Supervisor Base Pay Increase | Effective the first pay period after the agreement has been signed by all parties and has been approved by the City Council, employees in the Automation Engineer Supervisor classification shall receive a pensionable base pay 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 Automation Engineer Supervisor classification. |

CONCLUSION

Due to the recruitment and retention issues in the Automation Engineer series, it is recommended that the City Council adopt the Administration's recommendation outlined in this memorandum which would provide a pensionable base pay increase to the Automation Engineer I (1361), Automation Engineer II (1363), Automation Engineer III (1364), Senior Automation Engineer I (1367), Senior Automation Engineer II (1368), and Automation Engineer Supervisor (1365) classifications, as indicated above.

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Based on the recommended adjustments to the salary ranges of the various classification as set forth above, the City of San Jose's Pay Plan will be amended to change the salary ranges for the classifications in accordance with the terms of the Side Letter Agreements

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 memo 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 May 17, 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 Automation Engineer I (1361), Automation Engineer II (1363), Automation Engineer III (1364), Senior Automation Engineer I (1367), Senior Automation Engineer II (1368), and Automation Engineer Supervisor (1365) classifications are approximately \$77,000, which is all funded by the San José – Santa Clara Treatment Plant Operating Fund. With City Council approval of the recommended actions, these increased costs will be adjusted, as necessary, for 2022-2023 as part of a future budget process and will be factored into the development of the 2023-2024 Base Budget, which

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may result in future permit fee increases. Given the current level of vacancies, the increased costs for the remainder of 2021-2022 are anticipated to be absorbed within the Environmental Services Department's existing budget. If necessary, the Administration will bring forward any increases to the existing appropriation in 2021-2022 as part of the year-end budget process.

CEQA

Not a Project, File No. PP17 008, General Procedure & 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.

Attachments