



Memorandum

TO: HONORABLE MAYOR
AND CITY COUNCIL

FROM: Jennifer Schembri

SUBJECT: SEE BELOW

DATE: May 27, 2022

Approved

Date

5/27/2022

SUBJECT: TERMS OF SIDE LETTER AGREEMENTS BETWEEN THE CITY OF SAN JOSE, THE MUNICIPAL EMPLOYEES' FEDERATION, 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 Municipal Employees' Federation, AFSCME, Local 101 (MEF) to provide the following effective June 12, 2022:
 - (1) Provide employees in the Animal Care Attendant I FT/PT (3254/3257) classification with an approximate 3.87% pensionable pay increase consistent with the Side Letter Agreement that has been signed by all parties; and
 - (2) Provide employees in the Animal Health Technician FT/PT (3253/3260) classification with an approximate 12.99% pensionable pay increase consistent with the Side Letter Agreement that has been signed by all parties.
- (b) Amend the City of San Jose Pay Plan as follows:
 - (1) Retitle the following classifications:
 - a. Animal Care Attendant I (3254) (formerly Animal Care Attendant); and
 - b. Animal Care Attendant I PT (3257) (formerly Animal Care Attendant PT)
 - (2) Create the following classifications effective June 12, 2022:
 - a. Animal Care Attendant II (3261) with a salary range of \$49,587.20 – \$60,278.40 annually; and
 - b. Animal Care Attendant II PT (3262) with a salary range of \$49,587.20 – \$60,278.40 annually.
 - (3) Increase the annual salary range of the classification of Animal Care Attendant I (3254) to \$45,510.40 – \$55,328.00, effective June 12, 2022;

May 27, 2022

Subject: Terms of Side Letter Agreements Between the City of San Jose and the Municipal Employees' Federation, AFSCME, Local 101 (MEF), and the City Association of Management Personnel, IFPTE, Local 21 (CAMP)

Page 2

- (4) Increase the annual salary range of the classification Animal Care Attendant I PT (3257) to \$45,510.40 – \$55,328.00, effective June 12, 2022;
 - (5) Increase the annual salary range of the classifications of Animal Health Technician FT/PT (3253/3260) to \$54,080.00 – \$65,686.40, effective June 12, 2022; and
 - (6) Increase the annual salary range of the classification of Principal Power Resources Specialist (5254) to \$144,711.84 – \$180,888.61, effective June 12, 2022.
- (c) Approve the terms of a Side Letter Agreement with the City Association of Management Personnel, IFPTE, Local 21 (CAMP) creating an Animal Shelter Veterinarian Hiring Incentive Pilot Program for new hires into the Animal Shelter Veterinarian (FT) classification, effective June 12, 2022, for a period of up to two (2) years.
- (d) Approve creating an Animal Shelter Veterinarian Hiring Incentive Pilot Program for new hires in the Division Manager classification overseeing the Veterinarian Program, effective June 12, 2022, for a period of up to two (2) years.

OUTCOME

Adoption of the resolution will approve a Side Letter Agreement between the City and MEF to allow for a pensionable pay increase for the Animal Care Attendant I FT/PT (3254/3257) and Animal Health Technician FT/PT (3253/3260) classifications as provided in the table below:

| Classification | Pensionable Increase |
|--------------------------------------------|-----------------------------|
| Animal Care Attendant I FT/PT (3254/3257) | 3.87% |
| Animal Health Technician FT/PT (3253/3260) | 12.99% |

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 Agreement. Adoption of this recommendation will also create the Animal Care Attendant II classification, which will be flexibly-staffed with the newly retitled Animal Care Attendant I classification (formerly the Animal Care Attendant classification) and will amend the pay plan to increase the salary range of the Principal Power Resources Specialist classification, which is a classification designated to Unit 99.

Additionally, adoption of the resolution will approve a Side Letter Agreement between the City and CAMP to allow for the creation of an Animal Shelter Veterinarian Hiring Incentive Pilot Program (Hiring Incentive) for new hires into the Animal Shelter Veterinarian (FT) classification, effective June 12, 2022. The Hiring Incentive shall provide new Animal Shelter Veterinarian (FT) hires with a one-time, non-pensionable lump sum payment of \$5,000. The Hiring Incentive shall be structured such that employees who receive the hiring incentive would be required to forfeit and/or refund the hiring incentive to the City should the employee leave

City service, transfer to another position within the City, or transition to the part-time Animal Shelter Veterinarian classification before their one year anniversary of passing probation in the Animal Shelter Veterinarian (FT) classification. The Hiring Incentive shall last for a maximum period of two years with the City retaining the ability to end this pilot program at its sole discretion prior to the end of this two-year period. This Hiring Incentive will also apply to the Division Manager in Animal Care and Services overseeing the Veterinarian Program.

BACKGROUND

Animal Care Attendant I/II (FT/PT) and Animal Health Technician (FT/PT)

Incumbents in the Animal Care Attendant I/II FT/PT classifications are responsible for providing support to the animal shelter program, including the Spay-Neuter Program and Kitten Care Program, by caring for animals. Incumbents in the Animal Health Technician FT/PT classifications are responsible for providing paraprofessional medical care treatment to all animals at the City of San José Animal Care Center.

The Department of Public Works provides services to our community at the City of San José Animal Care Center with 6.0 Animal Care Attendant (FT) budgeted FTEs, and 18.07 Animal Care Attendant (PT) budgeted FTEs. There are 5.0 Animal Health Technician (FT) budgeted FTEs and 3.80 Animal Health Technician (PT) budgeted FTEs. This staffing model is reliant on many part-time unbenefited Animal Care Attendants and Animal Health Technicians to provide supplemental coverage in addition to the eleven full-time employees. Because the Department has found it difficult to retain part-time staff, the City conducted a salary survey of comparable classifications in agencies in the City's marketplace that operate an animal shelter. This survey found that the City's Animal Care Attendant and Animal Health Technician classifications were paid below 100% of market.

The City and MEF engaged in the meet and confer process over potential wage adjustments to the Animal Care Attendant FT/PT and Animal Health Technician FT/PT classifications, and on May 24, 2022, reached a side letter agreement to provide special wage adjustments to the Animal Care Attendant I FT/PT and Animal Health Technician FT/PT classifications with the understanding that the City would also be creating the Animal Care Attendant II classification, which would be flexibly-staffed with the Animal Care Attendant I classification, as follows (Attachment A):

| Classification | Pensionable Increase |
|--------------------------------------------|-----------------------------|
| Animal Care Attendant I FT/PT (3254/3257) | 3.87% |
| Animal Health Technician FT/PT (3253/3260) | 12.99% |

May 27, 2022

Subject: Terms of Side Letter Agreements Between the City of San Jose and the Municipal Employees' Federation, AFSCME, Local 101 (MEF), and the City Association of Management Personnel, IFPTE, Local 21 (CAMP)

Page 4

| Classification | Current Pensionable Salary Range (Annual) | New Pensionable Salary Range (Annual) |
|--------------------------------------------|--------------------------------------------------|----------------------------------------------|
| Animal Care Attendant I FT/PT (3254/3257) | \$43,804.80 – \$53,268.80 | \$45,510.40 – \$55,328.00 |
| Animal Health Technician FT/PT (3253/3260) | \$47,860.80 – \$58,136.00 | \$54,080.00 – \$65,686.40 |

As these classifications are represented by MEF, they will continue to receive a 5% ongoing non-pensionable compensation increase based on their pensionable rate of pay, per Article 12.1.1 of the MEF MOA.

Animal Shelter Veterinarian (FT) Hiring Incentive Pilot Program

There are currently 2.0 Citywide budgeted Animal Shelter Veterinarian (FT) FTEs, both of which are assigned to the Department of Public Works. Incumbents in the Animal Shelter Veterinarian FT classification are responsible for all medical treatments performed at the City of San José Animal Care Center. In addition, there is a new Division Manager position that was recently created to oversee the Veterinary Program.

This staffing model at the Animal Care Center is reliant on many part-time unbenefited Animal Shelter Veterinarians to provide supplemental coverage in addition to the two full-time employees. Because the Department has recently found it difficult to attract part-time Animal Shelter Veterinarians, it was expected that there would be similar difficulty in attracting candidates in the full-time classification. In or around November 2021, the City conducted a salary survey of comparable classifications in agencies in the City's marketplace that operate an animal shelter. On February 8, 2022, the Council approved a 25.00% special pensionable wage adjustment to Animal Shelter Veterinarian FT classification and a 18.22% special pensionable wage adjustment for the Animal Shelter Veterinarian PT classification.

Despite this action, both Animal Shelter Veterinarian FT positions are currently vacant, and the most recent recruitment yielded one candidate. The Animal Shelter Veterinarian FT vacancies have created challenges in the City's ability to provide services to residents.

The proposed Hiring Incentive is intended to provide a substantial and immediate monetary incentive to potential external candidates for the City's Animal Shelter Veterinarian FT recruitments and for the Division Manager overseeing the Veterinary Program recruitment.

It should be noted that the Hiring Incentive is a pilot program. The City intends to continue pursuing other solutions, both long-term and short-term, to address the Animal Shelter Veterinarian FT vacancies. On May 23, 2022, the City and CAMP reached a side letter agreement to provide new Animal Shelter Veterinarian FT hires with a one-time, non-pensionable lump sum payment, as follows (Attachment B). This Hiring Incentive will also apply to the Division Manager position overseeing the Veterinarian Program. As this position is in Unit 99, there are no meet and confer obligations over the incentive.

May 27, 2022

Subject: Terms of Side Letter Agreements Between the City of San Jose and the Municipal Employees' Federation, AFSCME, Local 101 (MEF), and the City Association of Management Personnel, IFPTE, Local 21 (CAMP)

Page 5

| Animal Shelter Veterinarian FT (3255) Division Manager Overseeing the Veterinary Program | |
|-----------------------------------------------------------------------------------------------------|-------------------------|
| Timing | Hiring Incentive |
| Upon Hire | \$5,000 |

Principal Power Resources Specialist

There are currently 2.0 Citywide budgeted Principal Power Resources Specialist positions, both of which are assigned to the Community Energy Department. Incumbents in this position are responsible for complex, long-term energy resources planning and procurement activities for Community Energy. Incumbents in this classification manage complex negotiations with external agencies and private utility companies and oversee staff and contractors.

Due to recent recruitment and retention challenges in the Principal Power Resources Specialist classification, the City conducted a salary survey of comparable classifications in agencies in the City's marketplace that are an electricity supplier. This survey found that the Principal Power Resources Specialist classification was paid below 100% of market.

The City is recommending a 5% increase to the salary range for the Principal Power Resources Specialist classification, which will bring the salary range closer to the mean salary for electrical utilities in the Bay Area. As this position is in Unit 99, there are no meet and confer obligations over the increase. The increases are shown below:

| Classification | Pensionable Increase |
|---------------------------------------------|-----------------------------|
| Principal Power Resources Specialist (5254) | 5.00% |

| Classification | Current Pensionable Salary Range (Annual) | New Pensionable Salary Range (Annual) |
|---------------------------------------------|--------------------------------------------------|----------------------------------------------|
| Principal Power Resources Specialist (5254) | \$137,820.804 – \$172,274.871 | \$144,711.844 – \$180,888.614 |

As this classification is assigned to Unit 99, it will continue to receive the additional 5% ongoing non-pensionable compensation increase based on their pensionable rate of pay provided to classifications within that employee unit.

ANALYSIS

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

| | |
|---------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Animal Care Attendant I FT/PT 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 Animal Care Attendant I FT/PT classification shall receive a pensionable base pay increase in the amount of 3.87%. This will result in an increase to the top and bottom of the salary range in the Pay Plan for the Animal Care Attendant I FT/PT classification. |
| Animal Health Technician FT/PT 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 Animal Health Technician FT/PT classification shall receive a pensionable base pay increase in the amount of 12.99%. This will result in an increase to the top and bottom of the salary range in the Pay Plan for the Animal Health Technician FT/PT classification. |
| Hiring Incentive Pilot Program | <p>Employees hired on or after the first pay period after the agreement has been signed by all parties and has been approved by the City Council shall be eligible to receive a \$5,000 hiring incentive through the Hiring Incentive Pilot Program, as outlined below.</p> <p>The payment of the one-time, non-pensionable lump sum hiring incentive to new Animal Shelter Veterinarian FT hires is contingent on the employee being continuously employed in the Animal Shelter Veterinarian FT classification through their one (1) year anniversary of passing probation as an Animal Shelter Veterinarian FT.</p> <p>If an employee receives any portion or all of the one-time, non-pensionable lump sum hiring incentive, and leaves City service, transfers to another position within the City, or transitions to the part-time Animal Shelter Veterinarian classification before their one (1) year anniversary of passing probation in the Animal Shelter Veterinarian FT classification, the employee forfeits the entirety of the one-time, non-pensionable lump sum hiring incentive and, to the extent permitted by law, will be required to reimburse the City for the entire amount of the hiring incentive they have received. The employee may sign an agreement to deduct the bonus amount from their final paycheck of wages, subject to applicable laws. In the absence of such agreement, the City shall deduct the hiring incentive amount from the employee's sick leave payout, if applicable, and the employee's vacation leave payout. If the employee's leave amounts are not adequate to cover the entire amount of the hiring incentive, the City shall pursue reimbursement of</p> |

May 27, 2022

Subject: Terms of Side Letter Agreements Between the City of San Jose and the Municipal Employees' Federation, AFSCME, Local 101 (MEF), and the City Association of Management Personnel, IFPTE, Local 21 (CAMP)

Page 7

| | |
|--|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| | <p>the bonus through any other lawful means, including the collection process.</p> <p>The Hiring Incentive Pilot Program shall remain in effect for a maximum period of two years. The City retains the right to terminate the Hiring Incentive Pilot Program at its sole discretion at any time.</p> <p>This hiring incentive will also apply to the newly created Division Manager position overseeing the Veterinary Program.</p> |
|--|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|

Additionally, approval of this memorandum will provide for the following:

| | |
|---------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Create Animal Care Attendant II Classification | Effective the first pay period after this memorandum has been approved by the City Council, create the Animal Care Attendant II (3261) and Animal Care Attendant II PT (3262) classifications with a salary range of \$49,587.20 – \$60,278.40 annually. |
| Principal Power Resources Specialist Base Pay Increase | Effective the first pay period after this memorandum has been approved by the City Council, employees in the Principal Power Resources Specialist 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 Principal Power Resources Specialist classification. |

CONCLUSION

Due to the recruitment and retention issues in the classifications, it is recommended that the City Council adopt the Administration's recommendation outlined in this memorandum which would provide a special pensionable base pay increase to the Animal Care Attendant I FT/PT (3254/3257), Animal Health Technician FT/PT (3253/3260), and Principal Power Resources Specialist (5254) classifications, as indicated above.

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.

Additionally, it is recommended that the City Council approve the creation of a Hiring Incentive for new hires into the Animal Shelter Veterinarian FT classification and the Division Manager position overseeing the Veterinary Program, effective June 12, 2022.

HONORABLE MAYOR AND CITY COUNCIL

May 27, 2022

Subject: Terms of Side Letter Agreements Between the City of San Jose and the Municipal Employees' Federation, AFSCME, Local 101 (MEF), and the City Association of Management Personnel, IFPTE, Local 21 (CAMP)

Page 8

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 June 7, 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 Animal Care Attendant I FT/PT (3254/3257) and Animal Health Technician FT/PT (3253/3260) classifications, and the creation of the flexibly-staffed Animal Care Attendant II classification, are approximately \$347,000 in the General 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.

As discussed above, the Hiring Incentive would provide a one-time, non-pensionable lump sum hiring incentive of \$5,000 for a new Animal Shelter Veterinarian FT hire and the Division Manager position overseeing the Veterinary Program. If the three currently vacant positions are filled under this pilot program, the cost would total \$15,000. It is anticipated that the Public Works Department will absorb, to the extent possible, the potential costs of the pilot program within its existing budget.

HONORABLE MAYOR AND CITY COUNCIL

May 27, 2022


Subject: Terms of Side Letter Agreements Between the City of San Jose and the Municipal Employees' Federation, AFSCME, Local 101 (MEF), and the City Association of Management Personnel, IFPTE, Local 21 (CAMP)

Page 9

The additional ongoing costs pertaining to the base pay increase for the Principal Power Resources Specialist classification (5254) is approximately \$30,000 in the San Jose Clean Energy Fund. The 2022-2023 costs will be absorbed within the Clean Energy Department's budget and the ongoing costs will be factored into the 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 authors of this memorandum are Julianne Miyashiro, Executive Analyst in the Office of Employee Relations, and Cheryl Parkman, Assistant to the City Manager 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

SIDE LETTER AGREEMENT

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

SPECIAL WAGE INCREASE – ANIMAL CARE ATTENDANT & ANIMAL HEALTH TECHNICIAN

Effective the first full pay period 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 increase:

| Classification | Pensionable Increase |
|--------------------------------------------|----------------------|
| Animal Care Attendant I FT/PT (3254/3257) | 3.87% |
| Animal Health Technician FT/PT (3253/3260) | 12.99% |

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

Additionally, the parties agree that the City will create the Animal Care Attendant II classification, which will be flexibly-staffed with Animal Care Attendant I, as part of the memorandum that will be brought before the City Council to approve the special pensionable wage increases contained within this agreement.

This side letter 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:

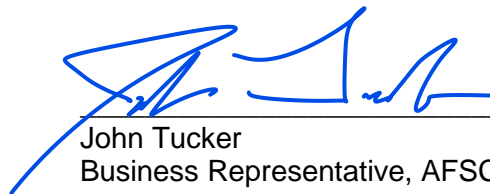


Jennifer Schembri
Director of Employee Relations
Director of Human Resources

5/24/2022

Date

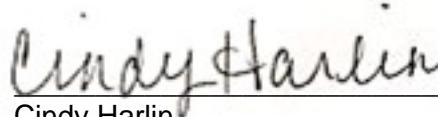
FOR THE UNION:



John Tucker
Business Representative, AFSCME

5/24/22

Date



Cindy Harlin
MEF President

5/24/2022

Date

SIDE LETTER AGREEMENT

BETWEEN
THE CITY OF SAN JOSE
And
THE CITY ASSOCIATION OF MANAGEMENT PERSONNEL, IFPTE, LOCAL 21 (CAMP)

Hiring Incentive Pilot Program

Employees hired on or after the first full pay period after this agreement has been signed by the parties and approved by City Council in open session shall be eligible to receive a hiring incentive through the program outlined below.

The lump sum non-pensionable Hiring Incentive will be paid as follows:


| Animal Shelter Veterinarian FT (3255) | |
|---------------------------------------|------------------|
| Timing | Hiring Incentive |
| Upon Hire | \$5,000 |

The payment of the one-time, non-pensionable lump sum hiring incentive to new Animal Shelter Veterinarian FT hires is contingent on the employee being continuously employed in the Animal Shelter Veterinarian FT classification through their one (1) year anniversary of passing probation as an Animal Shelter Veterinarian FT.

If an employee receives any portion or all of the one-time, non-pensionable lump sum hiring incentive, and leaves City service, transfers to another position within the City, or transitions to the part-time Animal Shelter Veterinarian classification before their one (1) year anniversary of passing probation in the Animal Shelter Veterinarian FT classification, the employee forfeits the entirety of the one-time, non-pensionable lump sum hiring incentive and, to the extent permitted by law, will be required to reimburse the City for the entire amount of the hiring incentive they have received. The employee may sign an agreement to deduct the bonus amount from their final paycheck of wages, subject to applicable laws. In the absence of such agreement, the City shall deduct the hiring incentive amount from the employee's sick leave payout, if applicable, and the employee's vacation leave payout. If the employee's leave amounts are not adequate to cover the entire amount of the hiring incentive, the City shall pursue reimbursement of the bonus through any other lawful means, including the collection process.


This pilot program shall become effective on the first full pay period after this agreement has been signed by the parties and approved by City Council in open session and shall remain in effect for a maximum period of two (2) years. The City retains the right to terminate this Hiring Incentive Pilot Program at its sole discretion at any time.

FOR THE CITY:

 5/23/2022

Jennifer Schembri Date
Director of Employee Relations
Director of Human Resources

FOR THE UNION:

 5/23/2022

Elizabeth Kamya Date
Business Representative, IFPTE