



DATE: June 23, 2020

TO: Mayor and City Council

FROM: Assistant City Manager/Interim Director of Human Resources

SUBJECT: Adopt a Resolution Approving an Amendment to the City of Hayward Salary Plan for Fiscal Year 2021

RECOMMENDATION

That Council adopts a Resolution (Attachment II) approving an amendment to the City of Hayward Salary Plan for Fiscal Year 2021 (FY 2021), which designates all classifications and the corresponding salary range for employment in the City of Hayward as of June 22, 2020, superseding Resolution No. 20-___ and all amendments thereto.

SUMMARY

As required by the Municipal Code, the FY 2021 Salary Plan has been updated to reflect salary adjustments to the classifications in the City's classified service as a result of the Council approved Memoranda of Understanding between the City of Hayward and the Hayward Police Officers' Association (HPOA), Police Management Unit (HPMU), SEIU Local 1021 Clerical and Related Unit and SEIU Local 1021 Maintenance and Operations Unit (SEIU), Hayward Association of Management Employees (HAME), International Federation of Professional & Technical Engineers (Local 21), and the revised terms of the Salary and Benefits Resolution for Unrepresented Executives, Management, City Manager, Human Resources and City Attorney Employees.

The Personnel Commission held a public hearing on June 11, 2020 and after receiving public and Commissioner comments, the Commission recommended Council consider adoption of an amended FY 2021 Salary Plan for the classifications in the City's classified service.

BACKGROUND

In response to the COVID-19 pandemic and the rapid spread of the disease, on March 16, 2020, the Health Officer of the County of Alameda, along with the Health Officers of Contra Costa, Marin, Santa Clara, San Mateo, and Santa Cruz counties, issued an Order for the public to shelter-in-place of residence, limiting the public's ability to leave their homes except to perform essential work and obtain essential services. On March 19, 2020, Governor Newsom also issued a state-wide Order to shelter-in-place of residence, followed by state guidance on a phased reopening of businesses if certain quantifiable indicators are met to demonstrate progress in the battle to quell the spread of the virus.

As a result of these Shelter in Place Orders and the closure of all but essential businesses and services, City revenues have been severely impacted. Based on updated revenue projections, by the close of Fiscal Year 2020, the revenue decline resulting from COVID-19 is projected to require the use of approximately \$10.8 million of the City's \$36 million General Fund operating reserve (or savings account).

The City has implemented a number of cost-saving measures. First, a vast majority of temporary staff were released from their positions. Second, City-wide non-emergency expenses have been limited to \$250,000 per month (previously averaged around \$750,000 per month) for the entire organization, with the Director of Finance and the City Manager closely reviewing all City expenditures. Third, the City Manager and Executive team have agreed to forego the value of their cost-of-living (COLA) increases scheduled for July 1, 2020, either by forgoing the COLA itself or agreeing to an 80-hour furlough obligation in Fiscal Year 2021.

Bargaining groups were also asked to forego the value of their cost-of-living (COLA) increases scheduled for July 1, 2020, either by forgoing the COLA itself or agreeing to an 80-hour furlough obligation in Fiscal Year 2021. Cost savings contributed by bargaining groups are critical to the City's fiscal health as labor costs make up approximately 85% of the General Fund budget and these labor cost savings help avoid layoffs and reductions in services to the community. Currently, the City has not laid off any permanent City employees and has paid full salary and benefits to all employees during the shelter-in-place order time period.

The International Association of Fire Fighters Local 1909 and the Hayward Fire Officers Association were among the first of the employee groups to forego a previously agreed upon salary survey adjustment (capped at 2%) scheduled to take effect July 1, 2020. Similarly, the City Manager volunteered to forego the July 1, 2020 scheduled 2% COLA currently provided for in her employment agreement, and the Mayor and City Council volunteered to reduce their salary by 2% and reduce their travel and miscellaneous budget by 50% for FY 2021. The City Council approved these actions on May 19, 2020.

On May 26, 2020, the Council approved a side letter of agreement between the City of Hayward and the Hayward Police Management Unit for implementation of an eighty (80) hour furlough in FY 2021 and also amended the salary and benefits resolution for Unrepresented Executives, Management, City Manager's Office, Human Resources, and City Attorney Employees reflecting that employees either agreed to forego the July 1, 2020 COLA, deferred it until certain indicators of fiscal recovery are met, or agreed to an eighty (80) hour unpaid furlough obligation in FY 2021. The Deputy Director of Human Resources and the Human Resources Administrative Assistant are deferring their July 1, 2020 2% COLA, and the Director of Finance and Fire Chief will forego their July 1, 2020 COLA, and on June 2, 2020 the City Attorney and the City Clerk volunteered to forego their July 1, 2020 scheduled 2% COLA, which Council approved.

On June 9, the Council approved side letters of agreement with the Hayward Association of Management Employees for implementation of an eighty (80) hour furlough in FY 2021 and with SEIU Local 1021 Clerical and Related Unit and SEIU Local 1021 Maintenance and Operations Unit for implementation of up to a fifty-five (55) hour furlough in FY 2021.

DISCUSSION

Cost-of-Living Adjustments (COLAs):

Pursuant to the negotiated terms of the MOU between the City of Hayward and the Hayward Police Officers’ Association (HPOA), Police Management Unit (HPMU), SEIU Local 1021 Clerical and Related Unit and SEIU Local 1021 Maintenance and Operations Unit, Hayward Association of Management Employees (HAME), International Federation of Professional & Technical Engineers (Local 21), and the revised terms of the Salary and Benefits Resolution for Unrepresented Executives, Management, City Manager, Human Resources and City Attorney Employees, COLA salary increases will be applied to the classifications represented in the aforementioned bargaining units as well as those classifications covered by the Salary and Benefits Resolution (except those that eliminated or deferred), effective the pay period including July 1, 2020. Table 2 below shows the applicable amount of the increases by bargaining unit and the Fiscal Year 2021 Salary Plan reflects the increase to the classifications.

Table 2 - FY 2021 Cost of Living Adjustments

EMPLOYEE GROUP	PERCENTAGE INCREASE
HPOA	2%
Police Management	3%
SEIU Clerical	2%
SEIU Maintenance	2%
Local 21	2%
HAME	2%
Unrepresented (Non-Executive)	2%
Unrepresented (Executive)	3%

FISCAL IMPACT

The Cost of Living Adjustment (COLA) salary increases to the classifications in the classified service for the various bargaining units cost approximately \$2,027,031 for the next year and impact the General Fund and other various funds. Any fiscal impact not offset by Fiscal Year 2021 furlough obligations will be included in the FY 2021 Proposed Budget.

STRATEGIC ROADMAP

This agenda item is a routine operational item and does not relate to any of the projects outlined in the Council's Strategic Roadmap.

NEXT STEPS

If approved, the cost of living salary increases will be implemented by the Human Resources and Finance departments with an effective of the pay period including July 1, 2020.

Prepared by: Anthony Phillip, Human Resources Analyst II

Recommended by: Robin Young, Deputy Director of Human Resources
Maria A. Hurtado, Assistant City Manager/Interim Director of Human Resources

Approved by:



Kelly McAdoo, City Manager