



Staff Reports Details (With Text)

File #: 110-2021 **Version:** 1
Type: Consent Calendar **Status:** Passed
File created: 3/18/2021 **In control:** CITY COUNCIL OF THE CITY OF NAPA
On agenda: 4/6/2021 **Final action:** 4/6/2021
Title: Resolution Amending Agreement C2019-325 with Napa City Employees' Association

Sponsors:

Indexes:

Code sections:

Attachments: 1. ATCH 1 - Resolution, 2. ATCH 2 - Amendment No. 1 to Agmt. No. C2019-325

Date	Ver.	Action By	Action	Result
4/6/2021	1	CITY COUNCIL OF THE CITY OF NAPA	approved	Pass

To: Honorable Mayor and Members of City Council

From: Steve Potter, City Manager

Prepared By: Liz Habkirk, Deputy City Manager

TITLE:

Resolution Amending Agreement C2019-325 with Napa City Employees' Association

RECOMMENDED ACTION:

Adopt a resolution authorizing the City Manager to execute Amendment No. 1 to Agreement No. C2019-325 with the Napa City Employees' Association - Service Employees International Union Local 1021- CTW, CLC; generally reducing the number of salary steps from twenty (20) steps to five (5) steps upon implementation of the City's updated Enterprise Resource Planning System.

DISCUSSION:

On March 3, 2020, the City Council approved a contract with Tyler Technologies, Incorporated for the implementation of a new Enterprise Resource Planning ("ERP") system to include modules relate to payroll and human resources functions, as well as utility billing, cashiering and financials. Since that approval, an implementation team led by City Manager's Office, Finance and Human Resources staff have been working with Tyler Technologies consultants to build and design the new system that will replace the current payroll system. The "go-live" date is currently scheduled for late July 2021.

As a part of the implementation project, every aspect of the City's current payroll system has been reviewed and, where appropriate, modifications have been designed to gain efficiencies and strengthen the various processes involved in the complete human resources function. These modifications have largely been based on industry best practices, as well as specifically addressing deficiencies the implementation team have experienced with the current system.

One such modification recommendation is related to the salary schedules, currently broken down into twenty individual salary steps (from Step A to Step T) for each classification. Individuals generally enter City employment at one of the lower tier steps and over time, through annual merit increases, move up the steps until they reach the top of their classification's salary range. The use of twenty steps appears somewhat unique to the City of Napa; most public agencies use a four or five step process to standardize annual "step increases" and create greater internal equity. Issues with the current system include a perception of inequitable granting of merit increases, non-existent controls for late or missing performance evaluations, and cumbersome administrative processes related to movement along the twenty-step range for various personnel actions related to pay changes. The recommendation to consolidate the number of steps would not modify the salary range.

Upon recommendation from the implementation team, staff engaged the various bargaining units whose membership includes classifications with the twenty-step breakdown. These include the Police Management Unit, the Napa Fire Chief Officers ("NCFO"), the Administrative, Managerial and Professionals Unit ("AMP"), and the Napa City Employees' Association - Service Employees International Union Local 1021 - CTW, CLC ("NCEA").

After meeting and conferring on the impacts to their membership, the Police Management Unit incorporated language relevant to the consolidation of steps into their Memorandum of Understanding with the City for the term of January 1, 2021 to June 30, 2022, approved by the City Council on November 17, 2020.

The AMP and NCFO units did not have specific sections within their respective memorandums of understanding that required amendment due to the change. Both have agreed to the consolidation of steps by execution of side letters with the City.

Agreement No. C2019-325 ("Agreement") between the City and NCEA did include several sections that would be specifically impacted by the transition to five steps, including sections related to a description of the schedule of steps, appointment on the schedule of steps upon hire, annual merit increases, and the application of merit increases where performance deficiencies have been documented.

The City and NCEA representatives met three times to identify the impacts to members and collaborate on language changes that would reflect the consolidation of the steps. Ultimately, the parties agreed that upon transition to the new system, members who fall "in-between" the new steps would be advanced to the next closest new step within the schedule, merit increases would be standardized at a one-step increase rather than allow individual supervisors or managers to use discretion on a range of increases, and performance deficiencies that had been documented would result in no merit increase, until re-evaluation resulted in meeting or exceeding performance standards.

These changes will result in a more equitable process for performance evaluations across City departments for NCEA members, allow more efficient administration of step increases, and encourage supervisors and managers to appropriately document and work with employees to correct any performance deficiencies.

Today's action by Council will authorize the City Manager to execute Amendment No. 1 to Agreement No. C2019-325 and allow the ERP project to continue implementation progress for an on-time launch in July 2021.

FINANCIAL IMPACTS:

Upon implementation of the new ERP system, employees who fall between the new step schedule will be advanced to the next closest step. This results in an estimated \$196,000 in salaries and benefits citywide for NCEA members and \$6,500 for NCEAX employees impacted by the transition.

CEQA:

The City Manager has determined that the Recommended Action described in this Agenda Report is not subject to CEQA, pursuant to CEQA Guidelines Section 15378.

DOCUMENTS ATTACHED:

ATCH 1 - Resolution

ATCH 2 - Amendment No. 1 to Agreement No. C2019-325

NOTIFICATION:

NCEA