



# STAFF REPORT

DATE: 12/18/2024  
TO: Honorable Mayor and City Council Members  
FROM: Human Resources Department

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**2024-168**

## REQUEST FOR CITY COUNCIL ACTION

### SUBJECT:

CONSIDERATION OF VARIOUS ACTIONS RELATED TO COMPENSATION AND BENEFITS FOR CITY EMPLOYEES, AND OTHER RELATED EMPLOYEE RELATIONS ACTIONS

### EXECUTIVE SUMMARY:

City Council consideration of the updated Memorandums of Understanding with the Corona Public Service Employees Association, Corona Supervisors Association, Corona Firefighters Association, Corona Police Employees Association, and Corona Police Supervisors Association; Resolutions concerning the Executive, Management, and Confidential Groups; Amended and Restated Employment Agreements for the City Manager and the City Attorney/Legal & Risk Management Director; and a resolution delegating authority under Section 31.3(2)(H) of the CFA MOU concerning disciplinary procedures. The updated Memorandums of Understanding and Resolutions include market-based base pay increases, cafeteria plan allowance changes, modifications to other benefits, and other modifications to clarify the current language. The City Council will also consider approval of the updated Position Library and Compensation Plan, which includes increases for part-time positions, repeal of all prior plans, and budgetary adjustments associated with the proposed changes. The updated Memorandums of Understanding will be effective January 1, 2025, through December 31, 2027, with compensation adjustments effective with the pay period that begins December 28, 2024. The updated resolutions and employment agreements will be effective January 1, 2025, until repealed or revised; compensation adjustments in those documents are also effective with the pay period that begins December 28, 2024.

### RECOMMENDED ACTION:

That the City Council:

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- a. Adopt the Corona Public Service Employees Association Memorandum of Understanding.
  - b. Adopt the Corona Supervisors Association Memorandum of Understanding.
  - c. Adopt the Corona Police Employees Association Memorandum of Understanding.
  - d. Adopt the Corona Police Supervisors Association Memorandum of Understanding.
  - e. Adopt the Corona Firefighters Association Memorandum of Understanding.
  - f. Adopt Resolution No. 2024-116, governing compensation and benefits of non-represented Confidential Group employees.
  - g. Adopt Resolution No. 2024-115, governing compensation and benefits of non-represented Management Group employees.
  - h. Adopt Resolution No. 2024-118, governing compensation and benefits of non-represented Executive Group employees.
  - i. Approve the Amended and Restated Employment Agreement for the City Manager.
  - j. Approve the Amended and Restated Employment Agreement for the City Attorney/Legal & Risk Management Director.
  - k. Adopt Resolution No. 2024-117, delegating its authority under Section 31.3(2)(H) of the Corona Firefighters Association IAFF Local # 3757 Memorandum of Understanding concerning disciplinary matters.
  - l. Adopt Resolution No. 2024-112, adopting the City of Corona Position Library and Compensation Plan.

**BACKGROUND & HISTORY:**

The California Meyers Miliias Brown Act (MMBA) requires the City to meet and confer, in good faith, with its bargaining groups on all matters relating to employment conditions and employer-employee relations, including, but not limited to wages, hours, and other terms and conditions of employment. Accordingly, pursuant to the MMBA, the City began negotiations with the employee associations in April 2024. The City's bargaining groups are organized as follows:

- The Corona Public Service Employees Association (CPSEA) represents all non-supervisory, miscellaneous, non-sworn positions.
- The Corona Police Employees Association (CPEA) represents all sworn Police personnel in the classifications of Police Officer, Corporal, and Detective.
- The Corona Police Supervisors Association (CPSA) represents all sworn Police personnel in the classifications of Sergeant, Lieutenants, and Captain.
- The Corona Firefighters Association (CFA) represents all sworn Fire Department personnel in the classifications of Firefighter Trainee, Firefighter, Firefighter/Paramedic, Engineer, Battalion Chief, and Deputy Fire Chief. It also represents the personnel in the Fire Inspector/Fire Marshal series within the department.
- The Corona Supervisors Association (CSA) represents the City's supervisory, non-sworn classifications.

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In addition to these represented groups, the city has unrepresented employees that have been historically organized into informal groups as follows:

- The Management/Confidential group includes management employees and other employees considered “confidential” due to the nature of their work, such as certain IT and HR employees.
- The Executive group consists of the City’s Directors, Attorneys, and Chiefs.
- A bargaining unit does not represent part-time employees.

The City Manager and City Attorney/Legal , and risk Management Director are independent classifications not included in any other groups.

The original MOUs for CPSEA, CPEA, CPSA, CSA, and CFA will expire on December 31, 2024. Pursuant to the MMBA, the City has been negotiating with these groups for a successor MOU. After meeting and conferring in good faith, the City has reached an agreement with each of these groups for new, three-year MOUs that will expire on December 31, 2027.

The resolutions that govern compensation and benefits for the Management, Confidential, and Executive employees have also been reviewed, and updates are recommended as part of this action. While in prior years, Management and Confidential Group compensation and benefits were contained in a single resolution, each group now has a separate resolution to detail its compensation and benefits structure, which varies between the groups.

Considering the compensation and benefit adjustments recommended for these other groups, similar adjustments for the City Manager and City Attorney have also been proposed and are included in Amended/Restated Employment Agreements that are also recommended for approval.

Finally, salary adjustments are also included for the City's part-time workforce based on the compensation changes for full-time employees and the California minimum wage increasing to \$16.50 per hour in January 2025.

**ANALYSIS:**

The negotiation process with all represented groups involved multiple meetings to discuss terms and conditions of employment. Negotiations have focused on bringing employee compensation nearer to market levels, using market-based salary adjustments to assist with the recruitment and retention of a high-quality workforce. The City has been challenged in recent years with recruitment and retention; improving overall compensation relative to the market is an important part of addressing that challenge. The City provides its services through its people, and retaining a high-quality workforce is foundational to providing services and fulfilling its Mission and Vision.

The key terms and changes to each MOU are summarized below. Additionally, the Council will note that the Confidential and Management groups of unrepresented employees, previously covered by a single resolution, will now have separate salary and benefit resolutions.

**CPSEA:**

- Term of the Contract: The new agreement term is for three (3) years, beginning

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January 1, 2025, through December 31, 2027.

- Base pay increases: As Appendix A of the MOU indicates, employee salaries will be adjusted each year over the three-year term. In the first two years, salary adjustments to each position vary based on market compensation data considered during the bargaining process and used to inform the salary placements. In Year 3 of the agreement, all employees will receive a 3% increase in base pay.
- Cafeteria Allowance: Effective January 1, 2025, the City's maximum contribution toward medical coverage will be \$2,173 per month for employees plus two or more dependents coverage, \$1,646 per month for employees plus one dependent coverage, and \$978 per month for employee-only coverage. These contributions will increase again in 2026 and 2027, as Article 10 of the MOU indicates.
- Eliminating Tiers 3 and 4: The City had previously categorized employees into four "tiers" based on their hiring dates and their corresponding eligibility for retiree medical benefits. Other benefits, such as contributions to Retiree Healthcare Savings (RHS) accounts and deferred compensation accounts, had been less than the amounts provided to other employees or not provided in any amount, depending upon the applicable tier.

This MOU eliminates both Tiers 3 and 4, leaving just two tiers of hires – those before 1/1/1999 (Tier 1), and those hired after that date (Tier 2). All Tier 2 employees will receive the same RHS and deferred compensation contributions, improving those benefits for the City's newer employees and future hires. Other than the expansion of eligibility to receive the RHS and deferred compensation contributions for newer employees, there are no other changes to the benefits with this action.

- Other Adjustments: Other adjustments include incorporating language from previously-approved side-letters; expanding the number of classifications that receive standby pay weekly when on a standby assignment; expanding the list of classifications eligible for certification pays in the Utilities Department; changes to language regarding paid meal periods for certain classifications; updates to safety boot language; updates to leave use language to coincide with statutory changes; and making other clarifying changes to MOU language.

## CSA:

- Term of the Contract: The new agreement term is for three (3) years, beginning January 1, 2025, through December 31, 2027.
- Base pay increases: Employee salaries will be adjusted each year over the three-year term, as Appendix A of the MOU indicates. In the first two years, salary adjustments to each position vary based on market compensation data that was considered during the bargaining process and used to inform the salary placements. In Year 3 of the agreement, all employees will receive a 3% increase in base pay.
- Cafeteria Allowance: Effective January 1, 2025, the City's maximum contribution toward

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medical coverage will be equal to the current Kaiser rates for the City's plan in this region plus vision and dental coverage (\$2,579 per month for employee plus two or more dependents coverage, \$1,956 per month for employee plus one dependent coverage, and \$978 per month for employee-only coverage). These contributions will increase again in 2026 and 2027 by 5% each year, as specified in Article 8 of the MOU.

- Eliminating Tiers 3 and 4: Like in the CPSEA MOU, This MOU eliminates both Tiers 3 and 4, leaving just two tiers of hires – those prior to 1/1/1999 (Tier 1), and those hired after that date (Tier 2). All Tier 2 employees will now receive the same RHS and deferred compensation contributions, improving those benefits for the City's newer employees and future hires. Other than the expansion of eligibility to receive the RHS and deferred compensation contributions for newer employees, there are no other changes to the benefits with this action.
- Other Adjustments: Other adjustments include incorporating language from previously-approved side-letters; eliminating standby pay; updating boot allowance; updates to leave use language to coincide with statutory changes; and making other clarifying changes to MOU language.

#### **CPEA and CPSEA:**

- Term of the Contract: The new agreement is for a three (3) year term, beginning January 1, 2025, through December 31, 2027.
- Base pay increases: Employee salaries will be adjusted each year over the three year term, as indicated in Appendix A of the MOU. In the first two years, salary adjustments to each position vary based on the market compensation data that was considered during the bargaining process and used to inform the salary placements. In Year 3 of the agreement, all employees will receive a 3% increase in base pay.
- Cafeteria Allowance: Effective January 1, 2025, the City's maximum contribution toward medical coverage will be \$2,173 per month for employee plus two or more dependents coverage, \$1,646 per month for employee plus one dependent coverage, and \$978 per month for employee-only coverage. These contributions will increase again in 2026 and 2027 as indicated in the MOUs. The groups also agree not to request to reopen the MOU's to discuss these cafeteria allowances during the contract term.
- Eliminating Tier 4: Like the other groups, these MOUs had previously categorized employees into four "tiers" based on their hiring dates, and their corresponding eligibility for retiree medical benefits. This MOU eliminates 4, leaving three tiers of hires – those hired before 1/1/2000 (Tier 1), those hired between 1/1/2000 and 10/12/2007 (Tier 2); those on or after 10/13/2007 (Tier 3). Other than these changes, there are no changes to retiree medical benefits.
- Other Adjustments: Other changes to this MOU included adjusting leave accruals for those with 16 years or more of service; adding special assignment pays for certain roles and

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clarifying special assignment language; modifying tuition reimbursement repayment language for members who retire due to an industrial disability; updates to leave use language to coincide with statutory changes; and making other clarifying changes to MOU language.

### **CFA:**

- **Term of the Contract:** The new agreement is for a three (3) year term, beginning January 1, 2025, through December 31, 2027.
- **Base pay increases:** Employee salaries will be adjusted each year over the three year term, as indicated in Appendix A of the MOU. In the first two years, salary adjustments to each position vary based on the market compensation data that was considered during the bargaining process and used to inform the salary placements. In Year 3 of the agreement, all employees will receive a 3% increase in base pay.
- **Cafeteria Allowance:** Effective January 1, 2025, the City's maximum contribution toward medical coverage will be \$2,408 per month for employee plus two or more dependents coverage, \$1,853 per month for employee plus one dependent coverage, and \$926 per month for employee-only coverage for the term of the MOU.
- **Elimination of Tier 4:** Like the other groups, the Tier 4 is eliminated in this MOU. This provides an additional benefit to newer employees, who in Tier 4 had been receiving a lower level of City contribution to their RHS accounts.
- **Other Adjustments:** Other changes to this MOU include an increase in secondary paramedic pay (from \$445.42 to \$500.00 per month); a new reimbursement of \$500 for a body scan for every 10 years of city service; agreement to review bilingual testing standards and methodology; correction to annual leave accrual rates; updates to leave use language to coincide with statutory changes; and other clarifications to MOU language.

### **Confidential Group:**

- **Term:** The new resolution addresses salaries and benefits for a three (3) year term, beginning January 1, 2025, through December 31, 2027.
- **Base pay increases:** Employee salaries will be adjusted each year over the three year term, as indicated in Attachment A of the resolution. In the first two years, salary adjustments to each position vary based on the market compensation data that was considered during the bargaining process and used to inform the salary placements. In Year 3 of the agreement, all employees will receive a 3% increase in base pay.
- **Cafeteria Allowance:** Effective January 1, 2025, the City's maximum contribution toward medical coverage will be equal to the current Kaiser rates for the City's plan for this region plus vision and dental coverage (\$2,579 per month for employee plus two or more dependents coverage, \$1,956 per month for employee plus one dependent coverage, and

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\$978 per month for employee-only coverage). These contributions will increase again in 2026 and 2027 by 5% each year.

- Eliminating Tiers 3 and 4: As previously noted for the other groups, this MOU eliminates both Tiers 3 and 4, leaving just two tiers of hires – those prior to 1/1/1999 (Tier 1), and those hired after that date (Tier 2). All Tier 2 employees will now receive the same RHS contributions and deferred compensation account contributions, improving those benefits for the City's newer employees and future hires. Other than these changes, there are no changes to retiree medical benefits.
- Annual Leave benefit improvement: MOU language has been adjusted to eliminate prior restrictions for the use of annual leave during the first year of employment.
- Other Adjustments: Other adjustments include increasing the City's contribution to RHS accounts from \$600 to \$1,000 annually; decreasing In Lieu Leave (formerly Executive Leave) from 108 hours per year to 80, recognizing that this group less frequently works outside normal working hours; and adjusting other language for clarity.

### **Management Group:**

- Term: The new resolution addresses salaries and benefits for a three (3) year term, beginning January 1, 2025, through December 31, 2027.
- Base pay increases: Employee salaries will be adjusted each year over the three year term, as indicated in Attachment A of the resolution. In the first two years, salary adjustments to each position vary based on the market compensation data that was considered during the bargaining process and used to inform the salary placements. In Year 3 of the agreement, all employees will receive a 3% increase in base pay.
- Cafeteria Allowance: Effective January 1, 2025, the City's maximum contribution toward medical coverage will be equal to the current Kaiser rates for the City's plan for this region plus vision and dental coverage (\$2,579 per month for employee plus two or more dependents coverage, \$1,956 per month for employee plus one dependent coverage, and \$978 per month for employee-only coverage). These contributions will increase again in 2026 and 2027 by 5% each year.
- Eliminating Tiers 3 and 4: As previously noted for the other groups, this MOU eliminates both Tiers 3 and 4, leaving just two tiers of hires – those prior to 1/1/1999 (Tier 1), and those hired after that date (Tier 2). All Tier 2 employees will now receive the same RHS contributions and deferred compensation account contributions, improving those benefits for the City's newer employees and future hires. Other than these changes, there are no changes to retiree medical benefits.
- Early Retirement Notification Incentive: This resolution would establish a new incentive for employees that provide early notice of their intent to retire. Additional notice to the City is beneficial to the organization, as it allows for a more effective leadership transition and for the City to do appropriate succession planning. Under this incentive provision, an employee

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will receive 10 hours of annual leave for every full calendar month of notice provided prior to the retirement date, up to a maximum of 60 hours credited for a six months of early notice.

- Other Adjustments: Other adjustments include increasing the yearly and maximum annual leaves; elimination of restrictions on use of annual leave in the first year; increasing the City's contribution to RHS accounts from \$600 to \$1,500 annually; providing one floating holiday annually; increasing In Lieu Leave (formerly Executive Leave) from 108 hours per year to 120, and adjusting other language for clarity.

### **Executive Group:**

- Term: The new resolution addresses salaries and benefits for a three (3) year term, beginning January 1, 2025, through December 31, 2027.
- Base pay increases: Employee salaries will be adjusted each year over the three year term. In the first two years, salary adjustments to each position vary based on the market compensation data that was considered during the bargaining process and used to inform the salary placements. In Year 3 of the agreement, all employees will receive a 3% increase in base pay.
- Cafeteria Allowance: Like the Confidential and Management groups, effective January 1, 2025, the City's maximum contribution toward medical coverage will be equal to the current Kaiser rates for the City's plan for this region plus vision and dental coverage (\$2,579 per month for employee plus two or more dependents coverage, \$1,956 per month for employee plus one dependent coverage, and \$978 per month for employee-only coverage). These contributions will increase again in 2026 and 2027 by 5% each year.
- Eliminating Tiers 3 and 4: As previously noted for the other groups, this MOU eliminates both Tiers 3 and 4, leaving just two tiers of hires – Tiers 1 and 2. Other than these changes, there are no changes to retiree medical benefits.
- Early Retirement Notification Incentive: As included in the Management Group resolution, an early retirement notification incentive would be provided for participating Executive Employees. Under this incentive provision, an employee will receive 10 hours of annual leave for every full calendar month of notice provided prior to the retirement date, up to a maximum of 120 hours credited for a full year of early notice.
- Other Adjustments: Other adjustments include increasing the accruals for yearly and maximum annual leave; elimination of restrictions on use of annual leave for first year employees; increasing the City's contribution to RHS accounts from \$600 to \$2,000 annually; providing one floating holiday annually; increasing In Lieu Leave (formerly Executive Leave) from 108 hours per year to 160; and adjusting other language for clarity.

### **Other Changes:**



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- Amended and Restated Employment Agreement for City Manager

The Amended and Restated Employment Agreement for the City Manager would modify his existing Employment Agreement as follows: (1) Effective December 28, 2024, the monthly base salary shall be equal to \$30,600.22; effective December 27, 2025, it shall be equal to \$32,487.58; and effective December 26, 2026, it shall be equal to \$33,474.47.

- Amended and Restated Employment Agreement for City Attorney/Legal & Risk Management Director:

The Amended and Restated Employment Agreement for the City Attorney/Legal & Risk Management Director would modify his existing Employment Agreement as follows: (1) effective December 28, 2024, the monthly base salary shall be equal to \$26,216.62; effective December 27, 2025, it shall be equal to \$27,972.77; and effective December 26, 2026, it shall be equal to \$28,822.51; (2) in lieu of any direct deferred compensation contributions in the Executive Group Employee Resolution, provide for a City contribution to the City Attorney/Legal & Risk Management Director's deferred compensation account up to the maximum deferral limit set by the IRS, which for 2025 is \$5,875 per quarter.

- Part-time Salaries:

Part-time employee compensation will also be adjusted through changes to those salaries in the Position Library. Where applicable, salaries were adjusted to correspond to the salary of the full-time equivalent position. For other positions, compensation has been increased by 3%. In addition, the range for the Parking Enforcement Officer was also adjusted to one range above the Police Cadet.

- Resolution 2024-117 – Delegating Authority for Final Disciplinary Determinations:

The existing CFA MOU provides as follows regarding disciplinary procedures:

*Following receipt of the proposed decision, the City Council, or any designee (e.g., the City Manager) to the extent authorized by law, may take any of the actions set forth in Government Code § 11517(c)(2) A through E.*

This proposed resolution will allow the City Council to delegate its authority under this Section to the City Manager.

Position Library and Classification and Compensation Plan:

State regulations for public employers require disclosure of position classifications and corresponding compensation. In an effort to ensure compliance, and for even greater transparency, the City Council periodically adopts an updated Position Library and Compensation Plan, a document which includes a list of all employee classifications for the City and their corresponding compensation ranges (Plan). This document is a resource document of available employment classifications, as the classifications listed will not necessarily be budgeted or funded in any given fiscal year. A current list of full-time budgeted positions can be located on the City's website.

The compensation changes in the Plan will be effective December 28, 2024.

**FINANCIAL IMPACT:**

Implementing the new agreements, resolutions, and contracts will cost an estimated \$4.8 million for the remainder of Fiscal Year 2025. The department budgets will be adjusted based on the City Council’s approval.

The following table shows the estimated financial impacts by employee group, fiscal year, and funding sources through December 2027. Costs are estimated as employees filling the positions will change during that time period.

By Group and Fiscal Year:

<b>Group</b>	<b>6 months FY 2025</b>	<b>FY 2026</b>	<b>FY 2027</b>	<b>6 months FY 2028</b>	<b>General Fund</b>	<b>Utilities Funds</b>	<b>Other Funds</b>
CFA	1,003,321	2,752,051	3,992,199	2,243,469	100%	--	--
CITY ATTNY	18,141	49,646	69,478	37,972	100%	--	--
CITY MGR	16,879	48,000	70,098	38,977	100%	--	--
CPEA-CPSA	1,151,588	3,409,630	5,190,176	2,932,133	100%	--	--
CPSEA	1,181,870	3,288,101	4,868,153	2,761,922	64%	25%	11%
CSA	353,609	952,461	1,356,704	757,852	62%	26%	12%
EXEC	311,758	890,564	1,244,194	665,387	80%	11%	8%
MGMT-CONF	734,293	1,893,350	2,567,873	1,408,816	69%	13%	18%
PART TIME	61,334	122,667	126,347	63,174	79%	5%	16%
<b>Totals</b>	<b>\$ 4,832,792</b>	<b>\$ 13,406,470</b>	<b>\$ 19,485,220</b>	<b>\$ 10,909,702</b>	<b>86%</b>	<b>10%</b>	<b>7%</b>

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**ENVIRONMENTAL ANALYSIS:**

This action is exempt pursuant to Section 15061(b)(3) of the Guidelines for the California Environmental Quality Act (CEQA), which states that a project is exempt from CEQA if the activity is covered by the general rule that CEQA applies only to projects that have the potential for causing a significant effect on the environment. Where it can be seen with certainty that there is no possibility that the activity in question may have a significant effect on the environment, the action is not subject to CEQA. This approves the memorandums of understanding with the Corona Public Service Employees Association, Corona Police Employees Association, Corona Police Supervisors Association, as well as Resolutions for the Management/Confidential and Executive Groups, and Amendments to employment agreements for the City Manager and the City Attorney/Legal & Risk Management Director, and there is no possibility that the approval of these items will have a significant effect on the environment. Therefore, no environmental analysis is required.

**PREPARED BY:** LORI SASSOON, CHIEF TALENT OFFICER

**REVIEWED BY:** BRETT CHANNING, ASSISTANT CITY MANAGER

**ATTACHMENTS:**

1. Exhibit 1 - CPSEA MOU
2. Exhibit 2 - CSA MOU
3. Exhibit 3 - CPEA MOU
4. Exhibit 4 - CPSA MOU
5. Exhibit 5 - CFA MOU
6. Exhibit 6 - Resolution No. 2024-116 Confidential Employee Group
7. Exhibit 7 - Resolution No. 2024-115 Management Employee Group
8. Exhibit 8 - Resolution No. 2024-118 Executive Employee Group
9. Exhibit 9 - Amended and Restated Employment Agreement - City Manager
10. Exhibit 10 - Amended and Restated Employment Agreement - City Attorney/Legal and Risk Management Director
11. Exhibit 11 - Resolution No. 2024-117 Delegating Authority Under Section 31.3(2)(h) of the CFA MOU to the City Manager
12. Exhibit 12 - Resolution No. 2024-112 Position Library