



CITY OF SAN MATEO

City Hall
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Agenda Report

Agenda Number: 12

Section Name: {{section.name}}

File ID: {{item.tracking_number}}

TO: City Council

FROM: Drew Corbett, City Manager

PREPARED BY: Human Resources Department

MEETING DATE: April 04, 2022

SUBJECT:

Service Employees International Union Local 521 Maintenance Unit – Memorandum of Understanding Amendment

RECOMMENDATION:

Adopt a Resolution to amend the Memorandum of Understanding with the Service Employees International Union (SEIU) Local 521 Maintenance Unit for salary increases and a term through June 22, 2024.

BACKGROUND:

The Service Employees International Union (SEIU) Local 521 Maintenance Unit represents approximately 90 employees who work in the Public Works or Parks and Recreation Departments.

Prior to the pandemic, the City's General Fund Long-Term Financial Plan assumed annual employee salary increases of two percent (2%). Due to the immediate and severe impact to transient occupancy tax and sales tax revenues caused by the COVID-19 pandemic, the City chose to tap into the Rainy-Day Reserve to prevent layoffs and conduct concessions bargaining. The SEIU Maintenance unit agreed to concessions during their recent successor MOU agreement that were equivalent to zero percent (0%) salary increases in fiscal years 2022 and 2023 to support the Financial Stability Plan. This agreement was reached on September 10, 2021 and adopted by Council on October 4, 2021.

The Adopted 2021-22 Budget assumed zero percent (0%) salary increases for SEIU Maintenance unit members. The mid-year budget update presented to the City Council on January 18, 2022, projected increased General Fund revenues of \$10.7 million and decreased expenditures of \$2.8 million, providing funds to support salary increases for those bargaining units that agreed to concessions.

Negotiations with the Service Employees International Union (SEIU) Local 521 Maintenance Unit concluded on March 2, 2022, and the membership subsequently ratified the proposed changes to their Memorandum of Understanding.

Consistent with the direction provided by the City Council, negotiators for the City and the bargaining unit have reached agreement. These agreements include:

Term: The contract will be extended for 1 additional year, expiring on June 22, 2024.

Salary: The bargaining unit will receive a 4.0% salary increase effective April 17, 2022, and a 4.0% increase effective June 25, 2023.

Retirement Health Savings Account:

1. The City's contribution for all employees will return to 0.75% on May 1, 2022.
2. The City's contribution for employees aged 45 or over with 15 or more years of service will return to 0.75% on May 1,

2022.

Deferred Compensation:

1. The City's match will return to 0.5% on May 1, 2022.
2. The City's contribution will return to 1.0% on May 1, 2022.

BUDGET IMPACT:

Approval of the compensation resolution results in an increase of \$94,543 in total compensation for SEIU Maintenance members for the remainder of the fiscal year. It is projected that there are sufficient budget appropriations in the Public Works and Parks and Recreation Departments' 2021-22 operating budget to absorb the additional cost. Updated salary and benefit amounts for these positions will be incorporated into the 2022-23 budget.

ENVIRONMENTAL DETERMINATION:

This item is not a project subject to CEQA, because it is a government fiscal activity which does not involve any commitment to any specific project which may result in a potentially significant physical impact on the environment. (CEQA Guidelines Section 15378(b)(4).)

NOTICE PROVIDED

All meeting noticing requirements were met.

ATTACHMENTS

Att 1 - Proposed Resolution
Exhibit A - Tentative Agreement

STAFF CONTACT

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