



## City Council Agenda Item Staff Report

CITY OF SAN BRUNO

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**DATE:** August 3, 2022

**TO:** Honorable Mayor and Members of the City Council

**FROM:** Jovan D. Grogan, City Manager

**PREPARED BY:** Monica Walker, Human Resources Manager

**SUBJECT:** Adopt Resolution Approving Agreement Between the City of San Bruno and the Mid-Management Bargaining Unit and Authorizing Execution by the City Manager

### BACKGROUND:

The existing Memorandum of Understanding between the City of San Bruno and the Mid-Management Bargaining Unit expired on December 31, 2021. Representatives from the City and the bargaining unit met and conferred in good faith and have reached a tentative agreement extending their existing Memorandum of Understanding an additional four years through December 31, 2025. The tentative agreement was signed by representatives on July 22, 2022 and ratified by the bargaining unit on July 29, 2022.

### DISCUSSION:

The attached Tentative Agreement for the Mid-Management Bargaining Unit will extend their current Memorandum of Understanding through December 31, 2025, based on factors identified during negotiations over the last nine months.

A total compensation survey of comparison agencies performed by an independent consultant with results from September 2021 demonstrated that the group was behind the labor market by an average of approximately 14.50%. The agreement's economic package was based on a variety of factors including inflation as measured by the Consumers Price Index, All Urban Consumers (CPI-U), for the San Francisco – Oakland – San Jose region. CPI-U in October 2021 was 3.8% for the region. In addition, the Mid-Management group received a 0% cost of living adjustment (COLA) in both 2020 and 2021. The cost of the four-year contract was considered against the general fund forecast and takes into consideration increasing costs for employee pension and inflationary assumptions for non-salary items. The longer-term contract offers stability in fiscal forecasting and supports recruitment and retention efforts.

The tentative agreement includes cost of living adjustments each year as follows:

- Effective the first full pay period of January 2022, a 4% salary increase
- Effective the first full pay period of January 2023, a 3% salary increase

- Effective the first full pay period of January 2024, a 3% salary increase
- Effective the first full pay period of January 2025, a 3% salary increase

Market equity adjustments are applied based on results of a total compensation study of comparison agencies based on the September 2021 benchmark survey data. Classifications that were most significantly out of market received equity adjustments ranging from 4% to 12%. In addition, Engineering classifications received an 8% equity in the first year to address significant recruitment and retention issues.

In addition to cost-of-living adjustments (COLAs) and equity adjustments over the course of the four-year period, the tentative agreement outlines the Water Division reorganization in the Public Works Department, including the reclassification of a Water Quality Technician to "Water Quality and Production Supervisor", Water Systems and Conservation Manager to "Water Field Supervisor", and Water Maintenance Services Manager to "Water Distribution Manager".

Bargaining unit members will share in the cost for medical premium increases. The City will continue to pay 75% of the health care premium increase beginning January 1, 2022 through December 31, 2025.

The parties agreed to add the Retiree Plus Health Coverage to commence for all current employees who participate in the employee health plan effective January 1, 2021. Beginning January 1, 2022, through December 31, 2025 the City shall pay 75% and employee shall pay 25% of Retiree Plus Health Coverage premium.

#### **FISCAL IMPACT:**

The approved FY2022/2023 budget includes the increases granted in the new contract for enhancements to employee salary and additional benefits.

#### **ALTERNATIVES:**

1. Do not approve the agreement and direct the negotiating team to seek changes or to begin mediation discussions.

#### **RECOMMENDATION:**

Adopt Resolution Approving Agreement Between the City of San Bruno and the Mid-Management Bargaining Unit and Authorizing Execution by the City Manager

#### **DATE PREPARED:**

July 25, 2022

#### **ATTACHMENT:**

1. Resolution

2. Tentative Agreement – Mid-Management