



City Council Agenda Item Staff Report

CITY OF SAN BRUNO

DATE: April 26, 2022

TO: Honorable Mayor and Members of the City Council

FROM: Jovan Grogan, City Manager

PREPARED BY: Jovan Grogan, City Manager

SUBJECT: Adopt Resolution Approving Agreement between the City of San Bruno and the Fire Bargaining Unit and Authorizing Execution by the City Manager

BACKGROUND: The existing Memorandum of Understanding between the City of San Bruno and the Fire 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 the bargaining unit on March 21, 2022.

DISCUSSION: The attached Tentative Agreement for the Fire Bargaining Unit will extend their current Memorandum of Understanding through December 31, 2025.

The City retained an independent consultant to conduct a total compensation survey of comparison agencies that was completed in late September 2021. The survey was based upon agencies identified in the MOU. Many of the comparable survey agencies have merged with local districts and are reflected in the revised tentative agreement, Section 8.2.3. Total compensation for the group demonstrated that they were below the labor market median by 13.91%.

In addition to the total compensation survey of comparison agencies, 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. Also taken into consideration was the 0% cost of living adjustment (COLA) received for the group in 2021. CPI-U in 2020 was 2%, the bargaining group received a 3% COLA. In 2019, CPI-U was 2.5% and the group received a 3% COLA and 1% equity adjustment. In 2018, the group received a 3% COLA and 1% equity adjustment, CPI-U was 4.5%.

The tentative agreements include 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. For benchmark classes which are greater than 10% below the market median (based on the September 2021 benchmark survey) after the initial 4% COLA is applied a 2% equity adjustment will be received. For benchmark classes between 6% and 9.99% below the market median (based on the September 2021 benchmark survey) after the initial 4% COLA is applied, a 1% equity adjustment will be received. For benchmark classes which are greater than 10% below the market median, less annual equity adjustments received during the contract period, a 2% equity adjustment will be received for each year of the contract. For benchmark classes between 6% and 9.99% below the market median, less equity adjustments received during the contract period, a 1% equity adjustment will be received for each year of the contract. 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 support recruitment and retention efforts within the highly competitive public safety field.

Based on the equity formula members of the bargaining group move closer to the average wage range of the survey market from -13.91% to -5.9%.

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 and 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.

Fire bargaining unit chooses to voluntarily waive participation in a City-wide Long-Term Disability (LTD) insurance program to enroll in a qualified Union sponsored LTD insurance program. The city will provide reimbursement to employees of this unit toward premiums up to the maximum premium contribution the City is paying towards employees enrolled in the Citywide LTD program. Employees of this bargaining unit agree to pay the premium increase above the Citywide contribution to the Citywide LTD offering toward the new qualified Union LTD plan. The City's premium contribution for Long-Term Disability will not be available for cash reimbursement.

FISCAL IMPACT: The FY 2021/2022 budget does not include funds for enhancements to employee salary and additional benefits over the fiscal year. The 4% wage adjustment, 1% equity adjustment, and additional benefits costs for this bargaining unit is anticipated to cost \$131,331 for the remainder of FY 2021/2022. Excess general fund revenues will cover these costs.

ENVIRONMENTAL IMPACT: There is no environmental impact.

RECOMMENDATION: Adopt Resolution Approving Agreement between the City of San Bruno and the Fire Bargaining Unit and Authorizing Execution by the City Manager

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

ATTACHMENTS:

1. Resolution
2. Tentative Agreement - Fire