



## City Council Agenda Item Staff Report

CITY OF SAN BRUNO

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**DATE:** October 11, 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 San Bruno Management Employees Association (SBMEA) and Authorizing Execution by the City Manager

**BACKGROUND:** The existing Memorandum of Understanding between the City of San Bruno and the San Bruno Management Employees Association (SBMEA) 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 and ratified by the bargaining unit on October 5, 2022.

**DISCUSSION:** The attached Tentative Agreement for SBMEA will extend their current Memorandum of Understanding through December 31, 2025, based on factors identified during negotiations over the last year. 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 9.42%. An updated salary survey conducted in August 2022 demonstrated that this average had increased to 10.13%.

SBMEA received a 0% salary adjustment in both 2020 and 2021, with the exception of the CityNet Services Director and Public Works Director, which were moved to Tier 1 to align with the Police Chief and Fire Chief salaries. 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. By October 2022, CPI-U for the same region has increased to 5.7%.

The longer-term contract offers stability in fiscal forecasting and supports recruitment and retention efforts. 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 tentative agreement includes salary adjustments each year as follows:

CLASSIFICATION	2022 INCREASE Effective first full pay period in January 2022	2023 INCREASE Effective first full pay period in January 2023	2024 INCREASE Effective first full pay period in January 2024	2025 INCREASE Effective first full pay period in January 2025	TOTAL INCREASE
CATV CityNet Services Director	4%	3%	3%	3%	13%
Community & Economic Development Director	6%	5%	3%	3%	17%
Community Services Director	8%	3%	3%	3%	17%
Finance Director	6%	4%	3%	3%	16%
Human Resources Director	6%	4%	3%	3%	16%
Public Works Director	4%	3%	3%	3%	13%
Fire Chief	9%	8%	5%	3%	25%
Police Chief	9%	8%	5%	3%	25%

In addition to cost-of-living adjustments (COLAs) and equity adjustments over the course of the four-year period, the tentative agreements outlined additional benefits including: increasing the annual vacation buyback option from 80 hours maximum to 160 hours maximum, expanding the vacation bank maximum accrual to 300 hours (from 280 hours), a one-time infusion of 50 additional hours of Management Leave for each SBMEA member at the time of approval of this agreement (currently 100 hours, with an additional 20 hours at the discretion of the City Manager), and continuation of the cost share for health premium and Retiree Plus Health Coverage increase with 75% of the increase covered by the City and 25% of the increase paid by employee.

**FISCAL IMPACT:** The fiscal impact of the increases granted in the new contract for enhancements to employee salary and additional benefits is estimated at \$116,000 in FY2022/2023 and will be covered through funds that have already been appropriated in the FY2022/23 budget.

**ENVIRONMENTAL IMPACT:** There is no environmental impact.

**RECOMMENDATION:** Adopt Resolution Approving Agreement Between the City of San Bruno and the San Bruno Management Employees Association (SBMEA) 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 – San Bruno Management Employees Association (SBMEA)