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foothill community built on California's rich gold rush history.*



### **City Manager's Report**

**August 9, 2022, City Council Meeting**

**Prepared by: Dave Warren, Assistant City Manager/Director of Finance**

**Item #: 7.5**

**Subject:** Adopt a resolution retroactively approving and affirming the 2022-2024 Memorandum of Understanding with the International Union of Operating Engineers Stationary Engineers, Local 39 and authorizing the Mayor, City Manager, and City Attorney to execute the same.

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### **Purpose:**

To memorialize and incorporate the latest tentative agreement with Local 39 in the revised MOU.

### **Strategic Plan Strategy:**

Fiscal Stability/Sustainability: 6. Meet Financial Commitments and Reporting Requirements.

### **Background:**

At its meeting held on May 24, 2022, the City Council ratified a tentative agreement with Local 39 in closed session for the period of January 1, 2022 to December 31, 2024, and Mona Ebrahimi, City Attorney, reported out the tentative agreement during open session of the same meeting. Tonight, staff is requesting the City Council to approve the new MOU with Local 39, which incorporates the deal points from the tentative agreement.

### **Discussion:**

The proposed MOU encompasses the period from January 1, 2022 to December 31, 2024 and includes the following deal points:

1. A one-time distribution payment of \$2,500 to each regular full-time employee.
2. A 3.00% base salary increase effective the first full pay period in January 2022.
3. An additional salary adjustment effective the first full pay period in January 2022 based on a 1.00% salary increase for the unit allocated on a weighted average of the recent salary study recommendations.
4. The medical insurance in-lieu stipend for employees who choose not to participate in a City medical insurance plan increased from \$350 to \$450 per month.
5. A salary increase effective the first full pay period in January 2023 based on the change in the San Francisco-Oakland-San Jose Consumer Price Index-All Urban Consumers from February 2021 to February 2022 with a minimum increase of 2.00% and a maximum increase of 4.00%.

The said CPI has been reported to be 5.2%, which will result in the maximum salary increase of 4.00%.

6. An additional salary adjustment effective the first full pay period in January 2023 based on a 1.00% of a salary increase for the unit allocated on a weighted average of the recent salary study recommendations.
7. A salary increase effective the first full pay period in January 2024 based on the change in the San Francisco-Oakland-San Jose Consumer Price Index-All Urban Consumers from February 2022 to February 2023 with a minimum increase of 2.00% and a maximum increase of 4.00%. This increase is contingent upon certain budgetary measurements.
8. An additional salary adjustment effective the first full pay period in January 2024 based on a 1.00% salary increase for the unit allocated on a weighted average of the recent salary study recommendations.

**Options:**

1. Adopt the resolution approving the MOU with Local 39 as presented.
2. Direct staff to continue negotiating other terms with Local 39.

**Environmental:**

Tonight's action is not applicable.

**Cost:**

The total projected additional cost for the salary increases in Fiscal Year 2022/2023 is \$113,197.

**Budget Impact:**

The City Council adopted the Fiscal Year 2022/2023 Operating Budget, which incorporated the \$113,197 in additional costs associated with the proposed MOU with Local 39.

**Recommendation:**

Adopt a resolution retroactively approving and affirming the 2022-2024 Memorandum of Understanding with the International Union of Operating Engineers Stationary Engineers, Local 39 and authorizing the Mayor, City Manager, and City Attorney to execute the same.



**M. Cleve Morris, City Manager**



**Dave Warren, Assistant City  
Manager/Director of Finance**

**Attachments:**

- A. Resolution
- B. Memorandum of Understanding