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



## **City Manager's Report**

**August 12, 2025, City Council Meeting**

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

**Item #: 12.4**

**Subject:** Consider adopting a resolution retroactively approving and affirming the 2025-2026 Memorandum of Understanding with the International Union of Operating Engineers Stationary Engineers, Local 39 and authorizing the Mayor, City Manager, City Attorney, and the Labor Representative to execute the same and adopting resolutions retroactively approving and affirming the 2025-2026 salary and benefit provisions for the Confidential Unit, Executive Management Unit, and Supervisory Unit.

### **Recommendation:**

Take the following actions:

1. Adopt a resolution retroactively approving and affirming the 2025-2026 Memorandum of Understanding with the International Union of Operating Engineers Stationary Engineers, Local 39 and authorizing the Mayor, City Manager, City Attorney, and the Labor Representative to execute the same; and
2. Adopt a resolution retroactively approving and affirming the 2025-2026 salary and benefit provisions for the Confidential Unit; and
3. Adopt a resolution retroactively approving and affirming the 2025-2026 salary and benefit provisions for the Executive Management Unit; and
4. Adopt a resolution retroactively approving and affirming the 2025-2026 salary and benefit provisions for the Supervisory Unit.

### **Purpose:**

To memorialize and incorporate the latest tentative agreement with Local 39 in the revised Memorandum of Understanding (MOU) and approve similar salary and benefit provisions for the non-sworn employees in the Confidential Unit, Executive Management Unit, and Supervisory Unit.

### **Strategic Plan Strategy:**

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

### **Background:**

At its meeting held on March 11, 2025, the City Council ratified the Tentative Agreement with Local 39 in Closed Session, and the City Attorney reported out the Tentative Agreement in Open Session that same evening. Staff recommends that the City Council approve similar salary and benefit provisions for the non-sworn positions within the Confidential Employee Unit, Executive Management Employee Unit, and the Supervisory Employee Unit. Tonight, staff is requesting the City Council to approve the new MOU with Local 39, which incorporates the deal points from the tentative agreement, and the salary and benefit provisions for the regular non-sworn positions within

the Confidential Employee Unit, Executive Management Employee Unit, and the Supervisory Employee Unit.

**Discussion:**

The proposed MOU encompasses the period from January 1, 2025 to December 31, 2026 and includes the following deal points:

1. A 2.00% base salary increase effective the first full pay period in January 2025.
2. A 1.00% base salary increase effective the first full pay period in July 2025.
3. A one-time distribution payment of \$500 to each regular full-time employee in July 2025.
4. A salary increase effective the first full pay period in January 2026 based on the change in the San Francisco-Oakland-San Jose Consumer Price Index-All Urban Consumers from February 2024 to February 2025 with a minimum increase of 2.00% and a maximum increase of 4.00%. The said CPI has been reported to be 2.69%, which will result in the maximum salary increase of 2.69%.
5. An additional salary adjustment effective the first full pay period in January 2026 based on a 1.00% salary increase for the unit allocated on a weighted average of the 2022 salary study recommendations.
6. Both the 2.69% salary increase and the 1.00% salary study adjustment planned in January 2026 are contingent upon the City's budget constraints and/or certain State revenue grabs if they were to occur.
7. \$50.00 Increases in the annual uniform allowance for Maintenance Workers, Water Reclamation Facility staff, and non-sworn Police Department staff in both 2025 and 2026.
8. 50% Increases in the pesticides, pool, wastewater, and water education incentive (certification) pay in both 2025 and 2026.
9. One additional floating holiday in recognition of the Juneteenth Holiday.

**Options:**

1. Approve the actions recommended by staff.
2. Direct staff to take other actions.

**Environmental:**

Tonight's action is not applicable.

**Cost:**

The total projected additional cost for the proposed Local 39 MOU and the salary and benefit provisions for the Confidential Employee Unit, Executive Management Employee Unit, and the Supervisory Employee Unit in Fiscal Year 2025/2026 is \$373,362.

**Budget Impact:**

The City Council adopted the Fiscal Year 2025/2026 Operating Budget, which incorporated the \$373,362 in additional costs associated with the proposed Local 39 MOU and the salary and benefit provisions for the Confidential Employee Unit, Executive Management Employee Unit, and the Supervisory Employee Unit



**M. Cleve Morris, City Manager**



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

**Attachments:**

- A. Resolution-Local 39
- B. Memorandum of Understanding
- C. Resolution-Confidential Unit
- D. Resolution-Executive Management Unit
- E. Resolution-Supervisory Unit