



## Legislation Details (With Text)

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**Title:** Report regarding a resolution to approve successor Memorandums of Understanding between the City of South San Francisco and the Teamsters Mid-Management and Confidential Units for July 1, 2022 - June 30, 2024 and approving budget amendment number 23.011 (Leah Lockhart, Human Resources Director)

**Sponsors:**

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**Attachments:** 1. Tentative Agreement between the City and Teamsters Confidential Unit, 2. Tentative Agreement between the City and Teamsters Mid-Management Unit

Date	Ver.	Action By	Action	Result
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Report regarding a resolution to approve successor Memorandums of Understanding between the City of South San Francisco and the Teamsters Mid-Management and Confidential Units for July 1, 2022 - June 30, 2024 [and approving budget amendment number 23.011](#) (Leah Lockhart, Human Resources Director)

### RECOMMENDATION

Adopt a resolution to approve successor Memorandums of Understanding (MOU) with the Teamsters Local 856 Mid-management and Confidential units, providing for adjustments to wages and other terms and conditions for the period of July 1, 2022 - June 30, 2024 [and to approve budget amendment number 23.011](#).

### BACKGROUND/DISCUSSION

The City's regular full-time workforce is organized into six (6) represented bargaining units, as well as the unrepresented Public Safety Managers Unit and Executive Management Unit. In accordance with the Meyer-Milias-Brown Act (MMBA), the City negotiates agreements with each unit over wages, hours, and other terms and conditions of employment, and such agreements are memorialized in a Memorandum of Understanding (MOU) over a specified term.

The Teamsters Local 856 Union represents two City employee units. The Mid-Management Unit consists of approximately ninety (90) managerial and professional administrative staff. The Confidential Unit consists of approximately thirty-five (35) non-managerial administrative and technical support staff. In January, 2022 City Council authorized staff to negotiate successor MOUs with Teamsters Local 856 within established parameters, as the current MOUs were set to expire on June 30, 2022. The appointed negotiators met with representatives of the Mid-Management and Confidential units and held several meetings over a period of approximately six months, and reached a tentative agreement with both units on August 31, 2022. The tentative agreements were subsequently ratified by Union membership on September 7, 2022.

The proposed successor MOUs are effective for a two-year term, from July 1, 2022 to June 30, 2024, and

contain the following provisions for wages and other employment terms:

#### Wage Adjustments

- Effective the first full pay period following Council approval of the Agreement, an across-the-board increase of five percent (6%).
- Effective the first full pay period of July, 2023, an across-the-board increase of three percent (4%)

#### Market Equity Adjustments

Staff conducted a City-wide total compensation study for the purposes of ensuring that the City's compensation package remained competitive with respect to other Bay Area cities of similar size and with comparable services. As a result of this study, the MOUs include market equity adjustments of up to three percent (3%) for classifications falling below the sixtieth (60<sup>th</sup>) percentile of the market, based on nine (9) benchmark cities.

#### Compaction Adjustments

The MOU provides for adjustments to ensure appropriate internal alignment between managers and the employees they supervise. Additional adjustments to the wage schedule for a classification may be made in order to maintain a salary of at least five percent (5%) above all subordinate classifications, including certification and license premium pays. This results in immediate adjustments to correct for compaction as follows:

Assistant Plant Superintendent - 18%

Deputy Public Works Director - 9.6%

Laboratory Supervisor - 4.6%

Further adjustments may be made following the completion of negotiations with AFSCME Local 829 over a successor Memorandum of Understanding, in the event that negotiated wage increases result in a salary differential of less than five percent between a manager and subordinate employee classification.

#### Professional Development and Education Reimbursement

The Confidential Unit MOU also includes an annual \$500 professional development stipend, intended for use for professional training, materials, and memberships not otherwise covered by education reimbursement or departmental training budgets. The prior Mid-Management Unit MOU already included a \$750 annual stipend, and there is no change to this benefit.

#### Holidays

The MOUs add Juneteenth (June 19) to the list of recognized City holidays starting 2023, subject to Council resolution declaring a City holiday.

#### Paid Family Leave

The MOUs provide for a new benefit of up to eight (8) weeks of partial wage replacement for family leave, with benefits equivalent to the State of California Paid Family Leave benefit.

#### Grievance Procedure

The prior MOUs for the Mid-Management and Confidential units referenced the grievance procedure contained in the City's Personnel Rules and Regulations, which did not include binding arbitration for disputes over the implementation or appeals of significant disciplinary action. The successor agreement contains a new grievance and appeals process similar to the process contained in MOUs for other City employee units, which includes

the option for binding arbitration MOU disputes and significant disciplinary actions (defined as a suspension of five days or greater.)

Following City Council approval, staff will incorporate changes to wage and salary schedule for covered classifications into the Fiscal Year 2022-2023 Salary and Wage schedule, which will be submitted to Council for approval on September 28, 2022.

#### FISCAL IMPACT

The Fiscal Year 2022-2023 Operating Budget includes anticipated wage adjustments for both the Confidential and Mid-Management units. However, with higher-than-expected cost of living increases and market survey results, additional funds are required to cover the total cost of the salary and benefit package. The estimated total additional cost is \$490,423,000 for the remainder of the fiscal year. A proposed budget amendment 23.011 is included in the resolution to adjust for these additional costs.

#### RELATIONSHIP TO STRATEGIC PLAN

This item supports the strategic initiative of Workforce Development and Fiscal Sustainability, ensuring that the City's compensation plan remains competitive to attract and retain a high-quality workforce while ensuring that financial commitments are within the City's means.

#### CONCLUSION

Staff recommends that City Council adopt a resolution to approve successor MOUs with the Teamsters Local 856 Mid-management and Confidential units, providing for adjustments to wages and other terms and conditions for the period of July 1, 2022 - June 30, 2024<sup>5</sup> and to approve budget amendment number 23.011.

#### Attachments:

1. Tentative Agreement between the City of South San Francisco and Teamsters Local 856 Confidential Unit
2. Tentative Agreement between the City of South San Francisco and Teamsters Local 856 Mid-Management Unit