

Internal



Office of the City Manager

CONSENT CALENDAR
December 3, 2024

To: Honorable Mayor and Members of the City Council
From: Paul Buddenhagen, City Manager
Submitted by: Aram Kouyoumdjian, Director of Human Resources
Subject: Memorandum of Understanding: Public Employees Union – Local One

RECOMMENDATION

Adopt a Resolution 1) approving a successor Memorandum of Understanding (hereafter referred to as “MOU”) with Public Employees Union – Local One (hereafter referred to as the “Union”) for a three-year term from June 27, 2024 to July 26, 2027 and authorizing the City Manager to execute and implement the terms and conditions of employment set forth in the new MOU and to make non-substantive edits to the format and language of the MOU in alignment with the tentative agreement, and conforming to legal requirements; and 2) approving a new Classification and Salary table for Public Employees Union – Local One classifications that implement the salary adjustments reflected in the new MOU and supersede prior salary resolutions.

FISCAL IMPACTS OF RECOMMENDATION

The anticipated costs of the agreement are \$2,347,852 in the first year, \$5,208,806 in the second year, and \$7,254,528 in the third year.

The terms of the proposed 2024-2027 MOU are within the parameters of authority approved by Council in closed session.

CURRENT SITUATION AND ITS EFFECTS

Notable changes in the 2024-2027 MOU are along four dimensions:

- (1) **COLA Increases:** The terms of the new MOU provide for a 6.0% wage increase effective the start of the first full pay period after Council adoption; a 4.0% wage increase effective the first full pay period in July 2025; and a 4.5% wage increase in the 2026-2027 fiscal year, of which 2.5% will be effective the first full pay period in July 2026 and 2.0% will be effective the first full pay period in January 2027.

- (2) **Longevity Pay:** Effective the first full pay period in July 2026, the MOU modifies the current longevity pay structure to provide 3% longevity pay beginning with the 15th year of service. (Under the current contract, longevity is triggered at the beginning of the 25th year of service.)
- (3) **Holiday:** The last Monday in March will be observed as Cesar Chavez Day.
- (4) **Pay Differentials and Benefits:** The remaining modifications to the MOU touch on various work conditions, pay differentials, and benefits, including the addition of vision insurance, an increase in the number of administrative leave hours (from 50 to 60 per year), reconfiguration of the bilingual pay differential (for parity with other unions), and equity adjustments in salaries for hard-to-fill classifications in transportation (e.g., Parking Services Manager) and mental health. These changes are specified in the “tracked changes” version of the proposed MOU (attached as Exhibit B).

Other modifications include removal of outdated provisions, updated language to reflect changes in the law, and agreement to conduct reviews of specifically designated job classifications within the term of the contract.

BACKGROUND

The City’s labor contract with the Union expired on June 26, 2024. In an effort to reach agreement on a successor MOU, representatives of the City and representatives of the Union commenced negotiation sessions beginning on May 16, 2024. The parties reached a tentative agreement on November 8, 2024.

Union membership ratified the tentative agreement on November 14, 2024.

ENVIRONMENTAL SUSTAINABILITY

There are no identifiable environmental effects or opportunities associated with the subject of this report.

RATIONALE FOR RECOMMENDATION

The City’s labor contract with Local One expired on June 26, 2024, triggering the need to negotiate a successor agreement.

The recommended COLA increases (and modification to longevity pay) address inflation and aim to keep the City of Berkeley competitive in its recruitment and retention efforts. The recommended changes to specific job classes and work conditions are necessitated by operational needs.

ALTERNATIVE ACTIONS CONSIDERED

Various alternative proposals were considered by the Union’s and the City’s negotiation teams before mutual agreement was reached on the proposed MOU.

CONTACT PERSON

Aram Kouyoumdjian, Director of Human Resources, (510) 981-6807.

Attachments:

- 1: Resolution: Memorandum of Understanding: Public Employees Union – Local One
Exhibit A: Memorandum of Understanding Between the City of Berkeley and
Public Employees Union – Local One, 2024-2027 (Revised Version)
Exhibit B: Memorandum of Understanding Between the City of Berkeley and
Public Employees Union – Local One, 2024-2027 (Tracked Changes
Version)

RESOLUTION NO. ##,###-N.S.

MEMORANDUM OF UNDERSTANDING: PUBLIC EMPLOYEES UNION – LOCAL ONE (2024-2027)

WHEREAS, the City is obligated under the provisions of California Government Code Sections 3500-3511, commonly referred to as the Meyers-Milias-Brown Act, to meet and confer in good faith and attempt to reach agreement with representatives of recognized bargaining units on matters within the scope of representation including, but not limited to, wages, hours, and other terms and conditions of employment; and

WHEREAS, the City's labor contract with Public Employees Union – Local One expired and fully terminated on June 26, 2024; and

WHEREAS, representatives of the City and Local One have met and conferred in good faith and have reached agreement on a new Memorandum of Understanding that incorporates all changes and modifications in wages, hours, and other terms and conditions of employment agreed to by the parties;

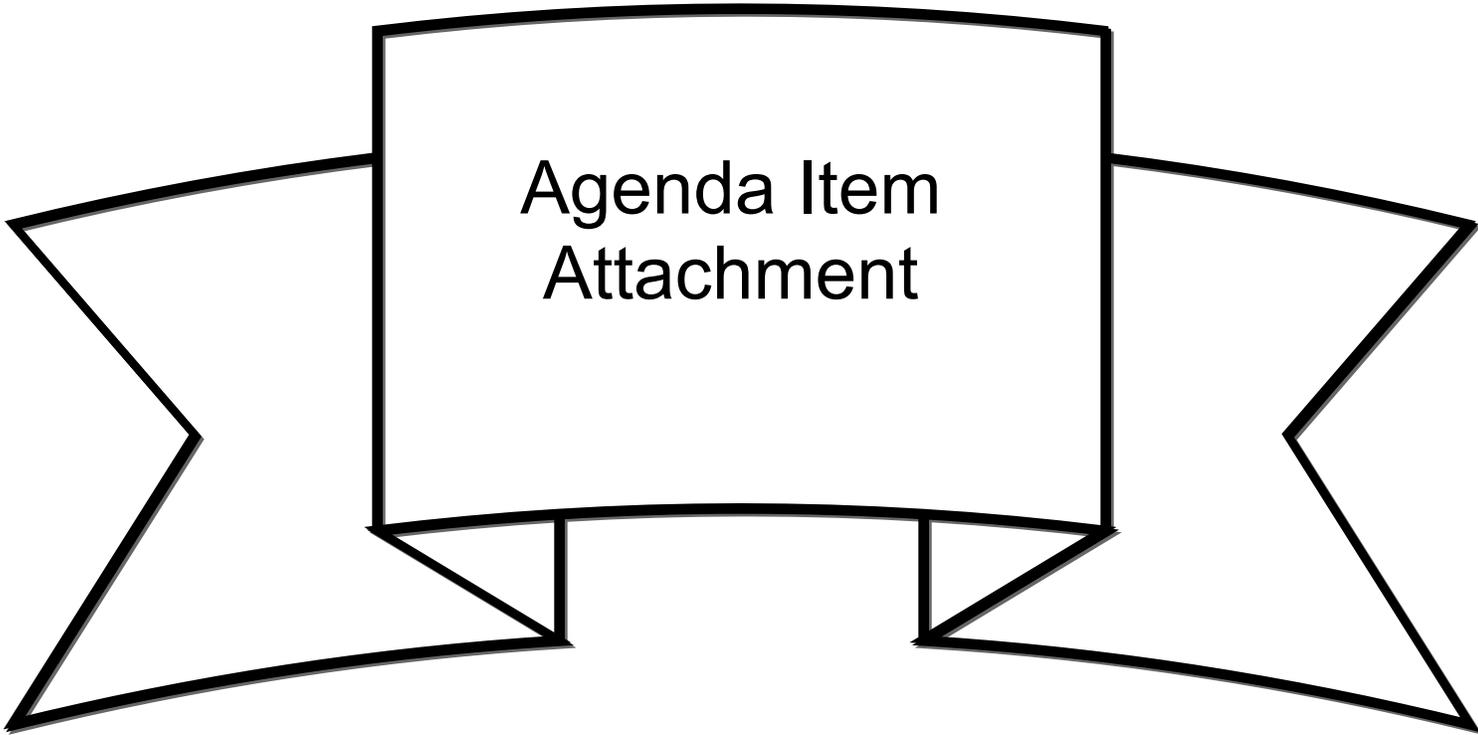
NOW THEREFORE, BE IT RESOLVED by the Council of the City of Berkeley that the City Manager is hereby authorized to execute the new Memorandum of Understanding for the period June 27, 2024 through June 26, 2027 with Public Employees Union – Local One, including changes in certain benefits on dates specified in the Memorandum of Understanding which is attached hereto, made a part hereof and marked Exhibit A, and to make non-substantive edits to the format and language of the MOU in alignment with the tentative agreement, and conforming to legal requirements; and

BE IT FURTHER RESOLVED that the Council of the City of Berkeley approves, and the City Manager is hereby authorized to effectuate, new Classification and Salary tables for Public Employees Union – Local One that implement the salary adjustments reflected in the new MOU and supersede prior salary resolutions; and

BE IT FURTHER RESOLVED that a fully executed original of said contract is filed in the Office of the City Clerk.

Exhibits

- A: Memorandum of Understanding Between the City of Berkeley and Public Employees Union – Local One, 2024-2027 (Revised Version)
- B: Memorandum of Understanding Between the City of Berkeley and Public Employees Union – Local One, 2024-2027 (Tracked Changes Version)



Agenda Item
Attachment

This attachment will be provided to the City Council and the public prior to the meeting (including posting to the city website) in accordance with the requirements for revised and supplemental materials in the Open Government Ordinance.

City Clerk Department
2180 Milvia Street
Berkeley, CA 94704
(510) 981-6900

The City of Berkeley, City Council's Web site:
<http://berkeleyca.gov>

