



# STAFF REPORT

## SAUSALITO CITY COUNCIL

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### **AGENDA TITLE:**

Approve Memorandum of Understanding between the Service Employees' International Union Local 1021 and the City of Sausalito.

### **RECOMMENDED MOTION:**

Approve Memorandum of Understanding between the Service Employees' International Union Local 1021 and the City of Sausalito for the term July 1, 2007 through June 30, 2010.

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### **BACKGROUND**

The Service Employee's International Union (SEIU) Local 1021 currently represents 25 City employees in Community Development, Public Works, the Library, and Parks and Recreation. Representatives of the SEIU and the City's negotiating team held several meet and confer sessions from June to October 2007 to discuss the terms of a new agreement for the employees in the SEIU unit. The City and SEIU agreed to terms on October 12, 2007 and SEIU members voted to ratify in late October. The text of the revised Memorandum of Understanding (MOU) for the term July 1, 2007 through June 30, 2010 has been prepared for formal Council approval at this Council meeting.

### **DISCUSSION**

The following changes from the 2005 – 2007 MOU with SEIU are included in the Draft Memorandum of Understanding that is before the City Council:

**Term:** The MOU would be in effect between July 1, 2007 and June 30, 2010.

**Wages:** All employees represented by SEIU would receive a 3% (three percent) wage increase effective July 1, 2007, a 4% (four percent) wage increase effective July 1, 2008, and a 5% (five percent) wage increase effective July 1, 2009 (see Section 5 of the Draft MOU). Additionally, a labor – management wage study will be conducted. The wage study will include the same cities and comparison components as was used in the Final Report of the Total Compensation Study of Senior Management Classes, dated September 27, 2006. If the study is completed by December 31, 2007, the City will adjust all unit salaries in an amount equal to one-half the difference between salaries in effect on July 1, 2007 and the market median identified in the wage study, retroactive to the pay period beginning November 18, 2007. The first pay period after September 1,

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2008, the City will adjust all unit salaries in an amount equal to one-half the difference between salaries in effect on July 1, 2007 and the market median identified in the wage study.

**Minimum Staffing:** Employees assigned by the department head or City Manager to work out of class shall be paid 5% (five percent) of their regular rate of pay. No employee shall be assigned to work out of class for longer than one (1) year unless special circumstances exist that requires such a lengthy assignment. In the event that an employee is assigned to work out of class for more than one (1) year, the employee shall be paid 10% (ten percent) of their regular rate of pay.

**Affordable Housing:** A labor – management committee will be formed to develop and present to the City Manager and City Council a report outlining employee concerns about the cost of housing and commuting. The committee may present information to the City Manager and City Council about how other jurisdictions address these issues.

**Dental Benefit:** Following the ratification of the MOU, the City shall increase the maximum annual dental benefit for enrollees from \$1,000 per year to \$1,500 per year, at the soonest time allowed by the contract between the City of Sausalito and its dental insurance provider. The City shall increase each category of the Cafeteria Plan (employee, employee plus one dependent, or employee plus all dependents) in the first year of the change in dental benefit by an amount equal to the difference between the premium for a \$1,000 maximum annual benefit and a \$1,500 maximum annual benefit.

**Retiree Health Benefit:** The retiree medical benefit for employees will be modified to be limited to the Kaiser employee-only monthly health insurance premium rate for retirees.

## **FISCAL IMPACT**

The cost of the changes would be \$52,083 for Fiscal Year 2008, \$72,827 for Fiscal Year 2009, and \$97,365 for Fiscal Year 2010. The cost of the salary adjustment based on the wage study is unknown at this time. Appropriation for the cost of the contract will be submitted to the City Council as part of the mid-year budget review.

This section was drafted with the assistance of the Finance Director/Treasurer.

## **STAFF RECOMMENDATIONS**

Approve Memorandum of Understanding between the Service Employee's International Union Local 1021 and the City of Sausalito for the term July 1, 2007 through June 30, 2010.

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**ATTACHMENT:**

Draft Memorandum of Understanding between the Service Employee's International Union Local 1021 and the City of Sausalito for the term July 1, 2007 through June 30, 2010.

PREPARED BY:

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Kevin Bryant, Deputy Planning Director

SUBMITTED BY:

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Adam Politzer, City Manager

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