



STAFF REPORT

AGENDA NO: 8j

MEETING DATE: August 19, 2019

To: Honorable Mayor and City Council

Date: August 19, 2019

From: Sonya M. Morrison, Human Resources Director – (650) 558-7209

Subject: Adoption of a Resolution Approving a Memorandum of Understanding between the AFSCME Local 829 Maintenance Unit and the City of Burlingame, Authorizing the City Manager to Execute the Memorandum on Behalf of the City, and Approving the City of Burlingame Pay Rates and Ranges (Salary Schedule)

RECOMMENDATION

Staff recommends that the City Council adopt the attached resolution authorizing the City Manager to amend the Memorandum of Understanding (MOU) between the AFSCME Local 829 Maintenance Unit and the City of Burlingame, authorizing the City Manager to execute the MOU on behalf of the City effective August 19, 2019, through June 30, 2022, and approving the City of Burlingame pay rates and ranges for employees (salary schedules).

BACKGROUND

The AFSCME Local 829 Maintenance Unit represents 60 employees in the Public Works Department and the Parks Division of the Parks and Recreation Department. Their labor agreement expired on June 30, 2019.

The City and the AFSCME Local 829 Maintenance Unit have met and conferred in good faith on the terms and conditions of employment as provided by State law and have negotiated the terms of a new agreement. The AFSCME Local 829 Maintenance Unit ratified tentative agreements that are within the authority provided by the City Council.

DISCUSSION

The major terms of the new MOU are similar to those included in the recent agreements with the Police Officers Association, the Police Sergeants Association, the Association of Police Administrators units, Teamsters Local 856, and the Department Head and Unrepresented Employees Unit and are as follows:

Term:

- Three years, July 1, 2019 through June 30, 2022

Salary:

- 4.5 % increase effective the pay period containing August 19, 2019
- 2.5% increase effective the pay period containing July 1, 2020
- 2.0% increase effective the pay period containing July 1, 2021

Health Reimbursement Arrangement:

- The City shall contribute 1.0% of base pay to a Retiree Health Reimbursement Arrangement (HRA) account for employees.

Retiree Medical:

- For employees hired on or after August 15, 2011, the City shall make contributions, based on base pay, to a retiree HRA account based on years of service. From date of hire to the 5th anniversary, the contribution will be 2.0%; starting the 5th anniversary through the 19th year of service, the contribution will be 3.0%; for 20 or more years of service, the contribution is 5.5%.
- The City shall make one-time retroactive payments to retiree HRA accounts for AFSCME Local 829 Maintenance Unit employees hired between January 1, 2012 and June 30, 2019, based on the formula above.

Medical:

- The City will contribute up to the third highest cost Bay Area premium rate for employee only, up to the third highest cost Bay Area premium rate for employee plus one, and up to the Bay Area premium Kaiser Family rate for employee plus two or more.
- Cash in lieu of medical insurance (\$350) shall be taken as taxable income.

Premium Pay (Administrative Unit only):

- The City shall pay a 10.0% differential to employees required to train new hires for the duration of the training program. The differential is only paid when a defined training program, supported by a training manual reviewed by the Human Resources Director and Department Head, is in place.

Safety Shoe and Safety Glasses Reimbursement:

- The City shall reimburse employees in the Maintenance Unit required to wear safety shoes, for the cost of two pairs of safety shoes per fiscal year, up to a maximum of \$336.
- The City shall reimburse employees in the Maintenance Unit one pair of prescription safety glasses per fiscal year, to a maximum of \$265.

Dental and Vision Plan:

- The City shall enhance the dental and vision plans by increasing reimbursements by \$600 per year for employees and \$500 for dependents for dental and \$400 per year for employees and \$250 for dependents for vision.

Language and Operational Changes:

- The MOU contains language updates and operational/procedural changes based on the attached tentative agreements.

The proposed increases for the AFSCME Local 829 Maintenance Unit require the City Council to authorize a new salary schedule that, once approved, will be made available to the public via the City of Burlingame website.

FISCAL IMPACT

The fiscal impact of these negotiated changes to the FY2019-20 budget is approximately \$410,000 for the Maintenance Unit.

Exhibits:

- Resolution
- Tentative Agreements – Maintenance Unit
- Salary Schedules