



City of Arts & Innovation

City Council Memorandum

TO: HONORABLE MAYOR AND CITY COUNCIL DATE: SEPTEMBER 2, 2025

FROM: HUMAN RESOURCES DEPARTMENT WARDS: ALL

SUBJECT: REVISIONS TO THE MEMORANDUM OF UNDERSTANDING WITH THE SERVICE EMPLOYEES' INTERNATIONAL UNION (SEIU) LOCAL 721 – GENERAL UNIT; REVISIONS TO THE MEMORANDUM OF UNDERSTANDING WITH THE SERVICE EMPLOYEES' INTERNATIONAL UNION (SEIU) LOCAL 721 – REFUSE UNIT; REVISIONS TO THE UNREPRESENTED EMPLOYEES' COMPENSATION AND BENEFITS PACKAGE; AND RELATED REVISIONS TO THE FRINGE BENEFIT AND SALARY PLAN – SUPPLEMENTAL APPROPRIATION

ISSUE:

Approve a successor Memorandum of Understanding with the Service Employees' International Union (SEIU) Local 721 – General Unit; approve a successor Memoranda of Understanding with the Service Employees' International Union Local 721 – Refuse Unit and revisions to the compensation and benefits package for Unrepresented employees; approve supplemental appropriation.

RECOMMENDATION:

That the City Council:

1. Approve the attached Memorandum of Understanding (MOU) for SEIU-General unit effective July 1, 2025, through June 30, 2028, which incorporates the negotiated revisions, and authorize the City Manager, or designee, to execute the Memorandum of Understanding on behalf of the City;
2. Approve the attached Memorandum of Understanding (MOU) for SEIU-Refuse unit effective July 1, 2025, through June 30, 2028, which incorporates the negotiated revisions, and authorize the City Manager, or designee, to execute the Memorandum of Understanding on behalf of the City;
3. Approve the changes to the compensation and benefits package for Unrepresented Employees;
4. Adopt the attached Resolution amending the Master Fringe Benefits and Salary Plan to reflect the revised MOU provisions as outlined in Exhibit A and Exhibit B attached thereto; and
5. With at least five affirmative votes, authorize the Chief Financial Officer, or designee, to record supplemental appropriations in the approximate amounts of \$6,970,406 in fiscal year 2025/26 in the applicable accounts.

BACKGROUND:

The City began labor negotiations with the Service Employees' International Union, Local 721 – General Unit and Refuse Unit in March of 2025, as the prior MOUs were set to expire on June 30, 2025. Labor negotiations continued through August 2025, until a mutual agreement was reached.

DISCUSSION:

The City entered into, and has successfully concluded, labor negotiations with the SEIU General Unit and the SEIU Refuse Unit. The provisions of the tentative agreements have been ratified by both SEIU General Unit and SEIU Refuse members as of the date of this council meeting. The tentative agreements reached between the City and the Union is herein presented for the City Council's approval. In addition, the compensation and benefits package for employees in the Unrepresented units is presented below for City Council consideration and approval.

SEIU – GENERAL UNIT SUMMARY OF TERMS

- Labor Contract Period: July 1, 2025 through June 30, 2028.
- Salaries:

Date	Salary Increase
Year 1: Effective the pay period in which the City Council approves the 2025-2028 MOU	<ul style="list-style-type: none"> • 3% increase to all employees base salary
Year 2: Effective the first pay period following July 1, 2026	<ul style="list-style-type: none"> • 4% increase to all employees base salary • 1% increase to employees in Tier 2 and 3 pay scale
Year 3: Effective the first pay period following July 1, 2027	<ul style="list-style-type: none"> • 4.5% increase to all employees base salary • 2% increase to employees in Tier 2 and 3 pay scale
All represented (SEIU General) City employees, as of the date payment is made, will receive a one-time non-PERSable lump-sum stipend of \$250 to be paid with the pay period in which City Council approves the 2025-2028 MOU.	

- Deferred Compensation: Effective the pay period in which City Council approves, the City will contribute \$50 per month toward the employee's deferred compensation plan provided the employee contributes a minimum of \$25 per month effective with pay period following City Council approval. Effective first pay period following July 1, 2026, the City will contribute \$75 per month and \$100 per month effective the first pay period following July 1, 2027.
- Health Insurance: Effective the pay period in which City Council approves, the City will contribute a one-time additional \$80 per month towards the employee only coverage.

Effective the first paycheck in December 2025 for January 2026 premiums, December 2026 for January 2027, and December 2027 for January 2028, sixty percent (60%) of the increase in health insurance premiums will be covered by the City and the remaining forty percent (40%) of the premium increase covered by the employees.

- **Shift Differential:** Effective the pay period following July 1, 2026, the shift differential will be increased as follows: Swing Shift \$2.00/hour and Graveyard Shift \$2.50/hour.
- **Tool Allowance:** Only for fiscal year 2025-2026 and fiscal year 2027-2028, the City will reimburse up to \$500 (for each fiscal year) on actual purchases and submission of receipts for tools to employees in the following classifications: Senior Mechanic, Mechanic, Fire Mechanic, Senior Aircraft Mechanic, Aircraft Mechanic and Equipment Service Worker.
- **Safety Footwear:** The City will increase the safety footwear stipend amount from \$250 to \$300 towards the purchase of safety footwear per fiscal year for eligible employees.
- **Required Footwear:** The City shall provide eligible employees one hundred dollars (\$100) biennially, in the first pay period following July 1st for subsequent years, for specific department required footwear as determined by management.
- **Salary Adjustment and New Classification:** An additional salary step (step 6) will be added to the Senior Street Maintenance Worker classification for performing painting duties and subsequent removal of the current additional pay provided to employees performing painting duties. A new classification of Senior Maintenance/Mitigation Worker will be created specifically to perform Hazwoper duties.

Job Code	Classification Title	Current Monthly Salary	Proposed Monthly Salary
3260	Sr. Street Maintenance Worker	\$5,169 - \$6,284	\$5,169 - \$6,598
3261	Sr. Street Maintenance Worker (T)	\$5,017 - \$6,101	\$5,017 - \$6,406
NEW	Sr. Maintenance/Mitigation Worker	N/A	\$5,169 - \$6,928
NEW	Sr. Maintenance/Mitigation Worker (T)	N/A	\$5,017 - \$6,726

- **Other changes:** Additional administrative/miscellaneous changes have been made to non-economic terms throughout the contract, as reflected in the attached, red-lined MOU.

SEIU – REFUSE UNIT SUMMARY OF TERMS

- **Labor Contract Period:** July 1, 2025 through June 30, 2028.
- **Salaries:**

Date	Salary Increase
Year 1: Effective the pay period in which City Council approves of the 2025-2028 MOU	<ul style="list-style-type: none"> • 4% increase to all employees' base salary • 2% increase to employees in Tier 2 and 3 pay scale
Year 2: Effective the first pay period following July 1, 2026	<ul style="list-style-type: none"> • 4% increase to all employees' base salary

	<ul style="list-style-type: none"> • 2% increase to employees in Tier 2 and 3 pay scale
Year 3: Effective the first pay period following July 1, 2027	<ul style="list-style-type: none"> • 4% increase to all employees' base salary • 2% increase to employees in Tier 2 and 3 pay scale
All represented (SEIU Refuse) City employees, as of the date payment is made, will receive a one-time non-PERSable lump-sum stipend of \$250 to be paid with the pay period in which City Council approves the 2025-2028 MOU.	

- Deferred Compensation: Effective the pay period in which City Council approves, the City will contribute \$50 per month toward the employee's deferred compensation plan provided the employee contributes a minimum of \$25 per month effective with pay period following City Council approval. Effective first pay period following July 1, 2026, the City will contribute \$75 per month and \$100 per month effective the first pay period following July 1, 2027.
- Health Insurance: Effective the pay period in which City Council approves, the City will contribute a one-time additional \$80 per month towards the employee only coverage. Effective the first paycheck in December 2025 for January 2026 premiums, December 2026 for January 2027, and December 2027 for January 2028, sixty percent (60%) of the increase in health insurance premiums will be covered by the City and the remaining forty percent (40%) of the premium increase covered by the employees.
- Safety Footwear: The City will increase the safety footwear stipend amount from \$250 to \$300 towards the purchase of safety footwear per fiscal year for eligible employees.
- Bilingual Stipend: The City will pay a \$75 per month bilingual stipend to positions designated as requiring the regular use of a second language.
- Refuse Manual Labor Pay: The City will pay any employee assigned to the manual crew, for each day so assigned, a 5% differential compensation on top of their regular base rate of pay.
- 5-Day Workweek: Effective after City Council approval, employees hired under the Refuse Unit will be assigned to a regular 5-day workweek schedule. Current employees hired before the City Council approval of the MOU may remain in the 4/10 workweek schedule.
- Other changes: Additional administrative/miscellaneous changes have been made to non-economic terms throughout the contract, as reflected in the attached, red-lined MOU.

UNREPRESENTED EMPLOYEES' SUMMARY OF TERMS

Unrepresented employees in the Executive, Senior Management, Management, Professional, Supervisory, Para-Professional, and Confidential groups shall be eligible for the following compensation and benefits as noted below:

- Salaries:

Date	Salary Increase
Year 1: Effective the pay period in which City Council approves	3% increase to base salary
Year 2: Effective the first pay period following July 1, 2026	4% increase to base salary
Year 3: Effective the first pay period following July 1, 2027	4.5% increase to base salary
All unrepresented City employees, as of the date payment is made, will receive a one-time non-PERSable lump-sum stipend of \$250 to be paid with the pay period in which City Council approves.	

- Deferred Compensation: Effective the pay period in which City Council approves, the City will contribute the following monthly amounts towards the employee's deferred compensation plan provided the employee contributes a minimum of \$25 per month effective the pay period following City Council approval. Confidential/Para-Professional/Supervisory: \$125; Management/Professional: \$150; Senior Management: \$175; Executive and Council/Mayor: \$200.
- Medical Insurance: Effective the pay period in which City Council approves, the City will contribute a one-time additional \$80 per month towards the employee only coverage. Effective the first paycheck in December 2025 for January 2026 premiums and subsequent years in December of each year, sixty percent (60%) of the increase in health insurance premiums will be covered by the City and the remaining forty percent (40%) of the premium increase covered by the employees. This includes Mayor/City Council.
- Dental Insurance: Effective the pay period in which City Council approves, the City contribution towards dental insurance will increase to \$85 per month for all coverage levels. This includes Mayor/City Council.
- Safety Footwear: Effective first pay period following July 1, 2025, the City will increase the safety footwear stipend amount from \$250 to \$300 towards the purchase of safety footwear per fiscal year for eligible employees.
- Shift Differential: Effective the pay period following July 1, 2026, the shift differential will be increased as follows: Swing Shift \$2.00/hour and Graveyard Shift \$2.50/hour.
- Auto Allowance: Effective the pay period in which City Council approves the report, a \$350 per month auto allowance will be given to employees in certain Deputy Director or Assistant Director classifications.
- Sick Leave to Vacation Transfer Provision: Employees in the Executive group may participate with no required minimum years of service.
- Administrative Leave: Effective with pay period following July 1, 2025, employees in the Senior Management group will receive an increase of administrative leave hours from 64 hours to 80 hours and employees in the Executive group will receive an increase from 80 hours to 100 hours.
- Salary Compaction: The Unrepresented classifications below will need to be adjusted as noted in the table to avoid salary compaction with SEIU classifications in accordance with

the Fringe Benefits and Salary Plan Section 5 (m) 1. The provision requires that a minimum of ten percent (10%) salary differential exist between the manager and the subordinate classification.

Job Code	Classification Title	Current Monthly Salary (w/ 3% COLA)	Proposed Monthly Salary	% Adj
7424	Utilities Assistant General Mgr- Energy Dlv'r (BU 07)	\$15,562 - \$20,290	\$15,735 - \$20,520	1.13%
8376	Utilities Assistant General Mgr- Finance&Admin (BU 07)	\$15,562 - \$20,290	\$15,735 - \$20,520	1.13%
8387	Utilities Assistant General Mgr - Mktg/Cust (BU 07)	\$15,562 - \$20,290	\$15,735 - \$20,520	1.13%
8301	Utilities Assistant General Mgr- Oper Tech (BU 07)	\$15,562 - \$20,290	\$15,735 - \$20,520	1.13%
8366	Utilities Assistant General Mgr - Resources (BU 07)	\$15,562 - \$20,290	\$15,735 - \$20,520	1.13%
7436	Utilities Assistant General Mgr- Water (BU 07)	\$15,562 - \$20,290	\$15,735 - \$20,520	1.13%
4720	Utilities Electric Superintendent (BU 10)	\$12,590 - \$16,792	\$12,712 - \$16,960	1.00%
4876	Utilities Dispatch Superintendent (BU 10)	\$12,417 - \$15,855	\$12,538 - \$16,014	1.00%
4711	Utilities Electric Field Manager (BU 10)	\$15,197 - \$18,470	\$15,344 - \$18,655	1.00%
5120	Utilities Electric Operations Manager (BU 10)	\$15,197 - \$18,470	\$15,344 - \$18,655	1.00%
7411	Utilities Generation Plant Manager (BU 10)	\$12,722 - \$15,461	\$12,845 - \$15,616	1.00%

FISCAL IMPACT:

The total cumulative cost of the General Unit and Refuse MOUs, Unrepresented Employees compensation and benefit package, and the updated Master Fringe Benefits and Salary Plan is \$6,970,406 in Fiscal Year 2025/26, \$17,085,463 in Fiscal Year 2026/27, and \$28,956,156 in Fiscal Year 2027/28 for a total \$53,012,024 over the three-year term of the agreements. This estimate assumes all positions are filled, but actual costs will vary as a result of staff vacancies. A breakout of costs by fund and agreement is outlined below.

SEIU General				
Fund	FY 2025/26	FY 2026/27	FY 2027/28	Contract Term
101 - General Fund	\$1,430,468	\$3,746,781	\$6,590,766	\$11,768,015
110 - Measure Z Fund	144,060	375,406	662,676	\$1,182,142
215 - Grants and Restricted Programs	9,604	25,574	44,944	\$80,123
220 - CDBG-Community Development	2,214	5,762	10,239	\$18,216
223 - Development Grants	3,843	9,806	17,423	\$31,072
510 - Electric	495,365	1,307,473	2,304,939	\$4,107,777
520 - Water	73,330	197,063	347,177	\$617,570
530 - Airport	12,991	33,753	59,359	\$106,103
540 - Refuse	39,660	103,753	182,521	\$325,934
550 - Sewer	257,637	691,411	1,215,130	\$2,164,177
560 - Special Transit	73,766	182,269	324,408	\$580,443
570 - Public Parking	44,503	114,455	201,673	\$360,632
640 - Central Stores	25,161	65,237	114,113	\$204,511
650 - Central Garage	99,862	238,559	426,852	\$765,273
TOTAL SEIU	\$2,712,463	\$7,097,302	\$12,502,221	\$22,311,986

SEIU Refuse				
Fund	FY 2025/26	FY 2026/27	FY 2027/28	Contract Term
Refuse Fund	\$602,048	\$440,289	\$660,751	\$1,703,088
Total	\$602,048	\$440,289	\$660,751	\$1,703,088

Unrepresented				
Fund	FY 2025/26	FY 2026/27	FY 2027/28	Contract Term
101 - General Fund	\$2,081,633	\$5,415,768	\$8,945,074	\$16,442,475
215 - Grants and Restricted Programs	\$15,231	\$40,817	\$68,093	\$124,142
110 - Measure Z Fund	\$77,293	\$205,267	\$341,429	\$623,989
630 - Liability Insurance Trust	\$76,601	\$199,776	\$330,298	\$606,674
610 - Workers' Compensation Trust	\$18,537	\$49,624	\$82,757	\$150,919
650 - Central Garage	\$23,736	\$63,982	\$106,120	\$193,838
640 - Central Stores	\$3,433	\$9,162	\$15,263	\$27,859
530 - Airport	\$8,903	\$22,011	\$35,720	\$66,634
280 - Housing Authority	\$26,492	\$70,183	\$116,644	\$213,319
220 - CDBG-Community Development	\$13,315	\$35,483	\$59,087	\$107,885
170 - Development	\$14,555	\$38,141	\$63,161	\$115,857
550 - Sewer	\$112,754	\$296,500	\$488,361	\$897,615
540 - Refuse	\$29,523	\$78,048	\$129,649	\$237,220
260 - NPDES Storm Drain	\$10,226	\$27,277	\$45,438	\$82,941
570 - Public Parking	\$11,639	\$30,816	\$51,206	\$93,660
560 - Special Transit	\$16,765	\$44,691	\$74,428	\$135,884
510 - Electric	\$912,741	\$2,377,777	\$3,935,343	\$7,225,861
520 - Water	\$202,518	\$542,548	\$905,110	\$1,650,176
Total	\$3,655,895	\$9,547,871	\$15,793,183	\$28,996,950

Upon Council approval, supplemental appropriations for FY 2025/26 in the amounts shown below will be recorded in the listed funds. Sufficient fund reserves are available to support the requested supplemental appropriations. Ongoing costs will be incorporated into departmental personnel budgets for the respective future fiscal years.

All Units				
Fund	FY 2025/26	FY 2026/27	FY 2027/28	Contract Term
101 - General Fund	\$3,512,101	\$9,162,549	\$15,535,840	\$28,210,490
110 - Measure Z Fund	\$221,354	\$580,672	\$1,004,105	\$1,806,131
170 - Development	\$14,555	\$38,141	\$63,161	\$115,857
215 - Grants and Restricted Programs	\$24,836	\$66,391	\$113,037	\$204,264
220 - CDBG-Community Development	\$15,530	\$41,246	\$69,326	\$126,101
223 - Development Grants	3,843	9,806	17,423	\$31,072
260 - NPDES Storm Drain	\$10,226	\$27,277	\$45,438	\$82,941
280 - Housing Authority	\$26,492	\$70,183	\$116,644	\$213,319
510 - Electric	\$1,408,106	\$3,685,250	\$6,240,282	\$11,333,638
520 - Water	\$275,848	\$739,611	\$1,252,286	\$2,267,746
530 - Airport	\$21,894	\$55,764	\$95,080	\$172,737
540 - Refuse	\$671,230	\$622,090	\$972,922	\$2,266,242
550 - Sewer	\$370,391	\$987,911	\$1,703,491	\$3,061,793
560 - Special Transit	\$90,531	\$226,960	\$398,836	\$716,327
570 - Public Parking	\$56,142	\$145,271	\$252,879	\$454,292
610 - Workers' Compensation Trust	\$18,537	\$49,624	\$82,757	\$150,919
630 - Liability Insurance Trust	\$76,601	\$199,776	\$330,298	\$606,674
640 - Central Stores	\$28,595	\$74,399	\$129,376	\$232,370
650 - Central Garage	\$123,598	\$302,541	\$532,972	\$959,111
Total	\$6,970,406	\$17,085,463	\$28,956,156	\$53,012,024

Prepared by: Rene Goldman, Human Resources Director
 Certified as to availability of funds: Kristie Thomas, Finance Director/Assistant CFO
 Approved by: Edward Enriquez, Assistant City Manager/CFO/City Treasurer
 Approved as to form: Rebecca McKee-Reimbold, Interim City Attorney

Attachments:

1. Comprehensive Memorandum of Understanding for SEIU General Unit - Redlined
2. Comprehensive Memorandum of Understanding for SEIU Refuse Unit - Redlined
3. Resolution Amending the Fringe Benefits and Salary Plan
 - a. Exhibit A –Job Code Table
 - b. Exhibit B – Amended Fringe Benefits and Salary Plan