



DATE: September 17, 2024

TO: Mayor and City Council

FROM: Director of Human Resources

SUBJECT: Adopt a Resolution Approving the Memorandum of Understanding between the City of Hayward and the Service Employees International Union (SEIU), Local 1021, Clerical and Related Unit, and Authorizing Staff to Execute the Agreement

RECOMMENDATION

That Council adopts the attached resolution (Attachment II) approving the Memorandum of Understanding (“MOU”) between the City of Hayward (“City”) and the Service Employees International Union, Local 1021, Clerical and Related Unit (“SEIU”) bargaining unit from July 1, 2024, through June 30, 2027.

SUMMARY

The current SEIU MOU expired on June 30, 2024. The attached resolution will allow staff to execute a successor agreement with SEIU, from July 1, 2024, through June 30, 2027. The new agreement will grant cost of living (COLA) salary adjustments totaling thirteen percent (13%) over the three-year contract term, equity salary adjustments for all SEIU members who remain three (3%) or more under the market median based on a total compensation study completed in December 2023, enhance continuous service pay, increase meal allowance to seventeen dollars (\$17.00), add the Juneteenth holiday, increase the Health and Wellness allowance to seven hundred and twenty dollars (\$720.00), add safety shoe allowance for eligible classification of two hundred and fifty dollars (\$250.00) per calendar year, institute a hard cap on vacation accrual and add a vacation cash out option of up to forty (40) hours. The new contract also includes operational, administrative, and legal language updates.

BACKGROUND AND DISCUSSION

During the term of its prior contract with SEIU, the City worked hard to achieve and maintain fiscal sustainability. Though the City continues to face the challenges of growing pension and retiree health liabilities, the City also recognizes the need to provide competitive salary increases as part of any successor contract to maintain the ability to recruit and retain employees. To do so, and to help mitigate growing costs, the City sought to maintain its cost-sharing structure for major employee benefits, including health and retirement. As

detailed below, the City was able to achieve both goals in the proposed contract.

As part of the previous contract, the City and SEIU, conducted a total compensation study for benchmark classifications. The parties recognized that to improve the City's position in the labor market, it would be beneficial to implement equity adjustments based on the total compensation study. As outlined below the parties agreed that:

- Positions that are three percent (3%) or more under the market median for total compensation shall receive an equity adjustment that brings them to the total compensation median.

In addition to these equity adjustments, the City and SEIU also agreed to the following COLA salary adjustments during the contract term.

- Six percent (6%) salary adjustment effective July 29, 2024.
- Four percent (4%) salary adjustment effective July 1, 2025.
- Three percent (3%) salary adjustment effective July 1, 2026.

This structure provides the City with a period of fiscal stability as it continues to navigate the impacts of the COVID-19 pandemic. It also provides employees with significant, competitive salary increases over the full contract term. The proposed contract maintains employee contributions toward the Employer's share of retirement costs and shall be adjusted effective January 1, 2025, to reflect a 5% total cost share contribution, medical benefits, dental and vision plans.

The parties also agreed to several operational, administrative, and legal updates to the contract. Of note, is the City addition of (i) Reproductive Loss Leave as mandated by State law, (ii) an increase in bereavement leave benefit to five (5) paid days, (iii) an increase to forty hours (40) of sick leave to care for an eligible family member as mandated by State law, (iv), update list of positions eligible for standby pay.

The table below summarizes the key proposed changes in the new MOU:

Table 1: Key Proposed Changes

MOU Section	Updated Language	Effective Date
MOU Clean-up Language	MOU Clean-up language throughout.	July 1, 2024
1.01 Recognition	Union and City signed a side-letter agreement to continue discussions regarding inclusion of temporary employees, as defined in California Govt. Code (§)3507.7.	TBD
1.03 Union Security	Union and City signed a side-letter agreement to continue discussions regarding inclusion of temporary employees, as defined in California Govt. Code (§)3507.7.	TBD
4.05 Meal Periods and Rest Periods	Add clarifying language: “As an exception, employees required to remain on-site at the Police Department during their meal break will be provided a thirty (30) minute paid meal break. This includes all positions that are regularly assigned to twelve (12) hour work shifts.	July 1, 2024
5.00 Special Pay and Allowances	5.01 Meal Allowance: <ul style="list-style-type: none"> • Increase Meal Allowance from \$15.00 to \$17.00 	July 29, 2024
	5.02 Standby Pay: <ul style="list-style-type: none"> • Revised classifications eligible for standby pay to include Crime Scene Technician (C685), Animal Control Officer (C610), Animal Care Attendant (C600), Property and Evidence Technician (C665), Crime Scene Specialist (C687), and delete Community Services Officer (C650). 	July 29, 2024
	5.07 Night Shift Differential: <ul style="list-style-type: none"> • Clarify Night Shift Differential shifts language, “employees must work a minimum of five (5) hours between the time period of 3:00 p.m. and 11:00 p.m. or a minimum of five (5) hours between the time period of 11:00 p.m. and 7:00 a.m. in order to be eligible for the respective night shift differential.” 	July 1, 2024
8.08 Change in Pay Upon Demotion	Add clarifying language for employees who are demoted, shall be placed at the	July 1, 2024

	step held in the previous classification.	
9.01 Salaries	FY 2024 – six percent (6%) COLA	July 29, 2024
	FY 2025 – four percent (4%) COLA	July 1, 2025
	FY 2026 – three percent (3%) COLA	July 1, 2026
9.02 Continuous Service Pay	<p>Update Continuous Service Pay Tiers as follows:</p> <ul style="list-style-type: none"> • 15 years – 2.5% • 20 years – 2.5% • 25 years – 2.5% <p>Maximum premium of 7.5%</p>	July 29, 2024
10.01 Defined Benefit Retirement Program	Update the employee’s cost share effective the pay period beginning January 1, 2025, to 5%.	January 1, 2025
11.01 Holidays Observed by the City	<ul style="list-style-type: none"> • Add Juneteenth to the list of existing City observed holidays. 	July 1, 2024
12.00 Vacations	<ul style="list-style-type: none"> • Update language to include all requests for vacation leave shall be approved or denied in writing and in advance. 	July 1, 2024
	<ul style="list-style-type: none"> • Update language instituting a hard cap for vacation accrual at a maximum of twice the annual accrual rate. 	January 1, 2025
	<p>Section 12.02 Vacation Leave Allowance for Full-Time Employees</p> <ul style="list-style-type: none"> • For Full-Time Employees add a vacation cash-out option for up to forty (40) hours maximum per calendar year. • For Part-Time Employees add a vacation cash-out option for up to twenty (20) hours maximum per calendar year. 	January 1, 2025
13.00 Sick Leave	<ul style="list-style-type: none"> • Update language to include a maximum use of forty (40) hours to care for an eligible family member. 	July 1, 2024
14.01 Bereavement and Reproductive Loss Leave	Increase bereavement leave from 3 paid days to 5 paid days. Add Reproductive Loss Leave.	July 1, 2024
14.04 Industrial Injury Leave	Change the section title to “Worker’s Compensation Leave.”	July 1, 2024
15.00 Grievances	Add clarifying language: Increase City response timeframe. Add compensation grievances at Step 2 and not subject to further review.	July 1, 2024

16.02 Uniforms/Safety Shoes	<p>Addition of Safety Shoe Allowance up to \$250.00, per calendar year for employees in a probationary or regular status to the classifications of:</p> <ul style="list-style-type: none"> • Community Services Officer (C650) • Animal Control Officer (C610) • Jail Supervisor (C650) • Property and Evidence Technician (C655) • Crime Scene Technician (C685) 	July 29, 2024
16.22 Health and Wellness	<p>Increase and enhance Health and Wellness Benefits as follows:</p> <ul style="list-style-type: none"> • For full-time employees an increase in health and wellness from six hundred dollars (\$600.00) to seven hundred and twenty dollars (\$720.00). This reimbursement may be made in a lump sum or may be used for recurring monthly expenses. • Part-time employees who work less than forty (40) hours per week shall be eligible to receive a maximum of thirty (\$30.00) per month for expenses associated with health and wellness programs. 	July 29, 2024
20.00 Duration of MOU	3-year term: July 1, 2024 – June 30, 2027	July 1, 2024
APPENDIX A Salary Survey Equity Adjustments	<ul style="list-style-type: none"> • Positions that are three percent (3%) or more under the total compensation market median shall receive an equity adjustment that brings them to the total compensation median. 	July 29, 2024

FISCAL IMPACT

The total proposed changes will result in an estimated cost of \$4,256,825 over the three-year contract period (FY 2025-2027). Of that amount, the General Fund impact is \$2,276,364, with a net impact of \$1,980,461 to all other operating funds over the three-year contract period.

STRATEGIC ROADMAP

This agenda item is a routine operational item and does not relate to one of the Council's Strategic Roadmap.

NEXT STEPS

If adopted, Human Resources staff will finalize the agreement, the City Manager will execute the agreement, and the Finance Department will implement the above changes in coordination with Human Resources.

Prepared by: Marisa Guerrero, Human Resources Manager

Recommended by: Brittney Frye, Director of Human Resources

Approved:



Dustin Claussen, Interim City Manager