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Staff Report for a Resolution Approving the San Leandro Management Organization (SLMO) Memorandum of Understanding

**SUMMARY AND RECOMMENDATIONS**

The City Manager recommends that the City Council approve a resolution ratifying the Memorandum of Understanding (MOU) between the City of San Leandro and the San Leandro Management Organization (SLMO) for the period covering July 1, 2015 through June 30, 2020.

**BACKGROUND**

The San Leandro Management Organization (SLMO) represents approximately 36 full-time management employees. The City and SLMO negotiators reached a tentative agreement, which is presented to the City Council for its approval. The proposed MOU may be subject to administrative corrections for clerical purposes as warranted.

**Analysis**

The City and SLMO have reached a tentative agreement based on the terms negotiated. The major elements of the tentative agreement include the following:

**Term**

The proposed term for the MOU is for the period July 1, 2015 through June 30, 2020 (5 years)

**Compensation**

Salary increases will be effective as follows:

- Effective January 1, 2016, a three (3%) percent salary increase.
- Effective January 1, 2017, a three (3%) percent salary increase.

- Effective January 1, 2018, a three (3%) percent salary increase.
- Effective January 1, 2019, a three (3%) percent salary increase.
- Effective January 1, 2020, a three (3%) percent salary increase.

### Medical

The City's 2016 monthly contribution will be increased as follows:

<u>Level</u>	<u>Increase</u>
Employee only	+ \$25
Employee +1	+ \$50
Employee +2 or more	+ \$75

Thereafter, employees will pay 50% of premium increases or decreases based on the Kaiser rate.

### Other

An additional floating holiday will be provided to employees.

The management development reimbursement will be increased from \$750 to \$1,000 per year for reimbursement of career development training, technology, fitness and health expenses.

### Previous Action

On September 16, 2013, by Resolution No. 2013-120, the City Council approved the prior MOU for the period January 1, 2013 through June 30, 2015.

### Fiscal Impacts

The MOU is effective July 1, 2015 but the financial terms of the MOU will go into effect January 1, 2016. The total cost over the life of the MOU is approximately \$1,050,600, which primarily represents the 3% wage increase each year. The financial impact is approximately \$108,700 in FY 2015-16 for the period January 1, 2016 through June 30, 2016; \$221,900 in FY 2016-17; \$230,900 in FY 2017-18; \$240,100 in FY 2018-19; and \$249,000 in FY 2019-20.

### Budget Authority

Staff will provide further analysis and submit 2015-16 budget adjustments by fund for City Council appropriation approval.

### **ATTACHMENT**

- Memorandum of Understanding (MOU)

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