



Legislation Text

File #: 22-704, **Version:** 1

Adopt a Resolution to Approve the San Leandro Management Organization (SLMO) Memorandum of Understanding for the Period Covering January 1, 2023 through June 30, 2028

COUNCIL PRIORITY

- Infrastructure
- Fiscal Sustainability and Transparency

SUMMARY

In November 2022, the City of San Leandro reached a tentative agreement with the San Leandro Management Organization (SLMO) on a Memorandum of Understanding (MOU) with a term of five and one-half years. SLMO represents 38 full-time management employees throughout the City. The proposed MOU contains changes from the prior agreement's terms and conditions consisting primarily of equity adjustments and wage increases, as well as leaves.

RECOMMENDATIONS

Staff recommends that the City Council approve a resolution approving the Memorandum of Understanding (MOU) between the City of San Leandro and the San Leandro Management Organization (SLMO) for the period covering January 1, 2023 through June 30, 2028; and approve appropriations in the operating budget as necessary to implement the terms of the MOU.

BACKGROUND

The current SLMO MOU expires on December 31, 2022. Beginning October 11, 2022, the City's negotiating team and SLMO representatives commenced negotiations. The parties conducted six negotiation sessions and successfully reached a tentative agreement November 29, 2022. The City received notice that SLMO ratified the agreement on November 30, 2022.

Negotiations focused heavily on the results of the total compensation study conducted by Koff & Associates ("Koff") for benchmarked SLMO classifications. Market results for base salary showed that more than half of the classifications surveyed were below market median, but the City's benefits package was competitive. Based on the results, equity adjustments for base salary were agreed upon to ensure a fair and competitive compensation plan, create internal relationships between salaries for succession planning, and meet the needs of the City with regards to recruitment and retention of high-quality staff.

Analysis

The following is a summary of the key provisions from the tentative agreement.

Compensation

- Effective January 1, 2023, Management Incentive Pay will be rolled into base salary. In addition, all classifications shall receive an equity salary adjustment of 5% above the salary range placement from the 2022 compensation study completed by Koff and Associates. Classifications with salaries that surveyed above the equity salary adjustment will be frozen (“Y-rated”) until the incumbents salary is within the salary range adjustment.
- Effective July 1, 2023, a base wage increase of 5%.
- Effective July 1, 2024, a base wage increase of 3.5%.
- Effective July 1, 2025, a base wage increase of 3.5%.
- Effective July 1, 2026, a base wage increase of 3%.
- Effective July 1, 2027, a base wage increase of 5%.

Leaves

- Vacation leave - New employees will accrue at the rate based on their total years of experience in their respective field.
- Administrative leave - Increase from 40 hours to 80 hours per year.

Previous Action

- On January 4, 2022, by Resolution No. 2022-009, the City Council approved the prior SLMO MOU for the period January 1, 2022 through December 31, 2022.

Fiscal Impacts

The SLMO MOU is effective January 1, 2023. The terms of the proposed MOU will result in a Fiscal Year 2022-2023 (January 1, 2023-June 30, 2023) cost of \$425,775 but will not impact the City’s General Fund unrestricted fund balance, as there is sufficient funding from appropriations in the Fiscal Year 2022-2023 adopted budget to absorb the cost. Costs for the remaining fiscal years affected by the term of the MOU will require Council appropriation as part of actions to be undertaken through subsequent biennial budget processes to the corresponding salary allocations as follows:

- Fiscal Year 2023-2024: \$873,798
- Fiscal Year 2024-2025: \$511,293
- Fiscal Year 2025-2026: \$388,416
- Fiscal Year 2026-2027: \$457,535
- Fiscal Year 2027-2028: \$636,034

ATTACHMENTS

Attachment A: Resolution

Attachment B: SLMO MOU with salary schedules

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