

**APPROVAL OF AGREEMENTS WITH AEA, AMSP,  
CAMP, AND MEF; APPROVAL OF SIDE LETTER  
AGREEMENTS TO AMEND CERTAIN ARTICLES IN  
THE CURRENT MOAS WITH ABMEI, ALP, POPRA,  
SJPDA, OE#3, AND IBEW; AND CHANGES FOR  
EXECUTIVE MANAGEMENT AND PROFESSIONAL  
EMPLOYEES IN UNIT 99 AND OTHER  
UNREPRESENTED EMPLOYEES (UNITS 81/82) FOR  
FISCAL YEARS 2023-2024, 2024-2025, AND 2025-2026**

**September 12, 2023**

Jennifer Schembri, Director of Employee Relations and Director of Human Resources  
Jim Shannon, Budget Director

# NEGOTIATION TEAMS

## MEF Negotiating Team

<b>John Tucker</b>	<b>AFSCME Business Agent</b>
<b>Cindy Harlin</b>	<b>MEF President</b>
<b>Dan Gibson</b>	<b>MEF Team Member</b>
<b>Rachel Atkins</b>	<b>MEF Team Member</b>
<b>Austin Carrell</b>	<b>MEF Team Member</b>
<b>Nick Rovetto</b>	<b>MEF Team Member</b>
<b>Ben Martinez</b>	<b>MEF Team Member</b>
<b>Kevin Johnson</b>	<b>MEF Team Member</b>
<b>Juliette Licon</b>	<b>MEF Team Member</b>
<b>David Parker</b>	<b>MEF Team Member</b>

## IFPTE Negotiating Team

<b>Liz Kamy</b>	<b>IFPTE Representative</b>
<b>Romandha Celestin</b>	<b>IFPTE Representative</b>
<b>Krista De La Torre</b>	<b>IFPTE Representative</b>
<b>Jesse Perez</b>	<b>AMSP President</b>
<b>Moses Arroyo</b>	<b>AMSP Team Member</b>
<b>Sean Archer</b>	<b>AMSP Team Member</b>
<b>Julie Jennings</b>	<b>CAMP President</b>
<b>Kat Estrada</b>	<b>CAMP Team Member</b>
<b>David Nerhood</b>	<b>CAMP Team Member</b>
<b>Florin Lapustea</b>	<b>AEA President</b>
<b>Jim Bittner</b>	<b>AEA Team Member</b>
<b>Aric Johnson</b>	<b>AEA Team Member</b>

- We would also like to thank Mary Sunzeri (SJPD), Jeremy Cabaccang (POPRA and OE#3), Terra Chaffe (ALP), Frank Crusco (IBEW), and Long Vu (IBEW) for their efforts on reaching subsequent Side Letter Agreements with the City

## City Negotiating Team

<b>Burke Dunphy</b>	<b>Elsa Cordova</b>	<b>Bill Gold</b>	<b>Rikki Nguyen</b>	<b>Jim Shannon</b>
<b>Bonny Duong</b>	<b>Katherine Brown</b>	<b>Jeff Provenzano</b>	<b>Jenny Choi</b>	<b>Hal Spangenberg</b>

# BACKGROUND

- The City's collective bargaining agreements with AEA, AMSP, CAMP, and MEF expired on June 30, 2023
- In March 2023, negotiations commenced with MEF, AEA, AMSP, and CAMP on successor agreements
- On June 19, 2023, the parties reached impasse, and in July and August 2023, the parties participated in impasse mediation sessions facilitated by a state mediator
- On August 15, 2023, the City reached overall tentative agreements on the terms to be contained in a successor Memoranda of Agreement (MOAs) with AEA, AMSP, CAMP, and MEF
- The City subsequently reached Side Letter Agreements with ABMEI, ALP, POPRA and SJPDA to amend the terms of their respective MOAs regarding compensation and City-Paid Parental Leave
- The City also reached subsequent Side Letter Agreements with OE#3 and IBEW related to the observance of Lunar New Year

# KEY PROVISIONS OF AGREEMENTS

<b>Term</b>	July 1, 2023, through June 30, 2026
<b>Pensionable General Wage Increase for Fiscal Year 2023-2024 (AEA, AMSP, CAMP, and MEF)</b>	6% pensionable base pay increase effective September 17, 2023
<b>Pensionable General Wage Increase for Fiscal Year 2023-2024 (ABMEI, ALP, POPRA, SJPDA, Unit 99, and Units 81/82)</b>	Employees in ABMEI, ALP, POPRA, SJPDA, Unit 99, and Units 81/82 will receive a pensionable base pay increase of approximately 1.00%, for a total of 6.00% in Fiscal Year 2023-2024 effective September 17, 2023
<b>Pensionable General Wage Increase for Fiscal Year 2024-2025</b>	4% pensionable base pay increase effective the first pay period in FY 2024-2025  Effective the first full pay period in January 2025, a 1% pensionable base pay increase
<b>Pensionable General Wage Increase for Fiscal Year 2025-2026</b>	3.50% pensionable base pay increase of approximately 3.50 effective the first pay period in FY 2025-2026  If the revised 5-Year Forecast included as part of the 2025-2026 Proposed Operating Budget includes a \$10 million dollar surplus or more in Fiscal Year 2025-2026, the general wage increase will be 4.00%.

# KEY PROVISIONS OF AGREEMENTS

<b>Paid Parental Leave</b>	The Paid-Parental Leave Program will become permanent. For eligible births, adoptions, or foster care placements, full-time employees will receive a maximum total of 320 hours of paid time off and shall be eligible to use a maximum total of 120 hours of their available sick leave for City-Paid Parental Leave reasons.
<b>Lunar New Year</b>	<p>Lunar New Year shall be observed as a City-observed holiday and New Year's Eve Day shall no longer be a City-observed holiday</p> <p>Employees shall be entitled to either an additional eight (8) hours of executive leave or an additional eight (8) hours of personal leave to observe a personal holiday that is not observed by the City</p>
<b>Public Safety Radio Dispatcher Certification Pay (MEF) / Crisis Intervention Training Pay (SJPDA)</b>	<p>Employees in PSRD classifications who possess an Emergency Fire Dispatch (EFD) certification and an Emergency Medical Dispatch (EMD) certification shall be eligible to receive a 3.75% non-pensionable premium pay</p> <p>Employees in SJPDA who sign-up or have completed the Crisis Intervention Training will be eligible to receive the 3.75% Crisis Intervention Training non-pensionable premium pay</p>
<b>Employee Assistance Program (EAP) for Part-Time Unbenefited Employees (MEF)</b>	Effective January 1, 2024, the City will provide part-time unbenefited employees up to five (5) visits per issue type per 12-month period

## GENERAL FUND BUDGETARY IMPLICATIONS AND ADJUSTMENTS

- In 2023-2024, total ongoing costs of the compensation and benefit increases is approximately \$28.7 million, of which approximately \$13.8 million is in the General Fund.
- Of the \$13.8 million in ongoing increased costs to the General Fund, ongoing funding previously set aside in the Salaries and Benefits Reserve for negotiated wage increases for these employees and classification-specific salary adjustments totals \$11.0 million, leaving an ongoing shortfall of \$2.8 million in the first year of the agreements.
- In accordance with City Council Policy 1-18, Section 2, *Fiscal Integrity* – which specifies that “ongoing operating program costs will not exceed the amount of ongoing revenue to finance those costs” – approval of the labor agreements must also be accompanied by ongoing expenditure offsets in 2023-2024 to ensure that ongoing cost obligations do not exceed the ongoing revenues expected to be received in 2023-2024, and that the General Fund remains in balance.

# GENERAL FUND BUDGETARY IMPLICATIONS AND ADJUSTMENTS

DEPT	PROPOSAL TITLE	FTE	AMOUNT
<b>No Service Impacts:</b>			
City-Wide	- Sick Leave Payments Upon Retirement		(\$650,000)
Parks, Rec, and Neigh Svcs (PRNS)	- PRNS Water Budget Reduction		(\$150,000)
City-Wide	- Banking Services		(\$100,000)
<b>Minimal to No Service Impacts:</b>			
Multiple	- Vacancy Eliminations	(9.56)	(\$830,000)
Public Works	- General Vehicle Replacements		(\$250,000)
<b>Service Impacts:</b>			
PRNS	- Placemaking/Viva CalleSJ and Viva Parks	(2.50)	(\$570,000)
City-Wide	- Council District Outdoor Activation		(\$250,000)
<b>TOTAL</b>		<b>(12.06)</b>	<b>(\$2,800,000)</b>

## FUTURE BUDGETARY IMPLICATIONS

- Additional actual and expected cost impacts from the employee compensation increases are anticipated to put negative pressure on the 2024-2025 and 2025-2026 General Fund budget development processes.
- Absent any improvement in projected economic conditions, estimates for other revenue sources, and/or other expenditure costs, double-digit General Fund shortfalls may occur.
- Because community needs and expectations to expand various services already exceeds the City's limited budgetary capacity, the General Fund faces a service level/structural shortfall from a practical perspective.
- The City Council is anticipated to engage in difficult budgetary tradeoff considerations for the foreseeable future.



# RECOMMENDATION

- A. Adopt a resolution to approve:
  - 1. The terms of collective bargaining agreements with AEA, AMSP, CAMP and MEF
  - 2. The terms of Side Letter agreements with ABMEI, POPRA, SJPDA, OE#3 and IBEW
  - 3. Approve and amend compensation and benefit changes for executive management and professional employees in Unit 99 and other unrepresented employees in Units 81/82
- B. Adopt the related 2023-2024 Appropriation Ordinance amendments in various funds as detailed in Attachment J
- C. Approve the changes to budgeted positions in various departments as detailed in Attachment K

# DISCUSSION AND QUESTIONS