



**SAN RAFAEL CITY COUNCIL AGENDA REPORT**

Department: Human Resources

Prepared by: Shibani Nag,  
Director of Employee Experience  
and Culture

City Manager Approval: \_\_\_\_\_

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**TOPIC: EXTENSION OF MEMORANDUM OF UNDERSTANDING (MOU) WITH PUBLIC EMPLOYEE UNION LOCAL 1 - CONFIDENTIAL**

**SUBJECT: RESOLUTION APPROVING A MEMORANDUM OF UNDERSTANDING SIDE LETTER AGREEMENT BETWEEN THE CITY OF SAN RAFAEL AND PUBLIC EMPLOYEE UNION LOCAL 1 – CONFIDENTIAL**

**RECOMMENDATION:**

Adopt Resolution approving the Side Letter Agreement between the City of San Rafael and the Public Employee Union Local 1 – Confidential (“LOCAL 1”).

**BACKGROUND / ANALYSIS:**

In July 2018, the City of San Rafael entered into a [Memorandum of Understanding \(MOU\) with the LOCAL 1 for a two-year term from July 1, 2018 through June 30, 2020](#). The City and LOCAL 1 have reached a tentative agreement to extend the current MOU by one year, through June 30, 2021 by use of a side letter agreement (Exhibit to Attachment 1). The side letter agreement also makes changes to certain terms of the MOU, as described below. Attachment 1 is a resolution approving the recommended Side Letter agreement.

**Compensation:** Given the City’s economic hardship resulting from the COVID-19 pandemic, and associated revenue losses, it is recommended that job classes represented by the bargaining unit receive a 0% base wage increase through June 30, 2021. The side letter would amend Section 3.1.2 of the MOU, entitled “General Wage Increase,” to make this change. Also, as permitted under the MOU, this group will participate in a furlough program, reducing current salaries by 3% for the fiscal year 2020-21.

**FISCAL IMPACT:**

The current total annual salary and benefit cost to the City from the recommended action for the positions of LOCAL 1 is \$0. This recommendation is in line with the City’s [COVID-19 Economic Recovery Plan](#) that was created in response to the COVID-19 pandemic, and related impacts to City revenue sources. The 3% furlough will result in annual savings of approximately \$15,000.

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**FOR CITY CLERK ONLY**

**Council Meeting:**

**Disposition:**

**OPTIONS:**

The City Council has the following options to consider on this matter:

1. Adopt the resolution approving the Side Letter.
2. Adopt resolution with modifications.
3. Direct staff to return with more information.
4. Take no action.

**RECOMMENDED ACTIONS:**

1. Adopt resolution to approve the Side Letter with LOCAL 1.

**ATTACHMENTS:**

1. Resolution (LOCAL 1) with attached Side Letter.

**RESOLUTION NO.**

**RESOLUTION OF THE SAN RAFAEL CITY COUNCIL APPROVING A  
MEMORANDUM OF UNDERSTANDING SIDE LETTER AGREEMENT  
BETWEEN THE CITY OF SAN RAFAEL AND PUBLIC EMPLOYEE  
UNION LOCAL 1 - CONFIDENTIAL**

**WHEREAS**, on July 2, 2018 the City of San Rafael entered into a Memorandum of Understanding with Public Employee Union Local 1 – Confidential (“Local 1”) for a two-year term from July 1, 2018 to June 30, 2020 (the “MOU”); and

**WHEREAS** the City and Local 1 have reached a tentative agreement to roll over the current MOU by one year, through June 30, 2021 as set forth in the attached “Side Letter Agreement between Local 1 and the City of San Rafael”; and

**WHEREAS**, under the tentative agreement, job classes represented by Local 1 will receive a 0.0% base wage increase through June 30, 2021; and

**WHEREAS**, job classes represented by Local 1 will also participate in a furlough program, reducing current salaries by 3%; and

**WHEREAS**, the proposed compensation is in line with the City’s current budget projections;

**NOW, THEREFORE BE IT RESOLVED** that the City Council of the City of San Rafael hereby approves the attached “Side Letter Agreement between Local 1 and the City of San Rafael” extending the MOU through June 30, 2021.

I, **Lindsay Lara**, Clerk of the City of San Rafael, hereby certify that the foregoing Resolution was duly and regularly introduced and adopted at a regular meeting of the City Council of the City of San Rafael, held on Monday, the 1st of June 2020, by the following vote, to wit:

AYES:           COUNCILMEMBERS:

NOES:           COUNCILMEMBERS:

ABSENT:        COUNCILMEMBERS:

\_\_\_\_\_  
Lindsay Lara, City Clerk

**SIDE LETTER AGREEMENT  
BETWEEN PUBLIC EMPLOYEES UNION LOCAL 1 – CONFIDENTIAL UNIT  
AND  
THE CITY OF SAN RAFAEL**

The City of San Rafael (hereinafter referred to as “City”) and Public Employees Union Local 1 – Confidential Unit (hereinafter referred to as the “Local 1”) entered into a Memorandum of Understanding (“MOU”) with a term beginning on July 1, 2018 and terminating on June 30, 2020. The City and Local 1 are collectively referred to herein as the “Parties.” The Parties now wish to extend this MOU one year.

Effective June 1st, the Parties mutually agree to extend the MOU one year to end on June 30, 2021 and to provide bargaining unit members with a zero percent (0%) salary increase.

From July 1, 2020 through June 30, 2021, the City will implement a three percent (3%) furlough for all members in accordance with MOU section 7.6.

The specific provisions contained in this Agreement are intended to supersede any previous agreements, whether oral or written, regarding the matters contained in this Agreement. Except as provided here, all wages, hours, and other terms and conditions of employment presently Association in the MOU remain in full force and effect.

The Parties have satisfied their obligations to meet and confer in good faith in accordance with the Meyers-Milias-Brown Act (“MMBA”) concerning the terms and conditions of this Agreement and its implementation.

Thus, the Parties mutually agree to make the following changes to the MOU to read as follows:

*Paragraph 3 of the MOU*

This Memorandum of Understanding shall be presented to the City Council of the City of San Rafael as the joint recommendation of the undersigned parties for salary and employee benefit adjustments for the period commencing July 1, 2018 through June 30, 2020~~1~~. **When ratified by the Local 1 Bargaining Unit membership and approved by the City Council, this Memorandum of Understanding shall be binding upon the Local 1, the employees it represents, and the City of San Rafael.**

*1.1.2 Term of MOU*

This agreement shall be in effect from July 1, 2018 through June 30, 2020~~1~~.

*3.1.2 General Wage Increase*

Effective the first full pay period in July 2018 or upon approval by the City Council, whichever is latest, salary ranges for classifications in this unit shall be increased by 2%.

Effective the first full pay period in July 2019, salary ranges for classifications in this unit shall be increased by 2%.

**Effective the first pay period after July 1, 2020, salary ranges for classifications in this unit shall be increased by 0.0%.**

Salary rates for all bargaining unit positions will be presented with the FY 2020-21 budget process.

CITY OF SAN RAFAEL:

Date: \_\_\_\_\_

\_\_\_\_\_  
LOCAL 1

Date: \_\_\_\_\_

\_\_\_\_\_  
CITY OF SAN RAFAEL