



TOWN OF FAIRFAX

STAFF REPORT

September 21, 2022

TO: Mayor and Town Council

FROM: Heather Abrams, Town Manager

SUBJECT: Notice of Amendments to the Memorandum of Understanding (MOU) with the Service Employees International Union, Local 1021 (SEIU) for the Period July 1, 2022, through June 30, 2024, and the Fiscal Year 2022-2023 Budget

RECOMMENDATION

Receive notice of amendments to the Memorandum of Understanding (MOU) with the Service Employees International Union, Local 1021 (SEIU) for the period July 1, 2022, through June 30, 2024, and notice of amendments to the Fiscal Year 2022-2023 Budget.

DISCUSSION

In 2015, the Town Council, in response to the Grand Jury report on labor negotiations, stated that the Town would place final tentative employee agreements on two successive Town Council agendas - the first for notice of the agreement, the second for Council vote. This item represents the first notice of the agreement. The second will be placed on the October 6th agenda for Council vote.

The current Memorandum of Understanding (MOU) with SEIU expired on June 30, 2022. Over the past couple of months, the Town Manager and Finance Director have met with SEIU representatives to negotiate a new two-year MOU. SEIU currently represents maintenance and administrative assistant employees. SEIU has agreed to the amendments pending the Town's approval.

The negotiation team recommends Council approve the attached MOU which is for two years from July 1, 2022, thru June 30, 2024. The MOU provides for the following key provisions retroactively applied to July 1, 2022:

Effective 7/1/2022	5% cost of living adjustment (COLA) retroactive to 7/1/2022.
Effective 7/1/2023	4% cost of living adjustment (COLA) The Town agreed to reopen if the fiscal picture and outlook improves
Effective 12/31/2022	A one-time non-persable \$3,500 cash payment for each employee in the unit employed on December 31, 2022.
Effective upon approval	Longevity pay of 1% compounded after 9, 14, 19, 24, and 29 years
Effective upon approval	The Juneteenth Holiday is added to the observed Holiday list.
Effective upon approval	Addition of a New Paid Emergency Leave Section that allows for up to 10 days of Town paid leave in a calendar year for employees

who during a declared emergency are not able to telework and are not assigned a disaster worker or non-impacted worksite assignment.

Beginning in September 2024 the TOWN and SEIU will meet to discuss whether a study of the labor market will be conducted to compare salaries, benefits, and total compensation.

The existing side letter was also incorporated into this MOU to ensure that all terms and conditions of employment could be found in one place. The side letter amended vacation accruals and addressed several legislative changes to labor laws and interpretations including the elimination of “agency shop”, allowing labor organizations to receive notice of and have dedicated time with new employees during orientation and receive timely lists of member contact information.

Since 2014, SEIU employees have received an average COLA of 3.3% per year consistent with the average of Bay Area CPI over the three years of the pandemic (see Attachment B – Bay Area CPI). Current CPI is higher at 5% in April and 6.8% in June. The current economic forecast is uncertain with recessionary and inflationary elements occurring.

FISCAL IMPACT

The cost to the Town in FY22-23 is approximately \$55,000 or an increase of 10% in total personnel costs (e.g., salary and benefits) for SEIU staff compared to FY 21-22. In the second year of the MOU period, we project the total annual costs related to the MOU to be approximately \$88,000.

The approved FY 22-23 Town Operating Budget contained an estimated 5% increase in total for SEIU personnel costs. A budget adjustment of approximately \$27,500 will be required to meet the terms of the renegotiated agreement. Approval of this Resolution will affect an increase in appropriations to cover the cost increase.

ATTACHMENTS TO BE PROVIDED IN A SUPPLEMENT PRIOR TO THE MEETING

- A. Resolution with MOU attached as Exhibit A
- B. Bay Area CPI
- C. Salary Table