



## Legislation Text

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File #: 24-599, Version: 1

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*Report Prepared by: Suzanne Fierro, Human Resources Manager*

**SUBJECT:** Approval of a Memorandum of Understanding with Merced Association of City Employees (MACE) with a Term of July 1, 2024, Through June 30, 2027

### REPORT IN BRIEF

Considers approving a Memorandum of Understanding with Merced Association of City Employees (MACE) with a term of July 1, 2024, through June 30, 2027.

### RECOMMENDATION

**City Council** - Adopt a motion:

- A. Approving **Resolution 2024-77**, a Resolution of the City Council of the City of Merced, California, approving Memorandum with the Merced Association of City Employees (MACE); and,
- B. Authorizing the City Manager or Deputy City Manager to execute the necessary documents; and,
- C. Authorizing the Finance Officer to make the necessary budget adjustments.

### ALTERNATIVES

- 1. Approve, as recommended by staff; or,
- 2. Deny; or
- 3. Refer back to staff with instructions.

### AUTHORITY

Resolution No. 80-106 - Resolution of the City Council of the City of Merced establishing an Employer-Employee Organizations Relations Policy.

Meyers Milias Brown Act.

### CITY COUNCIL PRIORITIES

As provided for in the 2024-25 Adopted Budget

### BACKGROUND

The Merced Association of City Employees (MACE) is a recognized employee organization that currently includes personnel from Public Works Divisions such as Water, Wastewater, and Refuse who have an important role in providing services to residents such as tree trimming, street maintenance, traffic signal control, sidewalks and of course water, sewer, and refuse. Businesses and residents greatly benefit from the services provided by MACE personnel. MACE's previous

contract expired on December 31, 2023.

## DISCUSSION

The City negotiations team included Lead Negotiator Che Johnson, Deputy City Manager Frank Quintero, and Human Resources Manager Suzanne Fierro. Meetings with the labor group were held to reach agreement that would be beneficial to both MACE members and the City. Negotiations were centered upon economics, terms, and updated language to the previous Memorandum of Understanding.

The City's negotiations team and the MACE unit have completed the collective bargaining process and have reached agreement on a contract. The contract is consistent with City Council direction and provides base wage increases and other benefits, along with updating the MOU language to align with new state and federal laws. Staff recommends adoption of the Resolution approving the Memorandum of Understanding.

A summary of the items agreed upon in the Memorandum of Understanding are as follows:

- Term: The term of the agreement will be effective July 1, 2024 and will remain in effect through June 30, 2027.
- Wages: Base wage increases will be as follows: year one (2024) 3%, year two (2025) 4%, and year three (2026) 4%.
- Compaction Adjustment: For classifications that meet the less than 8% difference as directed by City Council.
- Longevity Pay: Pay will be as follows: 1% at 10 years of service, 1% at 15 years of service, 1% at 20 years of service, and 1% at 25 years of service.
- Tool Allowance: Allowance increased from \$300 to \$600
- Boot Allowance: Allowance increased from \$200 to \$350

## IMPACT ON CITY RESOURCES

It is estimated that the fiscal impact for the first year will be \$586,000 and up to \$3.6 million over the 3-year period. MACE employees are funded in several funds citywide, including General Fund, Special Revenue Funds, Enterprise Funds, and Internal Service Funds. Funding was not included in the adopted FY 2024-25 budget. The recommendation allows staff to make the necessary budget adjustments for the current fiscal year. Future year labor increases will be included in the budget process.

## ATTACHMENTS

1. Resolution 2024-77

2. Memorandum of Understanding - Redlined