



## Legislation Text

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File #: 24-600, Version: 1

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

**SUBJECT:** Approval of Memorandum of Understanding with American Federation of State, County and Municipal Employees, District Council 57, Local 2703 (AFSCME) with a Term of July 1, 2024, Through June 30, 2027

### REPORT IN BRIEF

Considers approving Memorandum of Understanding with American Federation of State, County and Municipal Employees, District Council 57, Local 2703 (AFSCME) with a term of July 1, 2024, through June 30, 2027.

### RECOMMENDATION

**City Council** - Adopt a motion:

- A. Approving **Resolution 2024-76**, a Resolution of the City Council of the City of Merced, California, approving a Memorandum of Understanding with AFSCME, District Council 57 Local 2703; and,
- B. Authorizing the 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 for instructions.

### AUTHORITY

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

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### CITY COUNCIL PRIORITIES

As provided for in the 2024-25 Adopted Budget

### BACKGROUND

The Merced City Employee Association (MCEA) is a recognized employee organization that currently includes personnel from several departments throughout the City such as Finance, Planning, Engineering, Public Works, Police and Fire. The respective personnel have an important role in

being the front line staff providing services and information, answering questions, and responding to complaints, processing utility bills and business licenses, providing information about zoning and street closures, and so much more. Businesses and residents greatly benefit from the services provided by MCEA personnel. MCEA is also commonly referred to as AFSCME who represents the employee organization by their Chief Negotiator, Debbie Macias. MCEA'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 AFSCME 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 this Memorandum of Understanding are as follows:

- Term: The term of this agreement will be effective July 1, 2024, and will remain in effect through June 30, 2024.
- Wages: Base wage increases will be effective as follows: year one (2024) 3%, year two (2025) 4%, and year three (2026) 4%.
- Longevity: 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.

## IMPACT ON CITY RESOURCES

It is estimated that the fiscal impact for the first year will be \$242,000 and up to \$1.5 million over the 3 year period. AFSCME 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 2024-76
2. Memorandum of Understanding - Redlined