

AGENDA REPORT

PROPOSED ACTION: Ordinance and Resolution: Adoption of a Resolution to Approve the Terms and Conditions of Employment and Certain Benefits as Set Forth in the Memorandum of Understanding between the Port of Oakland and Service Employees International Union, Local 1021 (SEIU Local 1021) for the period October 1, 2025 through June 30, 2028 (Successor MOU) with Future Cost of Living Adjustments and to Authorize the Executive Director to Execute the Successor MOU; Enactment of an Ordinance to Amend Port Ordinance No. 867 to Set the Salaries and Certain Benefits for Port Employees Represented by SEIU Local 1021. **(Finance & Admin)**

Submitted By: Michael Mitchell, Director of Human Resources; Kristi McKenney, Executive Director

<u>Parties Involved:</u> SEIU Local 1021	<u>Amount:</u> \$2,227,300 to \$3,381,800 (Operating Expense)
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EXECUTIVE SUMMARY: Representatives of the Port of Oakland (Port) and SEIU Local 1021 successfully negotiated the terms of a Successor MOU and reached a Comprehensive Tentative Agreement (TA). The SEIU Local 1021 membership subsequently ratified the Successor MOU on December 18, 2025.

BACKGROUND & ANALYSIS

The Port and SEIU Local 1021 initially engaged in discussions beginning on July 3, 2025 to extend the terms and conditions of the current SEIU Local 1021 MOU that expired on September 30, 2025. The Port proposed a thirty-three month MOU extension (effective October 1, 2025, through June 30, 2028) with the following cost of living adjustments: an increase effective the first day of the pay period containing January 1, 2026 equal to the October 2024-October 2025 Consumer Price Index for All Urban Consumers (CPI-U) which shall not be less than two percent and no more than three percent; an increase effective the first day of the pay period containing July 1, 2026 equal to the April 2025-April 2026 CPI-U which shall not be less than two percent and no more than three percent; and, an increase effective the first day of the pay period containing July 1, 2027 equal to the April 2026-April 2027 CPI-U which shall not be less than two percent and no more than three and one half percent.

After considering the Port's proposal and the Port's responses to its questions, SEIU Local 1021 reached a TA with the Port for a Successor MOU for the period October 1, 2025 through June 30, 2028 with cost of living adjustments based on the CPI-U as referenced above.

The Successor MOU provides for a Professional Development (PD) allowance of \$750 effective July 1, 2026 through June 30, 2027 and July 1, 2027 through June 30, 2028, with PD funds being eligible for wellness programs (not equipment or physical items) to

promote personal health. The Successor MOU also includes new language as well as clarifications concerning power equipment training, holidays, union stewards, release time, safety shoes, and progressive discipline. Certain other changes to hours and other terms and conditions of employment that were collectively bargained and mutually agreed upon by the Port and SEIU are part of the thirty-three month successor MOU.

In order for the Board to implement the terms and conditions of the Successor MOU for Port employees represented by SEIU Local 1021, the Board, by Resolution, must ratify and approve such terms and conditions as well as authorize the Executive Director to execute the Successor MOU on behalf of the Board provided it is approved as to form and legality by the Port Attorney.

Furthermore, for the Board to implement the cost-of-living adjustments and the professional development terms of the Successor MOU for SEIU Local 1021 represented employees, the Board, by Ordinance, must specifically amend Port Ordinance No. 867. The second reading for this Ordinance amendment is scheduled for the Board's February 5, 2026 meeting.

OTHER FINDINGS AND PROVISIONS

ENVIRONMENTAL REVIEW

The proposed action was analyzed under the California Environmental Quality Act (CEQA) and was found to be:

Categorically exempt under the following CEQA Guidelines Section:
Choose an item.

Not a “Project” under CEQA, as defined in Public Resources Code § 21065.

“Common Sense” exemption under CEQA Guidelines Section 15061(b)(3).

Other/Notes:

BUDGET

Administrative (No Impact to Operating, Non-Operating, or Capital Budgets); OR

Operating Non-Operating Capital

Analysis: The FY 2026 budget did not account for COLA increases. FY 2026 additional costs are expected to range from \$369,200 to \$537,200, including the cost of the COLA from the minimum to the maximum rate, related employer taxes and pension contributions, and the value of professional development costs. These unanticipated personnel costs are expected to be absorbed by cost savings from current vacancies. Future budgets will incorporate future COLA and related costs which are expected to range from \$922,400 to \$1,309,100 in FY 2027 and \$935,700 to \$1,535,500 in FY 2028.

STAFFING

No Anticipated Staffing Impact.

Anticipated Change to Budgeted Headcount.

Reason:

Other Anticipated Staffing Impact (e.g., Temp Help).

Reason:

MARITIME AND AVIATION PROJECT LABOR AGREEMENT (MAPLA):

Applies? No (Not Aviation or Maritime CIP Project) – proposed action is not covered work on Port’s Capital Improvement Program in Aviation or Maritime areas above the threshold cost.

Additional Notes:

LIVING WAGE (City Charter § 728):

Applies?

No (No Covered Agreement) – proposed action is not an agreement, contract, lease, or request to provide financial assistance within the meaning of the Living Wage requirements.

Additional Notes:

SUSTAINABLE OPPORTUNITIES:

GENERAL PLAN (City Charter § 727):

<u>Applies? No.</u>	<u>Conformity Determination:</u>
<u>Reason:</u>	No Project – conformity determination not required because proposed action does not change use of or make alterations to an existing facility, or create a new facility.
STRATEGIC PLAN. The proposed action would help the Port achieve the following goal(s) and objective(s) in the Port's Strategic Business Plan:	
<input type="checkbox"/> Grow Net Revenues	<input type="checkbox"/> Modernize and Maintain Infrastructure
<input type="checkbox"/> Improve Customer Service	<input checked="" type="checkbox"/> Pursue Employee Excellence
<input type="checkbox"/> Strengthen Safety and Security	<input type="checkbox"/> Serve Our Community
<input type="checkbox"/> Care for Our Environment	