



AGENDA REPORT

PROPOSED ACTION:

Resolution and Ordinance: 1) 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 for the period July 1, 2022 through September 30, 2025 and Authorize the Executive Director to Execute the Memorandum of Understanding and 2) Enactment of An Ordinance to Amend Port Ordinance No. 867 to Set the Salaries and Certain Benefits as Set Forth in Memorandum of Understanding between the Port of Oakland and Service Employees International Union, Local 1021 for the period July 1, 2022 through September 30, 2025. **(Finance & Admin)**

Submitted By: Michael Mitchell, Director of Human Resources; Danny Wan, Executive Director

Parties Involved: Service Employees International Union, Local 1021

Amount: \$9,686,000; Operating Expense

EXECUTIVE SUMMARY: Representatives of the Port of Oakland (Port) and Service Employees International Union, Local 1021 (SEIU) have been negotiating a successor memorandum of understanding (successor MOU) and have developed a Joint Recommendation for Settlement. The SEIU membership ratified the successor MOU on April 12, 2023.

BACKGROUND & ANALYSIS

Representatives of the Port and SEIU Local 1021 started negotiations for a successor MOU on June 7, 2022; at that time, the then current MOU, a fifty-four (54) month MOU, was due to expire on June 30, 2022. The parties exchanged bargaining proposals and met and conferred on those proposals. These bargaining sessions culminated in a “Joint Recommendation for Settlement” between the Port and SEIU Local 1021 dated April 4, 2023 (Joint Recommendation). SEIU Local 1021 members ratified the Tentative Agreement on April 12, 2023.

The Joint Recommendation provides for a thirty-nine (39) month successor MOU term effective July 1, 2022 through September 30, 2025 with the following salary increases: a retroactive salary increase of five percent (5%) effective the first day of the pay period containing July 1, 2022, a five percent (5%) salary increase effective the first day of the pay period containing July 1, 2023, a two percent (2%) salary increase effective the first day of the pay period containing July 1, 2024, and a two and one-half percent (2.5%) salary increase effective the first day of the pay period containing January 1, 2025. The Joint Recommendation also provides for an increase in the meal allowance to \$25 per meal. The Joint Recommendation includes new language on employee training, the annual Custodial Bid process, meal pay, union security, assignment of overtime, as well

as modifications to existing call back pay language and Family and Medical Leave Act and California Family Rights Act leave benefit language.

The successor MOU also provides for Professional Development with an annual allowance of \$600 effective July 1st for each year of the contract, the same as under the expired MOU. 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 thirty-nine (39) month successor MOU. A copy of the draft successor MOU with the redlined changes is attached.

For the Board of Port Commissioners (Board) to implement the salary increases and the professional development terms of the successor MOU, the Board, by Ordinance, must specifically amend Port Ordinance No. 867. The second reading for this Ordinance amendment is scheduled for the Board's June 8, 2023 meeting.

Furthermore, for the Port to implement the terms and conditions of employment as set forth in the successor MOU, 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 consistent with the terms of the Joint Recommendation and approved as to form and legality by the Port Attorney.

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.

Exempt from CEQA because it is not a "Project" under CEQA Guidelines Section 15378(b)(5).

Other:

Reason:

BUDGET

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

Operating

Non-Operating

Capital

Analysis: Salary increases for all budgeted positions in comparison to current salary schedules are anticipated to cost the Port approximately \$1,463,000 in FY 2023, \$3,018,000 in FY 2024, \$4,081,000 in FY 2025, and \$1,124,000 from July 1, 2025 through September 30, 2025, including the additional cost of pension benefits and Medicare taxes. The revised salary schedule will be included in future Port operating budgets.

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:

<p><u>SUSTAINABLE OPPORTUNITIES:</u></p> <p><u>Applies?</u> No.</p> <p><u>Reason:</u></p>	<p><u>GENERAL PLAN</u> (City Charter § 727):</p> <p><u>Conformity Determination:</u></p> <p>No Project – conformity determination is required because the proposed action does not change the use of, or make alterations to, an existing facility, or create a new facility.</p>								
<p><u>STRATEGIC PLAN.</u> The proposed action would help the Port achieve the following goal(s) and objective(s) in the Port’s Strategic Business Plan:</p> <table border="0"> <tr> <td><input type="checkbox"/> Grow Net Revenues</td> <td><input type="checkbox"/> Modernize and Maintain Infrastructure</td> </tr> <tr> <td><input type="checkbox"/> Improve Customer Service</td> <td><input checked="" type="checkbox"/> Pursue Employee Excellence</td> </tr> <tr> <td><input type="checkbox"/> Strengthen Safety and Security</td> <td><input type="checkbox"/> Serve Our Community</td> </tr> <tr> <td><input type="checkbox"/> Care for Our Environment</td> <td></td> </tr> </table>		<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	
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