

**CITY OF ALBANY  
CITY COUNCIL AGENDA  
STAFF REPORT**

Agenda Date: June 29, 2005

Date Prepared: July 5, 2005

Reviewed by \_\_\_\_\_

**Subject:** Approving the Memorandum of Understanding between City of Albany and Service Employees International Union, Local 790 (SEIU).

**Resolution #05-41:** A Resolution of the City Council of the City of Albany Approving the Memorandum of Understanding between City of Albany and Service Employees International Union, Local 790 (SEIU).

**Report By:** Aaron Walker, Personnel Manager

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**STAFF RECOMMENDATION**

Approve Resolution #05-41 – A Resolution of the City Council of City of Albany Approving the Memorandum of Understanding between City of Albany and Service Employees International Union, Local 790 (SEIU).

**DISCUSSION/ANALYSIS**

The City of Albany and representatives of Service Employees International Union, Local 790 (SEIU) have met and conferred in good faith, and have reached agreement on a Memorandum of Understanding. The Memorandum of Understanding is the collective bargaining agreement between City of Albany and SEIU and includes salary increases, benefit modifications, and other changes to the terms and conditions of employment. The term of the Memorandum of Understanding shall be effective April 1, 2005 through March 31, 2009. The SEIU membership has ratified the proposed agreement.

The significant changes incorporated into the new Memorandum of Understanding are:

- 3% salary increase effective April 2005
- 0% salary increase effective April 2006
- 2% salary increase effective April 2007
- 2% salary increase effective April 2008
- City-paid family health care coverage at the Kaiser rate
- Enhanced retirement benefit (2.5% @55) effective before December 2006, with a cap on the City contribution

**FINANCIAL IMPACT**

The last SEIU salary increase was in September 2003. The estimated incremental costs of the contract modifications over the 4-year term of the agreement are \$76,000 for wages and \$159,000 for medical and retirement benefits. The estimated total incremental costs to be incurred in Fiscal Year 2004-05, including retroactive payments to April 1, 2005, are \$3,000. The estimated incremental costs for Fiscal Year 2005-06 are \$39,000. Incremental costs of the new contract are not expected to exceed the amount provided in the Fiscal year 2004-05 and 2005-06 budgets adopted by the Council.