



City of Santa Ana
20 Civic Center Plaza, Santa Ana, CA 92701
Staff Report
June 6, 2023

TOPIC: Memorandum of Understanding between the City of Santa Ana and the Santa Ana Management Association and Resolution for Associated Unrepresented Classifications

AGENDA TITLE

Adoption of a Memorandum of Understanding Establishing the Terms and Conditions of Employment for Classifications Represented by the Santa Ana Management Association, Effective July 1, 2022 through June 30, 2025, and Adoption of a Resolution Updating the Salary Schedule for Associated Unrepresented Classifications

RECOMMENDED ACTION

1. Authorize the City Manager to execute a Memorandum of Understanding with the Santa Ana Management Association ("SAMA") regarding wages, hours, and other terms and conditions of employment effective July 1, 2022 through June 30, 2025, and authorize non-substantive changes which may be necessary to implement the agreement.
2. Approve resolution updating the salary schedule for associated unrepresented classifications.

DISCUSSION

The City recently reached a tentative agreement with SAMA on a three (3) year successor Memorandum of Understanding ("MOU") effective July 1, 2022 through June 30, 2025. The tentative agreement has been ratified by SAMA membership. The major provisions of the agreement include: salary increases of three percent (3%) retroactive to July 1, 2022, three percent (3%) in July 2023, and three percent (3%) in July 2024; recognizing Cesar Chavez holiday; winter holiday closure language; increasing City medical contributions by one hundred dollars (\$100) per month effective the first full pay period following City Council approval of the MOU, fifty dollars (\$50) per month in January 2024, and fifty dollars (\$50) per month in January 2025; and increasing management vacation hours from sixty-five (65) to eighty (80) hours per year.

Notably, at staff recommendation, the parties agreed to provide eligible employees with up to eight (8) weeks of City (employer)-paid parental leave for the birth, adoption, or foster of a child. The City of Santa Ana will be the first public agency in Orange County

and one of the first, if not the first, public agency in California and/or United States to offer such a benefit.

Other key terms of the agreement include: updated discipline and grievance processes; acting pay language; constructive receipt language; bilingual pay recertification every three (3) years (for employees who receive bilingual pay); reducing the number of unused sick leave hours that may be converted to CalPERS service credit to eighty (80) for current employees and eliminating the option to convert unused sick leave hours to CalPERS service credit for future employees; modifying the maximum amount of sick leave that may be converted to employees' retirement health savings or 457 deferred compensation accounts from one thousand two hundred (1,200) hours to two thousand (2,000) hours; new employees hired after City Council approval of the MOU will accrue a maximum of three hundred fifty-two (352) sick leave hours with any accrued hours over the maximum cashed out into employees' retirement health savings accounts in January each year; increasing management vacation accrual from sixty-five (65) hours to eighty (80) hours per year; modifying the number of management vacation hours that can be cashed out from forty (40) to eighty (80); and clarifying language on issues of employment.

Lastly, pursuant to Resolution No. 2021-026, there are unrepresented classifications that mirror the salary increases and terms and conditions of employment of SAMA. The attached Resolution merely updates the respective salary schedule of the unrepresented classifications as a result of the salary increases provided to SAMA.

ENVIRONMENTAL IMPACT

There is no environmental impact associated with this action.

FISCAL IMPACT

The estimated annual cost of the agreement during the three (3) year period is \$293,917 for FY 2022-23, \$1,047,333 for FY 2023-24, and \$1,456,521 for FY 2024-25, for a total estimated cost of \$2,797,770. The estimated annual cost for the associated unrepresented classifications during the three (3) year period is \$38,399 for FY 2022-23, \$127,672 for FY 2023-24, and \$180,264 for FY 2024-25 for a total estimated cost of \$346,336. Approximately 64% is paid by the General Fund.

The FY 22-23 budget includes sufficient funding for the first-year cost of the agreement. The proposed FY23-24 budget includes an allocation of \$676,819 for SAMA negotiations. If the City Council adopts this MOU, the FY23-24 budget will be short \$498,186 (\$1,175,005 estimated cost, less \$676,819 allocated); and staff will need to develop a recommendation to address the shortfall in a future quarterly budget report.

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EXHIBIT(S)

1. Memorandum of Understanding between the City of Santa Ana and the Santa Ana
Management Association
2. Resolution for associated unrepresented classifications

Submitted By: Jason Motsick, Executive Director of Human Resources

Approved By: Kristine Ridge, City Manager