



Dear Mayor and Council Members:

On behalf of City Manager Ed Shikada, please find below the staff responses to questions from Councilmember Tanaka regarding the [Monday, August 14 Council Meeting](#) consent agenda items.

Item 2: Adoption of Memorandum of Agreement with Service Employees International Union Hourly Unit and Compensation Plan for Unrepresented Limited Hourly Employees, effective upon adoption through June 30, 2025; and Adoption of revised Management and Professional Salary Schedule to add one new classification effective July 1, 2023; CEQA Status - Not a project

1. How do our proposed salary structures and benefits compare to other cities of similar size and demographics?

Staff response: The proposed salary structure for our part-time hourly employees includes a 4% cost of living adjustment; this is in alignment with surrounding Bay Area agencies for this fiscal year. FY 2023-2024: For example, for cost-of-living adjustments: Santa Clara: 5%, Sunnyvale 6.5%, Redwood City 3%, Hayward 5%, Fremont 5%, Berkeley 1%.

The City's target market placement for City classifications has been at or around the 75th percentile of the market. Though a market study specifically for hourly classifications was not conducted, the hourly unit classifications were provided the same cost of living adjustment and similar target market adjustments as comparable classifications in other units.

As for benefits, the City does provide a medical stipend negotiated with the Service Employee International Union (SEIU) for their represented hourly employees that is unique to the area. Holidays and sick leave benefits are in alignment with surrounding agencies and state legal requirements. Overall, pension benefits are not paid to part-time hourly employees unless mandated by the California Public Employee Retirement System rules.

2. How might the proposed changes impact the budgets of other departments, especially those with a significant number of hourly employees? And, Does the city have contingency plans in place if the anticipated balances in appropriated funds are not sufficient to cover the costs of the proposed changes?

Staff response: Staff does not anticipate a material impact to the department's budgets due to the proposed hourly rates and limited number of hours (approx. 20 hours per week) that are performed by hourly workers, our lowest paid employees. Additionally, many hourly workers are seasonal and thus primarily high in the summer and fewer hours during the remainder of the year. Consistent with past practice, the FY 2024 Adopted Budget assumes a 2% wage increase for labor groups that do not have agreements in place. The additional cost to fund the final agreement terms are expected to be absorbed through department vacancy savings, or use of reserves such as fund balance, in the first year. Beginning in FY 2025, staff will include these compensation adjustments in the budget planning process. Staff will continue to monitor expenses throughout FY 2024 and recommend adjustments, if necessary, to align appropriated expenses with projected costs.

Item 4: Approval of Contract with Enterprise Roofing Service, Inc. for the Lucie Stern Community Center Roof Underlayment Replacement Project; CEQA status - exempt under CEQA Guideline Sections 15301 and 15302

- 1. Given that Enterprise Roofing Service has the lowest bid, has the city conducted a thorough background check on the company to ensure they have a history of completing projects on time, within budget, and to the required quality standards?**

Staff response: Enterprise Roofing Service has been in business since 1962 and they are well known in the roofing industry. Just last year, they completed replacement of the Cubberley H Wing roof for the City. The project was completed on time and on budget.

- 2. What is the suspected reason for the drastic price differences in the bids?**

Staff response: It is not uncommon to see these pricing differences for roofing projects. Roofing contractors typically consider weather, manpower, and project scheduling when determining their bids. Enterprise Roofing Service may have had few jobs lined up at the time they provided their bid, and therefore provided more aggressive pricing.