



Agenda Item No. (10)(A)
Special Order of Business

To: Board of Directors
Meeting of April 22, 2022

From: Denis J. Mulligan, General Manager

Subject: **APPROVE A WAGE ADJUSTMENT FOR NON-REPRESENTED EMPLOYEES AND DEPUTY GENERAL MANAGERS, WITH THE EXCEPTION OF DISTRICT OFFICERS**

Recommendation

It is recommended that the Board of Directors approve a salary adjustment for all non-represented classifications as follows:

- a) 1% salary adjustment effective upon approval;
- b) 3.5% salary adjustment effective July 1, 2022;
- c) 3.5% salary adjustment effective January 1, 2023; and,
- d) 3.5% salary adjustment effective July 1, 2023,

with the understanding that the cost of the salary adjustments authorized as part of this item will be funded with savings from salary savings for this fiscal year, and will be budgeted accordingly in future fiscal years.

Summary

At its April 22, 2022, meeting, the Board of Directors will consider an item to ratify a settlement agreement with the Union Coalition, which includes all bargaining units at the Golden Gate Bridge, Highway and Transportation District (District) with the exception of the Amalgamated Transit Union ("ATU") and the Painters unit. That settlement agreement includes a salary adjustment of 1% upon ratification by the Board, a 3.5% adjustment effective July 1, 2022, another 3.5% adjustment effective January 1, 2023, and finally a 3.5% adjustment effective July 1, 2023. The settlement agreement also provides to the Electricians the difference between these salary adjustments and their settlement amounts.

The Painters, who settled in September 2020, have a "me too" clause built into their agreement such that ratification of the Union Coalition agreement will trigger a corresponding salary adjustment. The agreement with ATU, which occurred in February 2022, expires on August 30, 2022. Negotiations with the ATU are scheduled to begin again in the coming months.

It is recommended that the Board of Directors authorize a salary increase to all non-represented classifications consistent with the terms of the Union Coalition agreement. There are 129 non-represented employees at the District. While salary adjustments for non-represented employees have been considered by the Board every year, staff recommends that the Board consider approving a multiple year increase for the non-represented employees as it did for the Union Coalition.

Since July 2019, these employees have received a single pay increase of 2.5 percent in October 2021, which has not kept salaries competitive. Approval of a multiyear salary increase program will help with employee retention and will be an attractive incentive to potential employees and assist with recruiting efforts as it provides some financial certainty in a very uncertain landscape.

Per Board policy, these recommended increases will be implemented the first day of the pay period in which the effective date falls.

Fiscal Impact

The recommended increase in compensation will increase expenses by approximately \$255,800 for FY 21/22. Annually it will cost approximately \$904,400, including payroll fringe benefit costs. In FY 21/22, the increase expense would be absorbed in the existing budget. Future costs will be budgeted accordingly in future fiscal years.