



CONSENT CALENDAR

City of San Bernardino Request for Council Action

Date: September 6, 2023

To: Honorable Mayor and City Council Members

From: Charles E. McNeely, Interim City Manager;
Suzie H. Soren, Director of Human Resources

Department: Human Resources

Subject: **Side Letter Agreements with Bargaining Groups
Regarding Premium Pay for City and Water Department
Employees**

Recommendation:

It is recommended that the Mayor and City Council of the City of San Bernardino, California, adopt Resolution No. 2023-143, authorizing the City Manager to execute side letter agreements with the City's bargaining groups regarding premium pay.

Executive Summary

Council approved premium pay for all City and Water Department employees. Staff met and conferred with the City's various bargaining groups and created side letter agreements with each. Staff is now requesting approval from Council to execute the side letter agreements.

Background

On March 11, 2021, President Biden signed into law the American Rescue Plan Act (ARPA), which appropriated nearly \$1.9 trillion nationwide for COVID-19 pandemic relief funding including \$350 billion for every eligible state, city, town, territorial and tribal government in the country. The City of San Bernardino was awarded \$77,656,407 under the Act. ARPA establishes the Coronavirus State and Local Fiscal Recovery Funds to provide an infusion of resources to help address economic struggles in responding to the impact of COVID-19.

Since receiving the ARPA allocation, the City Council has allocated portions of these funds to various initiatives and programs, including broad categories consisting of Small Business and Non-Profit Assistance, Parks and Recreation Rehabilitation, City Services, and the Homeless Initiative.

On July 19, 2023, City staff presented additional spending plan options that included premium payments to employees who were required to continue providing essential services to the public during the pandemic. Many government agencies have provided stipends to their employees in recognition of their hard work and sacrifice to ensure essential services continued to be provided to the community with minimal or no interruption while risking exposure to COVID-19.

Consistent with the essential worker premium pay allowed for in the Final Rule issued by the US Treasury Department, City Council desired to recognize those City and Water Department employees who provided important and essential public services during the COVID-19 pandemic, and approved a one-time premium payment to each City and Water Department employee in the amount of \$5,000 to each full-time employee and \$2,500 to each part-time employee for a total amount not to exceed \$5,500,000.

Discussion

Staff established the following parameters for the premium payment:

- Employees must have been employed at any time during March 13, 2020, through May 5, 2023.
- Employees must be employed with the City on the date that the lump-sum payment is disbursed.
- Employees will be paid in alignment with what their employment status is at time of payment.

The City has met and conferred in good faith with the various employee associations and unions on the subject of the proposed premium payment. The issuance of such payment is subject to approval of a Side Letter Agreement to the various Memoranda of Understanding with the employee bargaining groups, attached.

The payment will be issued with the employees' regular paycheck, after September 6, 2023, and will be subject to tax withholdings.

In addition, Police Management Association (PMA) members shall contribute the payment into their 401 (a) plan. All other City employees will have the option to contribute the payment into their 457 (b) deferred compensation plan.

A recent final ruling from the U.S. Treasury Department on eligible uses of ARPA funds, specifically states, "This policy also prohibits, among other things, elected officials from steering funds to projects in which they have a financial interest or using funds to pay themselves premium pay."

2021-2025 Strategic Targets and Goals

Authorizing the City Manager to execute side letter agreements with the City's various bargaining groups support Key Strategic Goal 2. Focused, Aligned Leadership and Unified Community by building a culture that attracts, retains, and motivates the highest

quality talent.

Fiscal Impact

The fiscal impact of allocating additional funds from the City's ARPA allocation is to increase the City's Adopted FY 2022/23-2023/24 Biennial Budget by \$3,662,500 for City employees and \$1,257,500 for Water Department employees, for a total of \$4,920,000.

Conclusion

It is recommended that the Mayor and City Council of the City of San Bernardino, California, adopt Resolution No. 2023-143, authorizing the City Manager to execute side letter agreements with the City's bargaining groups regarding premium pay.

Attachments

Attachment 1 – Resolution No. 2023-143

Attachment 2 – Side Letters

Ward:

All Wards

Synopsis of Previous Council Actions:

July 19, 2023 Mayor and City Council approved premium pay for City and Water Department employees for a total amount not to exceed \$5,500,000.