

COUNCIL AGENDA REPORT

TO: Mayor and City Council

FROM: Graciela Reynoso, Chief Human Resources Officer

DATE: December 2, 2025

SUBJECT: Adoption of Resolution Approving Second Amendment to Memorandum of Understanding between the City of Santa Maria and the Service Employees International Union Local 620

Description:

The City Council will consider adopting a Resolution approving the second amendment to the Memorandum of Understanding with the Service Employees International Union Local 620.

Environmental Notice: The activity is not a “Project” as defined under Section 15378 of the California Environmental Quality Act State Guidelines; therefore, pursuant to State Guidelines Section 15060(c)(3) no environmental review is required.

RECOMMENDATION:

1. Adopt a Resolution authorizing and approving the Second Amendment to the Memorandum of Understanding between the City of Santa Maria and the Service Employees International Union Local 620, February 20, 2024, through December 31, 2025; and
2. Authorize the City Manager, or designee, to execute the Memorandum of Understanding.

BACKGROUND:

Over the last few months, City staff have met with representatives of the Local Service Employees International Union 620 (SEIU) to discuss a successor Memorandum of Understanding (MOU). During these meetings, the City and SEIU have determined that an extension of the MOU between the City of Santa Maria and the SEIU to June 30, 2026, and an increase to the City’s contribution for medical benefits was warranted.

Health benefits premiums change yearly with the calendar year. This Council action seeks Council approval to increase to the City’s contribution towards premiums to fully cover PERS Gold at all three tier levels for full-time SEIU employees. For part-time employees, the City will increase its contributions to fully cover PERS Gold for employee only. Contributions for Employee +1 and Employee +2 or more will be increased by the difference between the 2025 and 2026 PERS Gold employee only premiums.

DISCUSSION:

This Second Amendment to the current SEIU MOU also seeks to extend the contract to June 30, 2026. This will allow staff and SEIU the necessary time to negotiate in an environment that includes a detailed review of the City's current financial position. An amendment to the 2024-2025 SEIU MOU (Attachment "B") has been drafted to address the City's increase in contributions to medical plans; and the extension of the current 2024-2025 SEIU MOU, which was approved by City Council on February 20, 2024. (Attachment "C").

The recommendation is to approve the proposed Second amendment to the current SEIU MOU 2024-2025, so that both parties (the City and SEIU) may address the bargaining process with clarity of the City's financial situation.

Alternative(s)

A decision by the City Council not to approve the Second Amendment to the Memorandum of Understanding between the City of Santa Maria and the Service Employees International Union Local 620, February 20, 2024, through December 31, 2025, will result in a lapse of the current MOU, and continuation of the City contribution to health benefits at the 2025 rate.

Fiscal Considerations

The additional fiscal costs of increasing the City's Health Benefit Premium contributions for members of the SEIU Local 620 is approximately \$615,900 for the calendar year 2026.

Impact on the Community

Approval of Second Amendment to the Memorandum of Understanding between the City of Santa Maria and the Service Employees International Union Local 620, February 20, 2024 through December 31, 2025, is crucial to maintaining positive employee-employer relations and retaining a well-staffed, qualified workforce, who in turn will continue to support the City's operational needs.

ATTACHMENT(S)

- A. Resolution
- B. Second Amendment to the 2024-2025 SEIU MOU
- C. Current 2024-2025 SEIU MOU
- D. F/T Benefits Rate Sheet 2026
- E. P/T Benefits Rate Sheet 2026