Item Number C8.

City Council
Staff Report

Subject: Various Personnel Updates

Date: August 11, 2026

Submitted By: Meagan Bushey, Administrative Services Manager
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Department: Administrative Services - Human Resources

Recommendation:

A. Adopt a Resolution of the City Council of the City of Rocklin Approving the Negotiated Memorandum of Understanding between the City of Rocklin and AFSCME Council 57, Local 146 AFL-CIO Representing Rocklin Public Services Employees Bargaining Unit, for the Term of the July 1, 2026 - June 30, 2029, and Adopting the Updated Salary Schedule.
B. Adopt a Resolution of the City Council of the City of Rocklin Approving a Side Letter of Agreement to the Memorandum of Understanding Between the City of Rocklin and AFSCME Council 57, Local 146 AFL-CIO Representing Rocklin Public Services Employees Bargaining Unit.
C. Adopt a Resolution of the City Council of the City of Rocklin Adopting the Corrected Consolidated Salary Schedule, Reflecting the Previously Approved Salary Adjustments for City Manager and City Attorney.
D. Adopt a Resolution of the City Council of the City of Rocklin Approving a Side Letter of Agreement to the Memorandum of Understanding Between the City of Rocklin and the Rocklin Firefighters, Local 522.

Background:
Title 2 of the California Code of Regulations, Section 570.5 requires the City's salary schedules to be adopted at a public meeting.

<u>AFSCME 2026-2029 MOU</u>
The term of the current Memorandum of Understanding (MOU) between the City of Rocklin (City) and AFSCME Council 57, Local 146 AFL-CIO (AFSCME) Representing Rocklin Public Services Employees Bargaining Unit, ended on June 30, 2026. Pursuant to the Meyers-Milias-Brown Act (Government Code sections 3500 et seq.), representatives of AFSCME and the City have met and conferred in good faith regarding wages, hours, and other terms and conditions of employment for the represented employees. The City and AFSCME jointly prepared a successor MOU for the term of July 1, 2026, through June 30, 2029, reflecting mutually agreed-upon revisions to certain terms and conditions, which were reached via tentative agreement on June 30, 2026. Staff recommends the City Council adopt a Resolution

(Attachment 1) approving the MOU and the associated updated salary schedule. Because a tentative agreement was reached before the previous MOU expired, staff also recommends the agreement be retroactively approved effective as of July 11, 2026, which is the first full pay period in July.

Subject to the provisions in the MOU, those revised terms and conditions with a City cost impact are summarized below, along with the estimated annual cost.

- Effective July 11, 2026, the City will increase base wages for all classifications in this unit by 2.0%. **Estimated cost: $205,700**.
- Effective the first full pay period of July 2027, the City will increase base wages for all classifications in this unit by 2.0%. **Estimated cost: $413,900**.
- Effective the first full pay period of July 2028, the City will increase base wages for all classifications in this unit by 2.0%. **Estimated cost: $650,900**.
- Effective July 11, 2026, the City is eliminating the eligibility date to receive a city deferred compensation matching contribution. Additionally, the City is establishing a city contribution to $100.00 per month for employees covered under the CalPERS PEPRA retirement group. **Estimated cost: $275,400 per fiscal year**.
- Effective January 1, 2027, the City will contribute 100% of the 2026 Kaiser Employee +1 medical premium. The estimated maximum cost for the duration of the contract **$2,787,006**, assuming that all employees select an equivalent cost medical plan, and includes a 6% escalator of 6% based on previous trends for the out years at 80% of the premium increase.
- Effective January 1, 2027, the City will increase the health opt-out incentive to $350 for employee only and $325 for employee+ one and family. Employees are only eligible if they do not select a City Medical plan and show proof of other equivalent health coverage. **Estimated cost: $21,600 per fiscal year**.

Additional recommendations, which have little or unknown direct cost impact, include:

- Establishes Tier 2 retiree medical eligibility and benefits.
- Establishes a bilingual pay incentive program of $50 per month for employees who meet the City's established eligibility criteria and receive designation by the City Manager.
- Effective July 1, 2023, revisions to the Out-of-Class Pay (Section II, Article 4) wording to comply with CalPERS requirements.
- Addition of wording for Out-of-Class pay. Addition of wording for special compensation. Addition of “housekeeping’ language changes.

If the Resolution (Attachment 1) is adopted, it will be effective as of July 11, 2026.

<u>AFSCME Furlough Side Letter</u>
In accordance with the Public Service Employees Bargaining Unit MOU, Section V, Article 3, each year, the City may schedule a mandatory work furlough between the Christmas and New Year's holidays, at the City's sole discretion. The City contacted AFSCME to discuss including December 24, 2026, in the mandatory furlough dates for this year only, as most employees would likely request this day off. Representatives of the City and the Union have met and conferred and mutually agree to amend Section V, Article 3 for the purpose of including the day before the Christmas Day holiday, December 24, 2026, in the mandatory furlough dates for the 2026-2027 furlough period only. Staff recommends the City Council adopt a Resolution (Attachment 5) approving the 2026-2027 furlough period side letter.

Corrected Consolidated Salary Schedule
On June 23, 2026, the City Council approved amendments to the employment agreements with the City Manager and the City Attorney, which included 5% retroactive salary increases. Following implementation of the approved salary adjustments, staff identified that the salary table adopted by the City Council did not accurately reflect the approved compensation due to a calculation discrepancy in the published salary schedule. Employee compensation was processed correctly, and no payroll adjustments are required. The corrected salary schedule (Attachment 8) is effective July 11, 2026 and reflects the previously approved salary amounts, effective dates, and ensures the City's salary schedule accurately reflects the approved compensation and complies with CalPERS requirements.

Rocklin Firefighters, Local 522 Side Letter
On August 12, 2025, the City Council approved the successor Memorandum of Understanding (MOU) between the City of Rocklin and Rocklin Firefighters, Local 522 (Local 522), via Resolution No. 2025-162, for the term of July 1, 2025, through June 30, 2028. As part of the negotiated agreement, the parties agreed to modify the City's monthly employer health contribution to the Public Employees' Medical and Hospital Care Act (PEMHCA) minimum contribution and to continue negotiations regarding Tier 2 retiree health eligibility and benefit provisions for employees hired on or after July 1, 2025.

The City and Local 522, have since concluded those negotiations. The parties agreed to participate in the International Association of Fire Fighters (IAFF) Medical Expense Reimbursement Plan (MERP), which provides reimbursement for eligible medical expenses for retired fire employees who qualify under the MERP. In lieu of an employer contribution for Tier 2 employees, Local 522 requested that eligible bargaining unit employees (Tier 1 and Tier 2) participate in the MERP through mandatory pre-tax payroll deductions, consistent with the negotiated tentative agreement.

Staff recommends the City Council adopt the attached Resolution (Attachment 9), which formally incorporates the negotiated provisions into Section III, Article 9 of the Memorandum of Understanding, completing the parties' negotiations on Tier 2 retiree health eligibility and benefit provisions for employees hired on or after July 1, 2025.

Fiscal Impact:

- AFSCME MOU: The combined fiscal impact of the 2026-2029 MOU is estimated at $4,947,506, broken down as follows:
    - Year 1: $1,377,812
    - Year 2: $1,638,518
    - Year 3: $1,931,17
    - Sufficient funds are available in the Fiscal Year 2026/27 Operating Budget. Costs for years two and three will be included during subsequent budget preparation.
- AFSCME Side Letters: There is no direct fiscal impact resulting from the staff recommendation, as employee will use their accrued leave for the additional day.
- Corrected Salary Table Update: There is no direct fiscal impact resulting from the staff recommendation. The updated salary tables reflect the compensation adjustments previously approved by the City Council on June 23, 2026. No changes are proposed to the previously approved fiscal impacts or appropriations.
- Local 522 Side Letter: There is no direct fiscal impact resulting from the staff recommendation.

ATTACHMENTS:

1. Resolution A
2. Resolution A - Exhibit 1 AFSCME Final MOU 2026-2029 (Clean)
3. Resolution A - AFSCME Final MOU 2026-2029 (Redline)
4. Resolution A - Exhibit 2 Consolidated Salary Schedule
5. Resolution B
6. Resolution B - Exhibit 1 AFSCME Side Letter
7. Resolution C
8. Resolution C - Exhibit 1 Consolidated Salary Schedule
9. Resolution D
10. Resolution D - Exhibit 1 Fire Side Letter