



SPECIAL AND REGULAR MEETING AGENDA

Date: 6/23/2026
Time: 5:30 p.m.
Location: [Zoom.us/join](https://zoom.us/join) – ID# 832 1285 7140
City Council Chambers
751 Laurel St., Menlo Park, CA 94025

EARLY STAFF REPORT RELEASE NOTICE

Pursuant to the requirements of City Council Procedure #CC-11-0001, the following staff report is being released 15 days in advance of the City Council meeting:

Consider and adopt a resolution to approve the successor agreement between the City of Menlo Park and the American Federation of State, County and Municipal Employees, Local 829 expiring June 30, 2027 ([Staff Report #26-104-CC](#))

This notice is posted in accordance with Government Code Sections 54954.2(a) or 54956. Members of the public can view electronic agendas and staff reports by accessing the city website at www.menlopark.gov/agendas and can receive notifications of agenda postings by subscribing at www.menlopark.gov/subscribe. Agendas and staff reports may also be obtained by contacting the City Clerk's Office at 650-330-6620. (Posted 6/8/2026)



STAFF REPORT

City Council

Meeting Date:

6/23/2026

Staff Report Number:

26-104-CC

Regular Business:

Consider and adopt a resolution to approve the successor agreement between the City of Menlo Park and the American Federation of State, County and Municipal Employees, Local 829 expiring June 30, 2027

Recommendation

Adopt a resolution to approve the successor agreement between the City of Menlo Park and the American Federation of State, County and Municipal Employees, Local 829 (AFSCME) expiring June 30, 2027 (Attachment A).

Policy Issues

City Council retains sole authority to enter into a memorandum of understanding (MOU) with recognized labor units. Negotiations related to MOUs are governed by the Meyers-Milias-Brown Act (MMBA), Government Code Section 3500 et seq. MMBA requires that local agencies meet and confer in good faith regarding wages, hours, and other terms and conditions of employment with representatives of recognized collective bargaining units. MMBA further requires that the City fully consider proposals made by collective bargaining unit representatives before determining policy or course of action.

Background

The City Council held its initial hearing to receive public input before launching negotiations with AFSCME April 14. After the public input hearing, City Council appointed Charles Sakai of Sloan Sakai Yeung & Wong LLP to serve as the City's chief negotiator. Mr. Sakai received direction to negotiate the successor MOU with AFSCME, which commenced in April 2026. The Parties met both on and off-the-record and resolved matters by joint recommendation in June 2026.

Non-management employees who are designated as "confidential" employees are unrepresented and not covered by a collective bargaining agreement. Confidential positions are designated as such because the nature of their work involves sensitive and confidential information generally limited to those who work in the city manager's office, human resources in the administrative services department, and a few relevant positions in other departments. Currently, there are nine (9) classifications that can be designated as confidential, including office assistant/senior office assistant, human resources technician I/II/senior, management analyst I/II/senior, and executive assistant to the city manager. Confidential employees are historically provided the same salary and benefit terms negotiated between the City and AFSCME.

Analysis

Service to the community requires a skilled workforce that is committed to providing the high level of customer service and responsiveness expected by the City Council, residents, businesses, and other community sectors in Menlo Park. AFSCME is comprised of journey-level and supervisory personnel across all City departments and represents 34 classifications with approximately 57.75 budgeted full-time equivalents (FTEs) in AFSCME in fiscal year 2025-26.

This report summarizes the joint recommendation negotiated in good faith with AFSCME representatives. AFSCME membership ratified the tentative agreement on June 2. While the Parties’ joint recommendation conforms to the authority provided to Mr. Sakai, the final action requires City Council approval at a public meeting. Table 1 summarizes the tentative agreement terms with financial impacts. A redline version incorporating these terms into the current MOU will be transmitted for City Council adoption at least 72 hours in advance of its June 23 meeting (Attachment B).

Table 1: Tentative agreement items with financial impact to City

Item	Description	Cost / (savings)
Term	The tentative agreement (TA) provides for a one-year term beginning July 1, 2026, and ending on June 30, 2027.	One-year agreement focused negotiations on key items of wages and benefits for coming year and minor clean-up items. Future negotiations for successor MOU likely to pursue multi-year agreement with comprehensive review of wages, special pays, benefits, and misc. provisions.
Pay rates – Overall wage adjustments	<p>The TA includes an across-the-board general salary increase (GSI) to all pay rates in this unit, as follows:</p> <ul style="list-style-type: none"> • 4.0% effective the pay period following July 1, 2026 <p>These costs include the corresponding increase to other City-provided benefits that are tied to wages (i.e., life insurance, long-term disability insurance, accidental death and dismemberment insurance, Medicare and workers’ compensation).</p>	\$386,156
Flexible benefits plan contributions	<p>The TA includes set contribution rates for 2027 based on the annual Consumer Price Index (CPI) for the San Francisco Bay Area:</p> <ul style="list-style-type: none"> • 2027: <ul style="list-style-type: none"> • \$3,115.00 per month – family coverage • \$2,396.16 per month – two-person coverage • \$1,198.08 per month – single coverage <p>The TA also extends the existing provision to meet and confer in the event that the City’s contributions toward medical premiums are less than the Kaiser rate at each</p>	The proposed fiscal year 2026-27 budget includes this CPI adjustment.

Table 1: Tentative agreement items with financial impact to City		
Item	Description	Cost / (savings)
	tier for plan year 2027.	
Floating holiday	The TA combines existing provisions for Day of Reflection and Holiday Closure floating holiday hours into one leave bank to reduce payroll administration efforts related to tracking these leave banks separately.	No-cost item.
Bereavement Leave	The TA revises existing language from twenty-four (24) hours to three (3) working days per instance of bereavement leave for consistency across units. This change has a nominal cost where the employee is scheduled to work more than eight (8) hours per day.	De minimis cost.
Definition of Weekend	The TA adds language to Call Back, Standby, and Night and Weekend Differential sections to clarify the definition of “weekend” as Saturday and Sunday to underscore existing payroll practice and avoid confusion.	No-cost item.
Total	One-year contract term total	\$386,156

Confidential employees in the impacted job classifications listed above (i.e., human resources technician I/II/senior) will receive the same proposed adjustments as AFSCME employees totaling \$40,044.

The tentative agreement provides an additional year of stability and known increases for AFSCME across all areas of wages and benefits. The economic package outlined above balances the need for fiscal stability with the goal of recruiting and retaining top talent in service to the community. One measure of fiscal sustainability is the relationship between the TA’s economic package and inflation as measured by the Consumers Price Index, All Urban Consumers (CPI-U), for the San Francisco area. The San Francisco Area CPI as of April 2026 showed an increase of 3.8% as compared to April 2025. Another measure of fiscal sustainability is the relationship between the TA and the amounts included in the fiscal year 2026-27 budget and General Fund five-year forecast. These items include 3% placeholder wage increases and 4% increases to benefit costs, taking into consideration increasing costs for employee pension and inflationary assumptions for non-salary items.

The terms of the successor agreement are an important component of recruiting and retaining qualified employees. Competition for top talent is significant. Providing a comprehensive package that maintains the City’s market position and provides incentive for promoting within the City supports retention of our highly qualified and experienced staff. Additionally, the City is undertaking a citywide classification and compensation study in fiscal year 2026-27 to update our classifications to meet current operational needs and evaluate the City’s competitiveness in the labor market in terms of salary and benefits.

Impact on City Resources

The total cost of this one-year agreement for AFSCME is \$386,156 and \$40,044 for confidential employees. Factoring in the wage and benefit placeholders previously incorporated into the proposed fiscal year 2026-27 budget, an additional \$133,331 is being requested for AFSCME members and an additional \$13,714 is being requested for confidential employees. The City Council will consider adopting

the proposed fiscal year 2026-27 budget with these changes incorporated at the June 23 meeting.

Environmental Review

This action is not a project within the meaning of the California Environmental Quality Act (CEQA) Guidelines Sections 15378 and 15061(b)(3) as it will not result in any direct or indirect physical change in the environment.

Public Notice

Public notification was achieved by posting the report 15 days prior to the City Council meeting of June 23.

Attachments

- A. Resolution
- B. Redlined version of successor MOU

Report prepared by:

Chandler Florence, Management Analyst II

Daniel Mendoza, Management Analyst II

Report reviewed by:

Brittany Mello, Administrative Services Director

RESOLUTION NO. XXXX

**RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MENLO PARK
APPROVING THE COMPREHENSIVE MEMORANDUM OF UNDERSTANDING
WITH THE AMERICAN FEDERATION OF STATE, COUNTY AND MUNICIPAL
EMPLOYEES, LOCAL 829, WITH A TERM OF JULY 1, 2026, THROUGH JUNE
30, 2027**

WHEREAS, the City of Menlo Park received a report on expiring labor agreements April 14, 2026, in accordance with the City Council's policy on Public Input and Outreach Regarding Labor Negotiations; and

WHEREAS, the Memorandum of Understanding (MOU) between the City of Menlo Park (City) and the American Federation of State, County and Municipal Employees, Local 829 (AFSCME) expires June 30, 2026; and

WHEREAS, Negotiators for the City and AFSCME began the meet and confer process April 2026, and met both on- and off-the-record and resolved matters by Joint Recommendation in June 2026; and

WHEREAS, City and AFSCME have met and conferred in good faith, the AFSCME membership ratified a comprehensive Tentative Agreement June 2, 2026, and the City and AFSCME signed the comprehensive Tentative Agreement June 5, 2026; and

WHEREAS, the terms of the successor MOU make changes to the wages, flexible benefits plan contributions, and various clean-up language regarding non-economic terms and has a term July 1, 2026, through June 30, 2027; and

WHEREAS, the costs associated with the terms of the successor MOU will be incorporated into the fiscal year 2026-27 budget as part of the June 23, 2026, budget adoption process.

NOW, THEREFORE BE IT RESOLVED, by the Menlo Park City Council that:

1. City approves the Tentative Agreement with AFSCME for a successor MOU with a term of July 1, 2026, through June 30, 2027, as set forth in Exhibit A attached and incorporated by reference; and
2. City Council authorizes the city manager to execute the successor MOU; and
3. City Manager may approve formatting edits to the successor MOU.

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I, Judi A. Herren, City Clerk of Menlo Park, do hereby certify that the above and foregoing City Council Resolution was duly and regularly passed and adopted at a meeting by said City Council on the twenty-third day of June, 2026, by the following votes:

AYES:

NOES:

ABSENT:

ABSTAIN:

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the Official Seal of said City on this __ day of June, 2026.

Judi A. Herren, City Clerk

Exhibits:

A. Successor Memorandum of Understanding

Exhibit A

Successor Memorandum of Understanding

This document will be posted at least 72 hours in advance of the City Council meeting
June 23, 2026.

Redlined version of successor Memorandum of Understanding

This document will be posted at least 72 hours in advance of the City Council meeting
June 23, 2026.