

**San Mateo County Transit District  
Staff Report**

To: Finance Committee

From: April Chan, General Manager/CEO

Subject: **Authorizing a 4 Percent Global Wage Increase for Unrepresented Administrative Employees**

**Action**

Staff proposes the Finance Committee recommend the Board of Directors (Board) authorize a 4 percent global wage increase for unrepresented administrative employees of the San Mateo County Transit District (District).

**Significance**

On June 7, 2023, the Board approved the District's Fiscal Year (FY) 2024 and FY 2025 Operating and Capital Budgets without wage increases for FY 2025 due to upcoming negotiations with unions representing the majority of the District's workforce. Unfortunately, the negotiations with the largest portion of employees, represented by Amalgamated Transit Union (ATU) Local 1574, have not concluded even though the parties' prior agreement expired on June 30, 2024. The membership has rejected a proposed contract which increases the base wage at 4 percent in the first year, with additional increases for years 2 and 3. The District typically endeavors to complete ATU negotiations before implementing wage increases for unrepresented employees; however, the General Manager/CEO has determined it is in the District's best interest to proceed with the 4 percent global wage increase for unrepresented staff at this time, even though such increase has been rejected twice by the ATU.

This proposed 4 percent global wage increase for unrepresented administrative employees would be implemented effective the pay period covering July 1, 2024, with the concurrence of the Peninsula Corridor Joint Powers Board (JPB) Executive Director for those employees dedicated to Caltrain, pursuant to the Resolution Declaring the Uncertainty of Compensation of Administrative Employees (Resolution No. 2024-20) adopted by the Board on June 5, 2024.

**Budget Impact**

Adopted FY 2025 budgets can accommodate the proposed 4 percent global wage increase for several months. Staff will present the Board with comprehensive FY 2025 budget amendments, including for the proposed wage increase, in the next few months.

## **Background**

The District aims to continue to attract and retain a highly-skilled and motivated workforce to carry out critical programs of the District, the JPB, the San Mateo County Transportation Authority and the San Mateo County Express Lanes Joint Powers Authority, and to pay its workforce competitively. To that end, the District launched a comprehensive class and compensation system study in 2023, the results of which will be reflected in an updated Salary Ordinance presented for Board consideration in the coming months.

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Legal Counsel

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**Resolution No. 2024-**

**Board of Directors, San Mateo County Transit District  
State of California**

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**Authorizing a 4 Percent Global Wage Increase for Unrepresented Administrative Employees**

**Whereas**, on June 7, 2023, the Board of Directors (Board) approved the San Mateo County Transit District (District) Fiscal Year (FY) 2024 and FY 2025 Operating and Capital Budgets without wage increases for FY 2025 due to upcoming negotiations with unions representing the majority of the District's workforce; and

**Whereas**, the District typically endeavors to complete negotiations with unions representing the majority of its workforce before implementing wage increases for unrepresented employees; and

**Whereas**, though negotiations with Amalgamated Transit Union (ATU) Local 1574 had been underway for several months, they were not complete by the beginning of FY 2025, leading the Board to adopt a Resolution Declaring the Uncertainty of Compensation of Administrative Employees as of July 1, 2024 (Resolution No. 2024-20); and

**Whereas**, on August 14, 2024, the membership of ATU Local 1574 rejected a tentative three-year agreement, presented jointly by the District and the leadership of Local 1574, which included a combination of equity adjustments for certain classifications and across-the-board wage increases of 4 percent for the first year with additional increases for each of the next two years; and

**Whereas**, the Board acknowledges that a global wage increase for unrepresented administrative employees leaves the compensation of the majority of District employees unchanged pending further action; and

**Whereas**, the District aims to continue to attract and retain a highly-skilled and motivated workforce to carry out critical programs of the District, the Peninsula Corridor Joint Powers Board, the San Mateo County Transportation Authority and the San Mateo County Express Lanes Joint Powers Authority, and to pay its workforce competitively; and

**Whereas**, the Board of Directors finds that it is in the District’s best interest to proceed with a 4 percent global wage increase for unrepresented administrative staff at this time, even though such increase has now been rejected twice by the ATU.

**Now, Therefore, Be It Resolved** that the Board of Directors of the San Mateo County Transit District approves a 4 percent global wage increase for unrepresented administrative employees, effective as of July 1, 2024.

Regularly passed and adopted this 4th day of September, 2024 by the following vote:

Ayes:

Noes:

Absent:

Attest:

\_\_\_\_\_  
Chair, San Mateo County Transit District

\_\_\_\_\_  
District Secretary