



ADMINISTRATIVE SERVICES DEPARTMENT

CITY HALL
10300 TORRE AVENUE • CUPERTINO, CA 95014-3255
TELEPHONE: (408) 777-3220 • FAX: (408) 777-3109
CUPERTINO.GOV

CITY COUNCIL STAFF REPORT

Date: October 21, 2025

Subject

Approve the July 1, 2025, through June 30, 2028, Memorandum of Understanding setting the salary and terms and conditions of employment for the Cupertino City Employees' Association (CEA)/IFPTE Local 21.

Recommended Action

1. Adopt the Draft Resolution 25-XXX amending the Memorandum of Understanding (MOU) for the Cupertino City Employees' Association (CEA)/IFPTE Local 21 based on the attached tentative agreements; and
2. Approve the corresponding Salary Schedule for CEA employees effective July 12, 2025; and
3. Adopt the Draft Resolution 25-XXX to approve budget modification 2526-413 increasing appropriations by \$605,061 ensuring that there are sufficient budget appropriations to cover the costs associated with the negotiated contracts.

Background

The City has reached a tentative agreement with the Cupertino City Employees' Association (CEA)/IFPTE Local 21. The negotiated package is within City Council parameters for the Fiscal Years (FY) 2025 - 2028. Key provisions of the tentative labor agreements are summarized below:

- Term – 3 years, July 1, 2025 through June 30, 2028
- Cost of Living adjustments (COLAs): retroactive to the first full pay period after July 1, 2025, a 5.0% salary increase. Effective the first full pay period after July 1, 2026, a 3.0% salary increase. Effective the first full pay period after July 1, 2027, a 3.0% salary increase; and
- A one-time \$1,000 non-pensionable lump sum payment; and
- Effective July 1, 2025, for each participating employee, the City shall contribute toward premium cost the following amount per month during the term of this agreement.

July 1, 2025	City Max Health Contribution	City Max Dental Contribution	City Total Max Contribution
Employee	\$1,112.90	\$114.30	\$1,227.20
Employee + 1	\$2,225.80	\$114.30	\$2,340.10
Employee + 2	\$2,893.54	\$114.30	\$3,007.84

- With regards to any change in the monthly medical plan premium charged by CalPERS in the plan years subsequent to 2025 (specifically, the CalPERS healthcare rate increases effective January 1, 2026, January 1, 2027 and January 1, 2028), the City's maximum contributions shall be tied to the CalPERS Kaiser Permanente plan increases and shall be capped at no more than 20% of any such total increase in aggregate during the course of this 2025 – 2028 MOU. Any required contribution amounts exceeding the premium contribution of the City are the responsibility of the employee.

Title 2 of the California Code of Regulations, section 570.5, requires that the pay schedule of every CalPERS agency be approved and adopted by the agency's governing body pursuant to public meeting law. The City's Salary Schedules for CEA employees is attached for the Council's review and approval, effective July 12, 2025.

Reasons for Recommendation and Available Options

Based on the findings outlined above, staff recommends Council approve the July 1, 2025, through June 30, 2028, Memorandum of Understanding setting the salary and terms and conditions of employment for the Cupertino City Employees' Association (CEA)/IFPTE Local 21.

Sustainability Impact

No sustainability impact.

Fiscal Impact

For CEA, the City will incur an additional cost of \$605,061 in the first year (FY2025-26), an additional cost of \$896,239 in the second year (FY 2026-27) and an additional cost of \$1,469,897 in the third year for a total of \$2,971,197 in ongoing costs (starting FY 2027-28). A budget adjustment (recommended action #3) for increased costs in the first year is recommended for your consideration at tonight's meeting. At the time of the adopted budget, costs related to the labor contracts were unknown and not included in the adopted budget.

Costs for these changes to the compensation programs are summarized in the table below:

	Year 1 Costs	Year 2 Costs	Year 3 Costs	Total Costs
GENERAL FUND	\$ 489,995	\$ 712,489	\$ 1,165,568	\$ 2,368,052
ALL OTHER FUNDS	\$ 115,066	\$ 183,750	\$ 304,329	\$ 603,145
Total Costs	\$ 605,061	\$ 896,239	\$ 1,469,897	\$ 2,971,197

City Work Program (CWP) Item/Description

None

Council Goal:

None

California Environmental Quality Act

No California Environmental Quality Act impact.

Prepared by: Vanessa Guerra, Human Resources Manager

Reviewed by: Kristina Alfaro, Director of Administrative Services

Floy Andrews, Interim City Attorney

Approved for Submission by: Tina Kapoor, Interim City Manager

Attachments:

A – September 18, 2025 CEA Signed Tentative Agreement

B – CEA – MOU (Clean)

C – CEA – MOU (Redline)

D – Section 14 Safety Footwear Agreement Signed

E – Draft Resolution CEA Local 21 MOU

F – Draft Resolution for Budget Modification