



# City of Santa Fe, New Mexico

## Memorandum



**Date:** September 18, 2025

**To:** Finance Committee and Governing Body

**From:** Bernadette Salazar, Director of Human Resources *Bernadette Salazar* Sep 18, 2025

**Via:** Mark Scott, City Manager *Mark Scott* Sep 18, 2025  
Mark Scott (Sep 18, 2025 18:10:50 MDT)

**RE:** Request Approval of the Collective Bargaining Agreement between the City of Santa Fe and Local 3999 City of Santa Fe Employees of the American Federation of State, County and Municipal Employees, Council 18, AFL-CIO

**ITEM:**

This request is for approval of the Collective Bargaining Agreement between the City of Santa Fe and Local 3999 City of Santa Fe Employees of the American Federation of State, County and Municipal Employees, Council 18, AFL-CIO.

This request is also for approval of a Budget Amendment Resolution to appropriate unspent balances from the FY25 operating budget of \$611,452 from general fund balance to the FY26 Human Resources budget to pay \$1,000 retention incentives to AFSCME employees pursuant to the Collective Bargaining Agreement.

**BACKGROUND AND SUMMARY:**

The city and the Union entered into the collective bargaining agreement effective July 1, 2017, through June 30, 2020. Although the collective bargaining agreement had expired, it remained in effect pursuant to the evergreen provision of the Public Employees Bargaining Act (PEBA). The parties began negotiating the full contract in February 2020. In March 2020, AFSCME and the city agreed to postpone negotiations due to COVID. Negotiations resumed in September 2020. Below is a summary of actions that have occurred related to AFSCME and city negotiations.

Date	Action
June 2021	Amendment No. 3 approved to provide 4% salary increases for AFSCME bargaining unit employees
December 2021	Memorandum of Agreement to provide AFSCME bargaining unit employees with a \$2,000.00 retention incentive
May 2022	Memorandum of Agreement to ensure AFSCME bargaining unit employees with 15 years of service or more are appropriately credited with their longevity incentive
June 2022	Amendment no. 4 to provide 8% salary increases for AFSCME bargaining unit employees
June 2023	Amendment no. 5 to provide 3% salary increases for AFSCME bargaining unit employees earning less than \$100,000 annualized and 1% for those earning \$100,000 or more annualized
November 21, 2023	AFSCME and the city began mediation with the Federal Mediation and Conciliation Services. The parties completed 9 sessions until June 10, 2024
December 2023	Memorandum of Agreement to provide AFSCME employees with a \$1,150 retention incentive
June 10, 2024	AFSCME Leadership filed for final and binding arbitration
July 2024	Amendment no. 6 to provide pay increases for bargaining unit employees who were below the new minimum pay grade, 25% of the hybrid parity increases as recommended by the classification and compensation consultant and a 3% salary increase
December 2024	Memorandum of Agreement to provide AFSCME bargaining unit employees with a \$1,000 retention incentive



# City of Santa Fe, New Mexico

## Memorandum



On February 19, 2025, the City and AFSCME Local 3999 went to binding arbitration. On June 22, 2025, the arbitrator rendered a decision not to select either the city or AFSCME's last best offer. For fiscal year 2025, the Governing Body allocated \$611,452.00, equivalent to the amount for the second hybrid parity increase for AFSCME bargaining unit employees. For fiscal 2026, the Governing Body allocated \$3,070,868.00 for AFSCME bargaining unit employees. AFSCME and city leadership agreed to go back to the negotiating table with the hope of reaching agreement on the pending articles resulting in a full collective bargaining agreement. Both teams worked diligently and reached agreement on Monday, September 15, 2025.

Below is a summary of highlighted economic changes made to the agreement between the City of Santa Fe and AFSCME.

- Bargaining unit employees shall receive the second 25% of the recommended hybrid parity salary increase based on the compensation consultant's December 2023 recommendation up to the maximum of the pay grade
- Bargaining unit employees shall receive a 3% salary increase
- Bargaining unit employees shall receive the third 25% of the recommended hybrid parity salary increase based on the compensation consultant's December 2023 recommendation, up to the maximum of the pay grade
- Bargaining unit employees shall receive the fourth and final 25% of the recommended hybrid parity salary based on the compensation consultant's December 2023 recommendation, up to the maximum of the pay grade, the first full pay period in December 2025
- Bargaining unit employees hired prior to February 15, 2025, shall receive a one-time retention payment of \$1,000.00
- Increase to tool allowance for employees who are required to own and maintain their own personal tools for use in the performance of their duties from \$400 to \$700 per year
- Increase to uniform allowances from up to \$500 to \$700 for employees who have been identified by the employer as required to wear a uniform beginning July 2026
- Increase to safety footwear from \$200 to \$400 per year for employees required to wear safety footwear
- Increase to shift differential from \$1.00 per hour to \$1.45 for swing shift and from \$1.75 per hour to \$1.95 for graveyard shift
- Increase to bilingual pay incentive from \$40 per month to \$100 for employees who demonstrate Spanish speaking proficiency as identified by the city
- Added a new level of bilingual pay incentive of \$140 per month for employees who demonstrate Spanish speaking, reading, and writing proficiency as identified by the city
- Language clarification

The parties respectfully request approval of the Agreement between the City of Santa Fe and Local 3999 City of Santa Fe Employees of the American Federation of State, County and Municipal Employees, Council 18, AFL-CIO.

### **ATTACHMENTS:**

Collective Bargaining Agreement

Log # {Finance use <u>only</u> }:	
Journal # {Finance use <u>only</u> }:	

## City of Santa Fe, New Mexico BUDGET AMENDMENT RESOLUTION (BAR)

DEPARTMENT / DIVISION NAME				DATE	
Human Resources/ Human Resources Division				9/18/2025	
ITEM DESCRIPTION	ORG	OBJECT	PROJECT	INCREASE	DECREASE
<u>EXPENDITURES</u>				<i>{enter as <u>positive</u> #}</i>	<i>{enter as <u>negative</u> #}</i>
AFSCME Incentive- Incentives	1000231	502200		568,000	
AFSCME Incentive- FICA	1000231	503100		43,452	
<u>REVENUES</u>				<i>{enter as <u>negative</u> #}</i>	<i>{enter as <u>positive</u> #}</i>
<b>JUSTIFICATION:</b> <i>(use additional page if needed)</i> <i>--Attach supporting documentation/memo</i>				\$ 611,452	\$ -

Re-appropriation of funding from unexpended FY25 AFSCME CBA Allocation to support Incentives and related FICA expenses for AFSCME employees.

<i>{Complete section below if BAR results in a net change to ANY Fund}</i>	
	Fund Balance
Fund(s) Affected	Increase/(Decrease)
100	(611,452)
<b>TOTAL:</b>	<b>(611,452)</b>

Chris Parker	9/18/2025	<i>{Use this form for Finance Committee/ City Council agenda items ONLY}</i>	<i>Andy Hopkins</i>
Prepared By <i>{print name}</i>	Date	<b>CITY COUNCIL APPROVAL</b>	Budget Officer <span style="float: right;">Date</span>
Division Director Signature <i>{optional}</i>	Date	City Council <input style="width: 100px; height: 20px;" type="text"/>	Finance Director <i>{≤ \$5,000}</i> <span style="float: right;">Date</span>
<i>Bernadette Salazar</i>	Date	Approval Date <input style="width: 100px; height: 20px;" type="text"/>	City Manager <i>{≤ \$60,000}</i> <span style="float: right;">Date</span>
Department Director Signature	Date	Agenda Item #: <input style="width: 100px; height: 20px;" type="text"/>	