



Agenda Report

October 9, 2006

TO: City Council

FROM: City Manager

RE: APPROVAL OF THE MEMORANDUM OF UNDERSTANDING BETWEEN THE INTERNATIONAL UNION OF OPERATING ENGINEERS FOR THE TERM MARCH 25, 2006 THROUGH MARCH 27, 2009.

RECOMMENDATION:

It is recommended that the City Council approve a successor Memorandum of Understanding between the City of Pasadena and the International Union of Operating Engineers, Local 501 (IUOE) for a three year term covering the period March 25, 2006 through March 27, 2009; and approve a journal voucher allocating funds from the unappropriated Light and Power Fund balance as may be necessary.

BACKGROUND

The City and representatives from IUOE negotiated in good faith and have reached tentative agreement on a successor Memorandum of Understanding. On September 26, 2006, the union membership ratified the tentative agreement reached by the parties. Economic adjustments and significant changes to the Memorandum of Understanding include the following:

1. Salaries: Effective April 3, 2006, provide a 4% salary increase to all classifications in the bargaining unit; effective April 2, 2007 provide a 4% salary increase to all classifications in the bargaining unit; and effective March 31, 2008 provide a 4% salary increase to all classifications in the bargaining unit; and

Effective April 3, 2006, provide for an equity adjustment of 6% to the classifications of Power Plant Control Operator, Power Plant Operator, Power Plant Shift Supervisor, Senior Power Plant Mechanic and Power Plant Mechanic; and a 1.5% equity adjustment to the classification of Power Plant Mechanic Helper.

2. Shift Differential: Effective on the first pay period following the City Council's adoption of this Memorandum of Understanding, increase the swing and graveyard shift differentials to \$1.40 per hour for shift employees and increase the shift differential to \$1.05 per hour for non-shift employees.
3. Overtime Meals: Effective on the first pay period following the City Council's adoption of this Memorandum of Understanding increase reimbursement for overtime meals from \$12.00 per meal to up to \$15.00 per meal.
4. Tuition Reimbursement: Effective July 1, 2006, increase the amount of tuition reimbursement that regular employees in this bargaining unit are eligible to receive to \$750 per fiscal year.
5. Dental Care Program: Eliminate the escalator clause for dental insurance premiums.
6. Health Care: Maintain the City's contribution to the Employee Benefit Option Fund (EOBF) at the existing level until the premium for the least expensive family health plan meets or exceeds the City's contribution. Eliminate the cap on the amount of unused insurance contribution which can be rolled into deferred compensation.
7. Work Uniforms & Safety Shoes: Increase the amount of reimbursement for employees who are required to wear safety shoes to up to \$250 annually and increase the amount of reimbursement for employees who wear prescription safety glasses to up to \$250 annually.
8. Welder & Asbestos Handling Certification Bonuses: Effective the first pay period following the City Council's adoption of the Memorandum of Understanding, provide a \$70 per month premium pay for regular, full-time employees in the classifications of Senior Power Plant Mechanic, Power Plant Mechanic, or Power Plant Mechanic Helper who possess the appropriate State certifications to perform welding duties or to handle and remove asbestos.
9. Bilingual Bonus: Effective the first pay period following the City Council's adoption of this Memorandum of Understanding, provide a \$75 per month bonus to employees who meet the bilingual requirements established in the City's Bilingual Incentive Program provisions.
10. Classification Title Changes: Change the classification title of Steam Plant Operator to Power Plant Operator and the classification title of Control Room Operator to Power Plant Control Operator.

11. Deletion of Obsolete Classifications: Remove the classifications of High Pressure Welder, Insulation Mechanic and Laboratory Technician from the bargaining unit.

FISCAL IMPACT:

The fiscal impact of the implementation of this Memorandum of Understanding between the City of Pasadena and IUOE is estimated at \$221,000 for the first year, including salary and related benefit costs. Sufficient funds exist in the adopted FY 2007 Department of Water and Power operating budget, and in the Light and Power unappropriated fund balance.

Respectfully Submitted,



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City Manager

Prepared by:



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Approved by:



KARYN S. EZELL
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