



Agenda Report

December 8, 2014

TO: Honorable Mayor and City Council

FROM: Department of Human Resources

SUBJECT: APPROVAL OF A MEMORANDUM OF UNDERSTANDING BETWEEN THE CITY OF PASADENA AND THE INTERNATIONAL UNION OF OPERATING ENGINEERS, LOCAL 501 FOR THE TERM OF JULY 1, 2014 - JUNE 30, 2017

RECOMMENDATION:

It is recommended that City Council approve a Memorandum of Understanding (MOU) between the City of Pasadena (City) and the International Union of Operating Engineers, Local 501 (IUOE) for the term of July 1, 2014 through June 30, 2017.

BACKGROUND:

The City and representatives of IUOE have met and conferred in good faith and have reached agreement on a successor MOU, which provides for the following:

1. Term: The MOU shall be in effect from July 1, 2014 – June 30, 2017. Unless specifically provided in the contract, no economic modifications to the MOU go into effect prior to the date of City Council approval of the MOU.
2. Salaries: Each classification in the unit will receive a 1% salary increase effective the beginning of the pay period following City Council approval. Effective the pay period which includes July 1, 2015, the base salary of each classification in the unit increases by 1%. Effective the pay period which includes July 1, 2016, the base salary of each classification in the unit increases by 1%. Effective the pay period which includes April 1, 2017, the base salary of each classification in the unit increases by .5%.
3. Overtime: Employees who work a full eight hour graveyard shift and are held over and work a full eight hour day shift receive double time for working the eight hour day shift.

4. Health Insurance/Employee Option Benefit Fund: Employees enrolled in a medical plan receive a monthly allowance based on enrollment (Employee only, employee+1, employee+2) which includes the statutory CalPERS minimum contribution. Increases to each tier (employee only, employee+1, employee+2) will only occur when the lower of the premium for the CalPERS LA Region for Blue Shield Access+ or Kaiser exceeds the current allowance. The allowance in each tier will equal the lower of the LA Region Blue Shield Access+ or Kaiser premium but shall not be lowered below the 2014 allowance which includes the PEMHCA minimum. The 2015 employee+2 tier is \$1,346.46.

New employees hired by the City on or after January 1, 2015, will receive an EOB allowance (including the statutory minimum) that equals the lower of the premium of Blue Shield Access+ or Kaiser (LA Region) for the tier in which they enroll (employee only, employee+1, employee+2).

5. Life Insurance: Effective January 1, 2015, increase life insurance coverage from \$30,000 to \$50,000.
6. Short-Term Disability: Effective January 1, 2015, the City will provide a short-term disability plan that includes the following basic provisions:
 - a. Thirty (30) calendar day elimination period. Disability payments begin on the 31st day.
 - b. Payments shall not exceed 60% of the employee's salary up to \$2,200 per week.
 - c. Maximum duration is twenty-two weeks (154 days).
 - d. The premium will be paid by the employee. The benefit is non-taxable to the employee.
 - e. Effective January 1, 2015 the benefit premium is \$.246 per \$10 of weekly gross benefit.
7. Contract language: The MOU has been re-written and reorganized for clarity, legal compliance, and organizational effectiveness. These changes correct the contract to the law, department procedures, and best practices.

COUNCIL POLICY CONSIDERATION:

The adoption of the Memorandum of Understanding between the City of Pasadena and the International Union of Operating Engineers, Local 501 supports the City Council's strategic goal of maintaining fiscal responsibility and stability.

FISCAL IMPACT:

The recommended MOU changes will result in a fiscal year 2015 cost of \$52,289 and a total cost of \$154,835 during the term of the agreement which will be charged to the Power Fund.

Respectfully submitted:



KRISTI RECCHIA
Director of Human Resources

Approved by



MICHAEL J. BECK
City Manager

Attachment:

1. Memorandum of Understanding between City of Pasadena and International Union of Operating Engineers, Local 501 July 1, 2014 – June 30, 2017