

# Agenda Report

February 22, 2021

**TO:** Honorable Mayor and City Council

**FROM:** Human Resources Department

**SUBJECT: APPROVAL OF A MEMORANDUM OF UNDERSTANDING BETWEEN THE CITY OF PASADENA AND THE INTERNATIONAL UNION OF OPERATING ENGINEERS (IUOE) FOR THE TERM OF JANUARY 1, 2021 – SEPTEMBER 30, 2021**

## **RECOMMENDATION:**

It is recommended that the City Council:

1. Find that the action proposed herein is not a “project” as defined in the California Environmental Quality Act (CEQA), Public Resources Code Section 21065 and Section 15378(b)(2) of the State CEQA Guidelines and, as such, is not subject to environmental review; and
2. Approve a Memorandum of Understanding between the City of Pasadena and the International Union of Operating Engineers (IUOE) for the term of January 1, 2021 – September 30, 2021.

## **BACKGROUND:**

The International Union of Operating Engineers (IUOE) represents 19 full-time employees who work at the Power Plant in the Water & Power Department. The latest three-year memorandum of understanding between the City and the IUOE expired on June 30, 2020. Negotiations for a successor contract with the IUOE began in April 2020. Due to the immediate and significant impact the COVID-19 pandemic was projected to have on the City's budget along with the ongoing uncertainty including long-term impact, the City was not in a position to offer IUOE future financial enhancements. Nonetheless, the parties continued to meet and agreed to a six-month contract extension to December 31, 2020 and changes to or additions of several non-economic items including workers' compensation salary continuation, language related to modified/light duty program as well as meal periods, and an adjustment to compensatory time banks for maintenance classifications who work a 9/80 schedule. A Side Letter of Agreement, approved by the City Council on June 15, 2020, formalized the contract extension and

changes. Several check-in meetings between the parties occurred through the end of 2020 while the City continued to closely monitor the impact on COVID-19 on the local economy and its revenues.

In recognition of the dedicated service to the community that the members of IUOE perform, the City and IUOE have agreed to a successor contract that includes modest economic changes. The following is a summary overview of the key contract provisions:

1. Term: January 1, 2021 – September 30, 2021
2. Compensation Changes:
  - a. 1% salary increase effective March 1, 2021
  - b. A one-time, lump sum payment equal to the value of 1% of base pay for the period July 6, 2020 through February 28, 2021.
3. The proposed agreement addresses a number of non-economic clean-up items.

**COUNCIL POLICY CONSIDERATION:**

Approval of staff's recommendation supports the City Council's strategic goals of maintaining fiscal responsibility and stability and ensuring public safety.

**FISCAL IMPACT:**

The FY 2021 cost of the agreement is approximately \$20,000 and is 100% funded directly through the Light and Power Fund (401). The Water & Power Department's FY 2021 Operating Budget includes some additional funding in anticipation of negotiated wage increases.

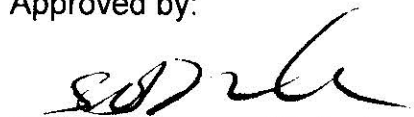
Respectfully Submitted,



JENNIFER CURTIS

Director of Human Resources

Approved by:



STEVE MERMELL

City Manager

Attachment: City of Pasadena and IUOE Memorandum of Understanding