

Agenda Report

DATE: August 4, 2003

TO: City Council

FROM: City Manager

RE: Approval of the Memorandum of Understanding Between the City of Pasadena and the International Union of Operating Engineers, Local 501 (IUOE).

RECOMMENDATION:

It is recommended that the City Council approve a successor Memorandum of Understanding between the City of Pasadena and IUOE for the period March 24, 2003 through March 20, 2006, and authorize a journal voucher appropriating \$94,237 from the unappropriated Light and Power Fund balance to cover the cost of the FY 2003 salary and benefit increases.

BACKGROUND:

The City and representatives of IUOE met and conferred in good faith and the IUOE membership has ratified the tentative agreement reached by the parties. Economic adjustments include the following:

1. **Salary Adjustments:** Effective March 24, 2003, the salary ranges for the classifications of Control Room Operator, Steam Plant Operator and Power Plant Mechanic shall be increased by 1.6%. The salary range for the classification of Power Plant Mechanic Helper shall be increased by 8.0%. The salary range for the classification of High Pressure Welder shall be increased by 6.0%. The salary range for the classification of Lab Technician shall be increased by 2.5%.

Effective June 30, 2003, the salary ranges for the classifications of Control Room Operator, Steam Plant Operator and Power Plant Mechanic shall be increased by 3.5%. A new classification of Senior Power Plant Mechanic shall be established with a salary range 8.0% above the salary range for Power Plant Mechanic.

Effective March 22, 2004, the salary ranges for all bargaining unit classifications shall be increased by 3.5%. The salary ranges for the classification of Senior Power Plant Mechanic shall receive an additional 3.5% adjustment.

Effective March 21, 2005, the salary ranges for all bargaining unit classifications shall be increased by 3.5%.

2. **Shift Differential:** Effective March 24, 2003, the shift differential for employees assigned to the swing and graveyard shifts shall increase from \$1.25 per hour to \$1.30 per hour.

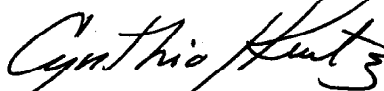
Effective March 22, 2004, the shift differential for employees assigned to the swing and graveyard shifts shall increase to \$1.35 per hour.

3. Service Credit for Unused Sick Leave: Upon agreement of all Miscellaneous (i.e., non-safety) bargaining units, the City shall amend its contract with the Public Employees Retirement System to provide service credit for unused sick leave upon retirement.
4. Life Insurance: Effective upon adoption of this MOU by the City Council, the life insurance benefit provided by the City shall increase from \$15,000 to \$25,000 per employee.
5. Health Insurance: Effective the first payroll period following adoption of this MOU by the City Council, the current cap of \$418 per month that employees may place in Deferred Compensation accounts shall be increased to a cap of \$600 per month.
6. Safety Equipment: Effective upon adoption of this MOU by the City Council, the annual reimbursement for required safety shoes shall increase from \$175 to \$200. Language has been added to memorialize the practice of an annual reimbursement for safety glasses of \$200 (safety glasses must meet American National Standards Institute, ANSI Z87.1-1989).
7. Respiratory Examination: Language has been added regarding respiratory examinations for potentially affected individuals, consistent with Federal law.

FISCAL IMPACT:

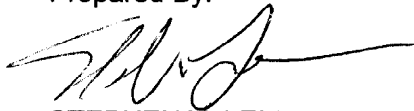
The fiscal impact of the implementation of this MOU between the City of Pasadena and the IUOE is estimated to be \$94,237 for FY 2003, \$76,169 for FY 2004, and \$67,819 for FY 2005, including salary and related benefit costs. Funding for the FY 2004 salary and benefit increases has been included in the approved FY 2004 Department of Water & Power Operating Budget. An additional appropriation of \$94,237 from the unappropriated Light and Power Fund balance is necessary to cover the cost of the FY 2003 salary and benefit increases.

Respectfully Submitted,



CYNTHIA J. KURTZ
City Manager

Prepared By:



STEPHEN V. LEM
Human Resources Manager

Approved By:



KARYN S. EZELL
Director of Human Resources