

# Agenda Report

October 4, 2010

**TO:** Honorable Mayor and City Council

**FROM:** Department of Human Resources

**SUBJECT:** APPROVAL OF THE MEMORANDUM OF UNDERSTANDING BETWEEN THE CITY OF PASADENA AND INTERNATIONAL UNION OF OPERATING ENGINEERS, FOR THE TERM MARCH 28, 2010 THROUGH MARCH 27, 2012

## **RECOMMENDATION:**

It is recommended that the City Council approve a successor Memorandum of Understanding between the City of Pasadena and International Union of Operating Engineers (IUOE), for a two-year term covering the period March 28, 2010 through March 27, 2012.

## **BACKGROUND:**

The City and representatives of IUOE negotiated in good faith and have reached tentative agreement on a successor Memorandum of Understanding. On September 17, 2010, the IUOE membership ratified the tentative agreement reached by the parties. Economic adjustments and significant changes to the Memorandum of Understanding include the following:

1. **Salaries:** No salary increase is provided for in 2010. Effective March 28, 2011, provide for a 2% increase to all classifications in the bargaining unit. Beginning January 4, 2011 and ending March 31, 2011, either the City or IUOE may request to reopen negotiations on salary equity increases. Should the parties reach agreement prior to July 3, 2011, on salary equity adjustments, they will become effective on July 4, 2011.

2. Health Insurance: Effective January 1, 2011, eliminate escalator clause and tie the City's contribution for Employee Option Benefit Fund to the least expensive family health plan offered to all City employees.
3. Tuition Reimbursement: Increase reimbursement from \$750 to \$1000 annually, in line with other bargaining units.
4. Work Uniforms and Safety Shoes: Effective October 2010, employees shall be reimbursed up to \$50.00, upon presentation of a receipt, for additional expense incurred for the purchase of safety boots.
5. Apprenticeship Program: Effective October 1, 2010, the City and IUOE Training Trust Fund agree to enter into a contract for apprenticeship and journeyman training.

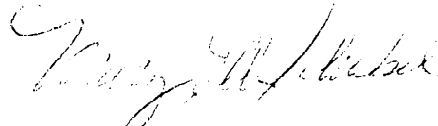
**COUNCIL POLICY CONSIDERATION:**

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

**FISCAL IMPACT:**

The salary increase has an annualized cost to the Power Fund of \$66,000. The FY 2011 fiscal impact to the Power Fund by the implementation of this Memorandum of Understanding between the City of Pasadena and IUOE is \$17,850.

Respectfully Submitted,



MARY ELLEN SCHUBEL  
Interim Director  
Department of Human Resources

Approved by:



MICHAEL J. BECK  
City Manager