

# Agenda Report

**DATE:** January 11, 2016

**TO:** Honorable Mayor and City Council

**FROM:** Human Resources Department

**RE:** APPROVAL OF A MEMORANDUM OF UNDERSTANDING BETWEEN THE CITY OF PASADENA AND the LABORERS' INTERNATIONAL UNION OF NORTH AMERICA (LIUNA), LOCAL 777 FOR THE TERM OF OCTOBER 1, 2015 – JUNE 30, 2019

**RECOMMENDATION:**

It is recommended that the City Council approve a Memorandum of Understanding (MOU) between the City of Pasadena (City) and the Laborers' International Union of North America (LIUNA), Local 777 for the term of October 1, 2015 through June 30, 2019.

**BACKGROUND:**

The City's existing MOU with LIUNA expired on September 30, 2015. The parties entered contract negotiations in May 2015 and reached a tentative agreement on a four year successor MOU in December 2015. On January 5, 2016, LIUNA members voted to ratify the new MOU.

The following is a summary overview of the key modifications:

1. Salaries - Effective the beginning of the pay period following City Council approval of this MOU, the results of a bargaining unit-wide classification study will be implemented and the existing 5 – 7 step salary structure will be modified to include ten (10) steps with two and one-half (2.5%) percent differentials between each step. Future step increases will be granted on an annual basis timed with the employee's annual performance evaluation, which will take place on the anniversary date of the employee's appointment to his/her current position. Annual step increases will cease once the employee has reached step ten of the new salary scale.

Unit members with rates of pay less than the top step of the classification designated as of the first day of the pay period following City Council approval of this MOU will move to the step in the new salary range that provides them at least a two percent (2%) salary increase.

Effective the pay period which includes October 1, 2016, all members of the bargaining unit will receive a two percent (2%) base salary increase.

Effective the pay period which includes October 1, 2017, all members of the bargaining unit will receive a two percent (2%) base salary increase.

Effective the pay period which includes October 1, 2018, all members of the bargaining unit will receive a two percent (2%) base salary increase.

2. Overtime – Language pertaining to the payment of overtime has been revised to state that leave time for which employees are compensated but do not actually work (including but not limited to, sick leave, vacation pay and floating holidays) will be counted in calculating hours worked for the purposes of overtime.
3. Stand-by Pay – Employees assigned to the Police Forensics Unit or the Department of Public Health's Vital Records Program will be compensated at the rate of one hour of base pay at their current hourly rate for each day assigned to the stand-by list.
4. Sick Leave – Maximum sick leave accrual will be increased to 1,200 hours (from 960 hours).
5. Maternity Leave – Maternity leave will be modified on January 1, 2017. Following that date, employees are eligible for benefits pursuant to Pregnancy Disability Leave, California Family Rights Act (CFRA), and/or the Federal Family Medical Leave Act (FMLA), when applicable, for purposes of parenthood leave.

Following the completion of Pregnancy Disability Leave and the exhaustion of FMLA/CFRA, if the employee is still unable to return to work as a result of continued disability caused by her pregnancy or the serious health condition of the child for which she took leave, she shall be eligible to receive up to an additional two months of City-paid health insurance if she needs to be off of work for at least an additional two months.

6. The MOU has been reformatted, reorganized and contains clean-up language as agreed upon by the parties.

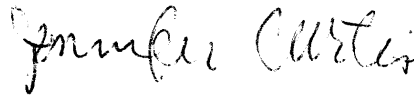
**COUNCIL POLICY CONSIDERATION:**

The adoption of the Memorandum of Understanding between the City of Pasadena and LIUNA, Local 777 supports the City Council's strategic goal of maintaining fiscal responsibility and stability.

**FISCAL IMPACT:**

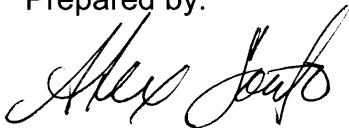
The fiscal impact of the MOU includes CalPERS retirement costs the City is required to pay with or without modifications to the MOU. The fiscal impact of the four-year agreement is approximately \$10.5 million, of which approximately \$4.4 million (42%) will impact the General Fund. The FY 16 impact is approximately \$595,000. It is expected that operating departments will absorb the FY 16 impacts within their existing budgets.

Respectfully Submitted,



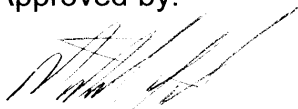
Jennifer Curtis  
Director of Human Resources

Prepared by:



Alex Souto  
Principal Human Resources Analyst

Approved by:



Michael J. Beck  
City Manager

Attachments:

1. MEMORANDUM OF UNDERSTANDING BETWEEN THE CITY OF PASADENA AND THE PASADENA MANAGEMENT ASSOCIATION