

Agenda Report

October 23, 2017

TO: Honorable Mayor and City Council

FROM: Human Resources Department

SUBJECT: APPROVAL OF MEMORANDUM OF UNDERSTANDING BETWEEN THE CITY OF PASADENA AND THE INTERNATIONAL UNION OF OPERATING ENGINEERS FOR THE TERM OF JULY 1, 2017 - JUNE 30, 2020

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.
2. Approve a Memorandum of Understanding (MOU) between the City of Pasadena (City) and the International Union of Operating Engineers (IUOE) for the term of July 1, 2017 through June 30, 2020.

BACKGROUND:

The International Union of Operating Engineers (IUOE) represents the Power Plant Mechanic and Operator series of classifications of the Pasadena Water & Power Department. The existing three-year Memorandum of Understanding between the City and the IUOE expired on June 30, 2017. Negotiations for a successor MOU began on June 9, 2017, and the parties reached a tentative agreement on September 28, 2017. On October 11, 2017, IUOE notified the City that its members had ratified the tentative agreement.

The following is a summary overview of the key contract modifications:

1. Term: July 1, 2017 – June 30, 2020
2. Salary Increases:
 - 3.0% effective the pay period following City Council approval of the 2017-2020 IUOE MOU
 - 3.0% effective the pay period that includes July 1, 2018
 - 1.0% effective the pay period that includes July 1, 2019
3. CalPERS Retirement Contributions - Employees currently contribute 8% of pensionable income toward retirement on a pre-tax basis.
 - a. Effective October 30, 2017, employees will contribute an additional 1.0% toward retirement on a pre-tax basis as cost-sharing for a total retirement contribution of 9%.
 - b. Effective the pay period that includes July 1, 2018, employees will contribute an additional 1.0% toward retirement on a pre-tax basis as cost-sharing for a total retirement contribution of 10%.
4. Shift Differential Pay – Upon City Council approval of the 2017-2020 IUOE MOU:
 - a. Increase to \$1.20 per hour for continuous shift employees. Currently \$1.05 per hour.
 - b. Increase to \$1.65 per hour for non-continuous shift employees working swing shift or graveyard shift. Currently \$1.40 per hour.
5. Overtime Meals - Increase to \$17.00 and provide only when overtime is scheduled with less than 24 hours notice. Currently \$16.00 per hour.
6. Workers' Compensation – For accepted workers' compensation claims, in addition to providing benefits required under the law, the City supplements workers' compensation temporary disability payments to provide salary continuance in an amount equal to 70% of the employee's annual base pay for up to 3 months. Currently: 100% salary continuance for up to 6 months.
7. Work Schedules – Effective the pay period that includes January 1, 2018, implement a 12-hour work schedule for continuous shift employees as a one-

year pilot program. The 12-hour work schedule will continue beyond the pilot program only by mutual agreement.

8. This agreement addresses non-economic language clarification and cleanup items.

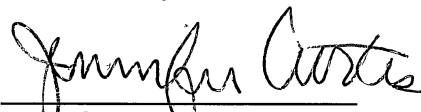
COUNCIL POLICY CONSIDERATION:

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

FISCAL IMPACT:

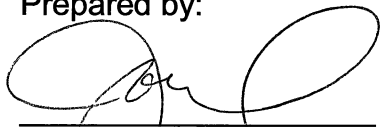
The fully burdened fiscal impact of this agreement is approximately \$600,000 through the term of the contract, inclusive of anticipated increases to retirement costs on all pensionable bargaining unit compensation. The FY 2018 fiscal impact is estimated at \$55,000, followed by increases of \$154,000 in FY 2019 and \$126,000 in FY 2020. The FY 2018 cost will be absorbed in the Water & Power Department's FY 2018 Operating Budget.

Respectfully Submitted,




Jennifer Curtis
Director of Human Resources

Prepared by:



Jaime Marie Arellano
Senior Human Resources Analyst

Approved by:



Steve Mermell
City Manager

Attachments:

1. International Union of Operating Engineers Memorandum of Understanding - July 1, 2017 – June 30, 2020