

# Agenda Report

December 5, 2022

**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 JANUARY 1, 2023 - JUNE 30, 2027**

## **RECOMMENDATION:**

It is recommended that the City Council:

1. Find that the proposed action herein is exempt from the California Environmental Quality Act (CEQA) pursuant to CEQA guidelines Section 15061(b)(3) (Common Sense Exemption); and
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 January 1, 2023 through June 30, 2027.

## **BACKGROUND:**

The International Union of Operating Engineers (IUOE) represents the power plant operator and mechanic classifications of the Water & Power Department. The existing Memorandum of Understanding (MOU) between the City and IUOE expires on January 1, 2023. Negotiations for a successor MOU began on October 24, 2022 and the parties reached a tentative agreement on November 14, 2022.

The proposed agreement with IUOE provides for cumulative base pay increases of 15.75% over the term of the four and one-half year contract. The increases included in this agreement are intended to ensure that compensation for the classifications represented by IUOE remain competitive in an increasingly competitive labor market and support the retention of trained and experienced power plant personnel.

Additionally, the proposed agreement includes other modest supplemental economic enhancements described in further detail below.

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

1. Term: January 1, 2023 – June 30, 2027
2. Salary Increases:
  - a. Effective the pay period that includes January 1, 2023: 3.5%
  - b. Effective the pay period that includes July 1, 2023: 2.5%
  - c. Effective the pay period that includes July 1, 2024: 3.5%
  - d. Effective the pay period that includes July 1, 2025: 3.5%
  - e. Effective the pay period that includes July 1, 2026: 2.75%
3. Salary Differential: Effective the pay period that includes January 1, 2023, increase the salary range for Power Plant Control Operator by 1.1% to create a 10% differential between Power Plant Operator and Power Plant Control Operator.
4. Addition of Job Duties: Effective the pay period that includes January 1, 2023, the City will be adding Automated Dispatching System response duties to the job specifications of Power Plant Operator and Power Plant Control Operator.  
  
Effective the pay period that includes January 1, 2023, increase the salary range of Power Plant Operator and Power Plant Control Operator by 2.5%.
5. Overtime: Increase maximum accrual of compensatory time off for continuous shift employees from 100 hours to 120 hours.
6. Long Term Disability Insurance: Effective the pay period that includes January 1, 2023, the City will pay 100% of the monthly premium for employees that are enrolled in the City's basic long term disability plan.
7. This agreement includes a number of non-economic language 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:**

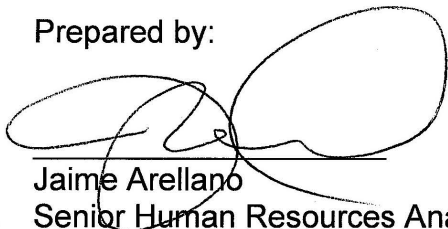
The fully burdened fiscal impact of the proposed four and one-half year agreement is approximately \$1.79 million over the term of the contract, with ongoing expenses of approximately \$600,000 annually following expiration of the contract. The pro-rated FY 2023 cost of the agreement is approximately \$81,400. The Water and Power Department's FY 2023 Operating Budget includes additional funding in anticipation of negotiated wage increases. However, staff will monitor personnel expenses and request a supplemental appropriation during the fiscal year if necessary.

Respectfully Submitted,



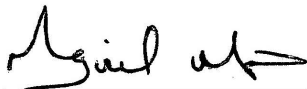
For: TIFFANY JACOBS-QUINN  
Acting Human Resources Director

Prepared by:



Jaime Arellano  
Senior Human Resources Analyst

Approved by:



MIGUEL MÁRQUEZ  
City Manager

Attachments: (1)

Attachment A – International Union of Operating Engineers Local 501 Memorandum of Understanding: January 1, 2023 – June 30, 2027