

Agenda Report

DATE: July 14, 2014

TO: Honorable Mayor and City Council

FROM: Human Resources Department

RE: APPROVAL OF A MEMORANDUM OF UNDERSTANDING BETWEEN THE CITY OF PASADENA AND THE INTERNATIONAL BROTHERHOOD OF ELECTRICAL WORKERS, LOCAL 18 FOR THE TERM OF JULY 1, 2013 - JUNE 30, 2016

RECOMMENDATION:

It is recommended that the City Council:

1. Approve a successor Memorandum of Understanding (MOU) between the City of Pasadena (City) and the International Brotherhood of Electrical Workers, Local 18 (IBEW) for the term of July 1, 2013 through June 30, 2016;
2. Adopt a resolution of the City Council of the City of Pasadena to authorize tax deferral of member paid contributions to the California Public Employees Retirement System for the miscellaneous employees in the bargaining unit represented by IBEW; and
3. Adopt a resolution of the City Council of the City of Pasadena modifying the percentage of employer paid member contributions (EPMC) for the miscellaneous employees represented by IBEW.

BACKGROUND:

The City and representatives of IBEW have met and conferred in good faith and have reached agreement on a successor MOU, which provides for the following:

1. **Salaries:** Effective the beginning of the pay period following City Council approval, employees receive a 1% salary increase. This increase, while authorized for fiscal year 2014, will be realized in fiscal year 2015 with no retroactivity. Effective the pay period that includes July 1, 2014, employees

receive a 2% salary increase. Effective the beginning of the pay period that includes July 1, 2015, employees receive a 1.5% salary increase.

2. Retirement: Effective the pay period that includes July 1, 2014, employees will contribute to retirement 8% of member contributions. Member contributions will be deducted on a pre-tax basis. Employer Paid Member Contribution (EPMC) and the reported value of PERS on PERS will be reduced to 0% effective July 1, 2014. Retirement provisions for new members, as defined by the Pension Reform Act of 2013, have been incorporated into the IBEW MOU.
3. Vacation: Effective January 1, 2015, IBEW members accrue vacation on a per pay period basis based on years of service. The maximum accrual is twice the annual accrual.
4. Sick Leave: Effective January 1, 2015, employees accrue eighty hours of sick leave on a per pay period basis (3.08 hours per pay period) to a maximum of 1200 hours. At retirement, employees may convert accrued and unused hours of sick leave to service credit pursuant to Government Code Section 20965.

Effective January 1, 2015, the existing extended sick leave program is eliminated. Current sick leave, extended sick leave, and reserve sick leave banks will be combined into one sick leave accrual bank and employees will receive a one-time allotment of sick leave based on years of service. At the time of transition to accrued based sick leave, employees whose combined sick leave is in excess of 1040 hours will have all sick leave hours above 1040 paid as cash at the hourly rate of pay.

5. Health Insurance/Employee Option Benefit Fund: Employees enrolled in a medical plan receive a monthly allowance based on enrollment (Employee only, employee+1, employee+2) which includes the statutory CalPERS minimum contribution. Increases to each tier (employee only, employee+1, employee+2) will only occur when the lower of the premium for the CalPERS LA Region for Blue Shield Access+ or Kaiser exceeds the current allowance. The allowance in each tier will equal the lower of the LA Region Blue Shield Access+ or Kaiser premium but shall not be lowered below the 2014 allowance which includes the PEMHCA minimum. New employees hired by the City on or after July 1, 2014, will receive an EOBFF allowance (including the statutory minimum) that equals the lower of the premium of Blue Shield Access+ or Kaiser (LA Region) for the tier in which they enroll (employee only, employee+1, employee+2). Employees in the unit as of June 30, 2014, who elect to opt out of medical coverage because they provide proof of medical coverage from another source, receive \$791.37 per month. Effective July 1, 2014, new employees hired by the City, who opt out of medical coverage because they have coverage through another means, receive a maximum of \$250 per month.

6. Dental: The City will contribute 100% of the employee only premium for a PPO dental plan. For employees who cover dependents, the City shall contribute an additional \$41.38 per month. During the term of the MOU, if the premiums for dependent coverage increase, the City will add 75% of the average dollar increase of the family level premiums for all dental plans offered to IBEW employees. During the term of the MOU, the increase cannot result in a total dependent contribution of more than \$56.38 per month. In no case shall an employee receive more than the amount of the premium for the dental plan he/she is enrolled in.
7. Short-Term and Long-Term Disability: Effective January 1, 2015, the City will provide a short-term disability plan that includes the following basic provisions:
 - a. Thirty (30) calendar day elimination period. Disability payments begin on the 31st day.
 - b. Payments shall not exceed 60% of the employee's salary up to \$2,200 per week.
 - c. Maximum duration is twenty-two weeks (154 days).
 - d. The premium will be paid by the employee. The benefit is non-taxable to the employee.
 - e. Effective January 1, 2015 the benefit premium is \$.246 per \$10 of weekly gross benefit.

Upon implementation of the short-term disability plan, the existing basic long-term disability plan elimination period will be increased to 180 calendar days. Additionally, employees may elect to enroll in a supplemental long-term disability plan at his/her own expense.

8. Light Duty: At the discretion of and with the approval of Human Resources, temporary light duty positions may be assigned to employees with either on duty or off duty injuries when work restrictions have been identified by a doctor and can be accommodated. Light duty assignments are limited to ninety days unless extended by Human Resources.
9. Pay Differential: The Power Troubleshooter classification will have at least a 3% pay differential above Electrical Distribution Mechanic.
10. Work Schedule: The City and IBEW will participate in a joint labor-management committee to review a twelve hour work schedule for Power Dispatchers. Should the parties agree to modify the work schedule, a side letter agreement would be prepared for consideration and approval by the City Council.
11. Overtime: Significant clarification regarding payment for overtime have been incorporated into the MOU including eligibility, rates of pay, limitations on consecutive hours worked, and minimum break requirements.

12. Overtime Meals: Clarification on meal period eligibility when working overtime is incorporated into the MOU. Payment for overtime meals will be compensated at \$16 per meal for meal periods earned. The meal payment will be designated on the employee's timesheet and paid as a taxable benefit.
13. Shift Trading: Senior Power Dispatchers and Power Dispatchers are permitted to trade shifts pursuant to the guidelines established in the MOU.
14. Compensatory Time Off (CTO): Incorporated into the MOU are the guidelines for allowing compensatory time off in lieu of payment of overtime for overtime hours worked by employees. The department has the sole discretion to grant a request to accrue CTO or pay the employee overtime. CTO has a maximum accrual of 120 hours.
15. Stand-by/On-Call Pay: The voluntary stand-by forms used annually for stand-by sign up have been attached as Exhibit V. Requirements for employees volunteering to be on the stand-by list are incorporated into the MOU.
16. Class Consolidation: The parties agree to create the new classifications of: Apprentice Electrical Distribution Mechanic, Apprentice Electronics Technician, Electrical Distribution Mechanic (EDM), Senior Electrical Distribution Mechanic (SEDM), and Senior Electronics Technician. Salaries for these classifications are identified in Exhibit I of the MOU. Salaries of other classifications impacted by the establishment of the new classifications have also been adjusted. Exhibit I includes these adjustments and the 2% salary increase effective the beginning of the pay period that includes July 1, 2014.

The City and IBEW will participate in a joint labor-management committee to develop training programs/curriculum related to the new classifications of Electrical Distribution Mechanic and Senior Electrical Distribution Mechanic. Upon completion of the training program, all IBEW members will receive a \$500 lump sum payment. Exhibit IV of the MOU identifies the transition process for existing employees to move into the newly established classifications of EDM and SEDM.

17. Contract language: The MOU has been re-written and reorganized for clarity, legal compliance, and organizational effectiveness. These changes correct the contract to the law, department procedures, and best practices.

COUNCIL POLICY CONSIDERATION:

The adoption of the Memorandum of Understanding between the City of Pasadena and the International Brotherhood of Electrical Workers, Local 18 supports the City Council's strategic goal of maintaining fiscal responsibility and stability.

FISCAL IMPACT:

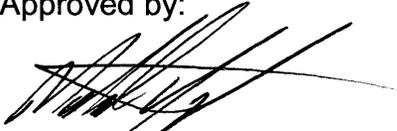
The recommended MOU changes along with anticipated CalPERS employer rate increases will result in a cost of \$571,650 during the term of the agreement.

Respectfully Submitted,



Kristi Recchia
Director of Human Resources

Approved by:



Michael J. Beck
City Manager

Attachments:

1. A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF PASADENA MODIFYING THE PERCENTAGE OF EMPLOYER PAID MEMBER CONTRIBUTIONS FOR THE MISCELLEANOUS EMPLOYEES IN THE BARGAINING UNIT REPRESENTED BY THE INTERNATIONAL BROTHERHOOD OF ELECTRICAL WORKERS, LOCAL 18 (IBEW)
2. A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF PASADENA TO AUTHORIZE TAX DEFERRAL OF MEMBER PAID CONTRIBUTIONS TO THE CALIFORNIA PUBLIC EMPLOYEES' RETIREMENT SYSTEM FOR THE MISCELLEANOUS EMPLOYEES IN THE BARGAINING UNIT REPRESENTED BY THE INTERNATIONAL BROTHERHOOD OF ELECTRICAL WORKERS, LOCAL 18 (IBEW)
3. MEMORANDUM OF UNDERSTANDING BETWEEN THE CITY OF PASADENA AND THE INTERNATIONAL BROTHERHOOD OF ELECTRICAL WORKERS, LOCAL 18