



ADMINISTRATIVE SERVICES DEPARTMENT

CITY HALL
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CITY COUNCIL STAFF REPORT

Meeting: July 16, 2019

Subject

Approve the July 1, 2019 through June 30, 2022 terms and conditions of employment for the Operating Engineers Local Union No. 3, AFL-CIO (OE3).

Recommended Action

- 1) Adopt the draft Resolution amending the Memorandum of Understanding for OE3 based on the attached tentative agreements.
- 2) Authorize staff to make the necessary budget adjustments to ensure that there are sufficient budget appropriations to cover the costs associated with the negotiated contract.

Description

The City has reached a tentative agreement with OE3, the bargaining unit representative for the Public Works maintenance employees. The negotiated package is within City Council parameters for the Fiscal Years (FY) 2019-2022. Key provisions of the tentative labor agreements are summarized below:

- Term – 3 years, July 1, 2019 through June 30, 2022
- Salary
 - Reached agreement on 12 comparable agencies for compensation survey.
 - Equity adjustments for any classification found to be below median of market, resulting from the City’s total compensation survey conducted by Koff & Associates.

Job Title	Equity Year 1
Equipment Mechanic	2.70%
Lead Equipment Mechanic	2.70%
Maintenance Worker I	1.80%
Maintenance Worker II	1.80%
Maintenance Worker III (Senior Maintenance Worker)	1.80%
Street Lighting Worker	0.00%

- Cost of Living adjustments (COLAs).

- Effective the first full pay period in July 2019 – 4%
 - Effective the first full pay period in July 2020 – 3.5%
 - Effective the first full pay period in July 2021 – 3%

- Benefits
 - Education Reimbursement: Increase from \$1,350 to \$2,000, effective first pay period following adoption of agreement.
 - Deferred Compensation: City will contribute the amount of \$15.00 per bargaining unit member per pay period, effective the first full pay period following adoption of the MOU by the City Council.
 - Licenses/Certification Pay: Any employee who possesses a commercial driver’s license with and remains current on the State DOT Drug Program will receive an additional Seventy-five (\$75) dollars per pay period additional compensation, above and beyond, all other certification pay.
 - Uniform Allowance: City will pay for actual cost of Safety Shoes up to \$400 from City approved vendor list. City will be billed directly from vendor, and any overages would be covered by the employee.
 - City health contribution changes are noted in the table below reflecting a 5% increase each year due to health premiums costs.

Effective January 1, 2020	City Max Health Contribution	City Max Dental Contribution	City Total Max Contribution
Employee	848.87	126.78	975.65
Employee +1	1,443.09	126.78	1,569.87
Employee +2	1,876.01	126.78	2,002.79

January 1, 2021	City Max Health Contribution	City Max Dental Contribution	City Total Max Contribution
Employee	891.32	126.78	1,018.10
Employee +1	1,515.24	126.78	1,642.02
Employee +2	1,969.81	126.78	2,096.59

January 1, 2022	City Max Health Contribution	City Max Dental Contribution	City Total Max Contribution
Employee	935.88	126.78	1,062.66
Employee +1	1,591.01	126.78	1,717.79
Employee +2	2,068.31	126.78	2,195.09

Fiscal Impact

The City will incur an additional cost of \$313,848 in the first year (FY2019-20), an additional cost of \$516,638 in the second year (FY2020-21) and an additional cost of \$705,846 in the third year (FY2021-22) for a total of \$1,536,332 in ongoing costs (starting in FY2021-22). A budget adjustment for increased costs in the first year is recommended. At the time of the adopted budget, costs related to the labor contracts were unknown and not included in the adopted budget.

	<u>FY 2019-20</u>	<u>FY 2020-21</u>	<u>FY 2021-22</u>	<u>Total</u>
CEA	\$ 498,965	\$ 837,221	\$ 1,124,301	\$ 2,460,487
OE3	\$ 313,848	\$ 516,638	\$ 705,846	\$ 1,536,332
Unrepresented	\$ 829,315	\$ 1,505,914	\$ 1,999,613	\$ 4,334,842
Appointed	\$ 375	\$ 872	\$ 1,394	\$ 2,641
Elected	\$ 14,779	\$ 16,374	\$ 18,050	\$ 49,203
Total	<u>\$ 1,657,282</u>	<u>\$ 2,877,019</u>	<u>\$ 3,849,204</u>	<u>\$ 8,383,505</u>

Prepared by: Maria Delgado-Jimenez, Human Resources Manager

Approved for Submission by: Deborah Feng, City Manager

Attachments:

A – Draft Resolution

B – Redlined 2016-2019 OE3 MOU, illustrating all tentative agreements

C – Proposed OE3 MOU for 2019-2022