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Title: 1.*** Adopt a Memorandum of Understanding (“MOU”) between the City of Fresno (“City”) and the Amalgamated Transit Union, Local 1027 (“ATU”) - Unit 6 (Bus Drivers), covering the period April 6, 2015 through June 30, 2017
2.*** RESOLUTION - 3rd amendment to Salary Resolution No. 2014-108 amending salaries in Exhibit 6, Bus Drivers (ATU)

Sponsors: Personnel Services Department

Indexes:

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Attachments: 1. ATU MOU Redline Version.pdf, 2. ATU MOU Final Version.pdf, 3. 3rd Amend to Sal Reso, 4. ATU Costing 2015 03 30

Date	Ver.	Action By	Action	Result
4/9/2015	1	City Council	adopted	Pass

REPORT TO THE CITY COUNCIL

April 9, 2015

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SUBJECT

1.*** Adopt a Memorandum of Understanding (“MOU”) between the City of Fresno (“City”) and the Amalgamated Transit Union, Local 1027 (“ATU”) - Unit 6 (Bus Drivers), covering the period April 6, 2015 through June 30, 2017

2.*** RESOLUTION - 3rd amendment to Salary Resolution No. 2014-108 amending salaries in Exhibit 6, Bus Drivers (ATU)

RECOMMENDATION

It is recommended that Council approve the attached MOU and the Third Amendment to Salary Resolution No. 2014-108 to implement changes in wages, hours and other terms and conditions of employment for City employees in Unit 6 (Bus Drivers), represented by ATU.

EXECUTIVE SUMMARY

The MOU between the City and ATU expired on February 17, 2014. The City and the Union have been meeting since 2013 in an attempt to reach agreement on a successor MOU. The parties reached a tentative agreement which was ratified by ATU members on March 30, 2015.

Major provisions of the new MOU include restoration of a 3% reduction in wages from December 31, 2012, a 2% wage increase on July 1, 2015, a 2% wage increase effective July 1, 2016, new employees will contribute an additional 1.5% towards retirement, changes to health and welfare premium payments mirroring what other units have agreed to, and a reduction of holiday leave.

BACKGROUND

The MOU between the City and ATU expired on February 17, 2014. The City and the Union have been meeting since 2013 in an attempt to agree on a successor MOU. The parties have reached tentative agreement on a new MOU, which, if approved by Council, will include the following significant provisions:

- Term: April 6, 2015 through June 30, 2017.
- Wages:
 - 3% wage increase effective April 6, 2015 to restore the prior wage reduction.
 - 2% wage increase effective July 1, 2015.
 - 2% wage increase effective July 1, 2016.
- Health & Welfare:
 - City share of monthly premiums to be reduced from 80% to 75% effective May 1, 2015.
 - Future increases to be shared, 50% by the employee, 50% by the City. Employee share to be capped at 30%, City would pay 70%.
 - Reopener if any other unit negotiates more favorable benefits.
- Pension: New employees to contribute an additional 1.5% towards City retirement costs.
- Holiday Leave: Holiday accumulation to be reduced by one day.
- Sick Leave: Sick leave accumulation to be capped at 800 hours (currently unlimited). Those who have over 650 hours of sick leave shall have excess amount placed in a special bank.
- Vacation: Employees cannot request or take vacation leave outside of the annual vacation bid without sufficient leave on the books.
- Workers' Compensation: Temporary disability payments to be reduced from 76% of base pay to 66.67% of average earnings in line with state requirements.
- Uniforms: Uniform vouchers to be discontinued. \$250 to be converted to cash payment.
- Work Rules: Limited reopener on work rules. Changes to be made only with mutual agreement.
- Bus Rapid Transit Assignments: Limited reopener on BRT assignments. Changes to be made in bid process only if there is mutual agreement.
- Negotiations: Either side can open MOU negotiations on a successor agreement as early as four months before the MOU expires.
- Video/Discipline: New policy on the use of videos for corrective action.
- Removed provision changing the FMLA year in order to conform with FMLA regulations.
- Zipper Clause: Amends the existing clause so that the party who proposed an issue in negotiations is barred from raising the issue during negotiations.

The City Attorney's Office has approved the new MOU and Salary Resolution Amendment as to form.

ENVIRONMENTAL FINDINGS

Not applicable.

LOCAL PREFERENCE

Not applicable.

FISCAL IMPACT

The recommended action does not impact the General Fund. All costs are associated with funds directly related to Transportation Enterprise Fund. In the fiscal year ending June 30, 2015, the additional salary and benefit costs are approximately \$49,232. In the fiscal year ending June 30, 2016, the additional salary and benefit costs associated are approximately \$466,329. In the fiscal year ending June 30, 2017, the additional salary and benefit costs are approximately \$915,949. The costs are detailed in an attachment to this report.

Attachments: ATU MOU, Redline Version

ATU MOU, Final

Third Amendment to Salary Resolution 2014-108

Breakdown of Estimated Savings/Costs Over Term of Proposed MOU