



## Legislation Details (With Text)

**File #:** ID16-1022    **Version:** 1    **Name:**

**Type:** Action Item    **Status:** Passed

**File created:** 8/23/2016    **In control:** City Council

**On agenda:** 9/1/2016    **Final action:** 9/1/2016

**Title:** Actions pertaining to International Union of Operating Engineers, Stationary Engineers, Local 39 (Local 39) for Unit 1  
1. \*\*\*Adopt a Side Letter of Agreement with the International Union of Operating Engineers, Stationary Engineers, Local 39 (Local 39) for Unit 1 - Non-Supervisory Blue Collar employees effective September 5, 2016  
2. \*\*\*RESOLUTION -3rd amendment to FY 2017 Salary Resolution No. 2016-120, amending salaries in Exhibit 1, Unit 1, Non-Supervisory Blue Collar (Local 39), as required by adoption of the Side Letter of Agreement between the City of Fresno and the International Union of Operating Engineers, Stationary Engineers, Local 39 (Local 39) for Unit 1  
3. \*\*\*RESOLUTION - 3rd amendment to the Annual Appropriation Resolution (AAR) No. 2016-118 appropriating \$2,468,500 for additional costs as required by adoption of the Side Letter of Agreement between the City of Fresno and the International Union of Operating Engineers, Stationary Engineers, Local 39 (Local 39) (Requires 5 affirmative votes)

**Sponsors:** Personnel Services Department

**Indexes:**

**Code sections:**

**Attachments:** 1. LOCAL 39 SIDE LETTER CLASS AND COMP v3.pdf, 2. LOCAL 39 SIDE LETTER EXHIBIT I.pdf, 3. 3rd Amend to FY17 Salary Resolution.pdf, 4. 3rd Amend to AAR.pdf

Date	Ver.	Action By	Action	Result
9/1/2016	1	City Council	approved	Pass

## REPORT TO THE CITY COUNCIL

**September 1, 2016**

**FROM:** JEFF CARDELL, Director  
Personnel Services Department

**BY:** KEN PHILLIPS, Labor Relations Manager  
Personnel Services Department

**SUBJECT**

Actions pertaining to International Union of Operating Engineers, Stationary Engineers, Local 39 (Local 39) for Unit 1  
1. \*\*\*Adopt a Side Letter of Agreement with the International Union of Operating Engineers, Stationary Engineers, Local 39 (Local 39) for Unit 1 - Non-Supervisory Blue Collar employees

effective September 5, 2016

2. \*\*\*RESOLUTION -3rd amendment to FY 2017 Salary Resolution No. 2016-120, amending salaries in Exhibit 1, Unit 1, Non-Supervisory Blue Collar (Local 39), as required by adoption of the Side Letter of Agreement between the City of Fresno and the International Union of Operating Engineers, Stationary Engineers, Local 39 (Local 39) for Unit 1

3. \*\*\*RESOLUTION - 3<sup>rd</sup> amendment to the Annual Appropriation Resolution (AAR) No. 2016-118 appropriating \$2,468,500 for additional costs as required by adoption of the Side Letter of Agreement between the City of Fresno and the International Union of Operating Engineers, Stationary Engineers, Local 39 (Local 39) (Requires 5 affirmative votes)

## RECOMMENDATIONS

It is recommended Council: (1) approve the attached Side Letter of Agreement (SLA) to implement equity adjustments to wages, amend certain premium pays, amend class titles and create new classes, (2) adopt the Third Amendment to Salary Resolution No. 2016-120 to amend salaries in Exhibit 1, and (3) adopt the 3<sup>rd</sup> Amendment to the Annual Appropriation Resolution No. 2016-118 appropriating \$2,468,500 in various departments for additional costs as required by adoption of the SLA between the City of Fresno and Local 39.

## EXECUTIVE SUMMARY

The City and Local 39 reached tentative agreement on a SLA which implements equity adjustments to a number of classes, amends the premiums associated with Certificates, amends titles for some classifications, and creates new classifications. The SLA is the result of a classification and compensation study undertaken in accordance with the MOU between the City and Local 39 and subsequent negotiations on appropriate adjustments arising from that study.

In order to implement the SLA, Council is also asked to adopt the Third Amendment to FY 2017 Salary Resolution No. 2016-120, amending Exhibit 1, and to adopt the 3<sup>rd</sup> Amendment to the Annual Appropriation Resolution No. 2016-118 appropriating \$2,468,500 in various departments for additional costs associated with the adjustments resulting from the Local 39 classification and compensation study.

## BACKGROUND

The current Memorandum of Understanding (MOU) with Local 39, approved by the City Council on May 15, 2014, contains a provision requiring the City to conduct a Classification and Compensation study beginning in FY15. The intent of the study was to determine if existing job requirements and compensation were comparable with those in the public and private sectors.

Data was obtained for benchmark classifications from 23 other agencies, including cities, counties and water districts. The study also considered internal pay relationships within respective classification series and other classifications along with recruitment and retention data.

The findings of the Study indicate that many of the positions in the bargaining unit required compensation increases in order to achieve a competitive position in the labor market. Without such adjustments there will be ongoing challenges in meeting the staffing needs of respective departments, especially in Public Utilities and Transportation.

The City consulted with Local 39 as it began the Study and met periodically thereafter. Once the data was compiled and the City had developed recommendations, the meet and confer process commenced with Local 39 regarding equity adjustments and other proposed changes to various classifications. The City and Local 39 reached a tentative agreement with Local 39 on basic issues on June 29, 2016.

As proposed, 77 of the 92 classifications in Unit 1 are affected by equity adjustments and/or changes in job titles. The majority of classifications that will experience a wage increase require specialized technical skills, such as Water Treatment Operators and Fleet Mechanics. Some of the increases include incorporating certificate pay into base salary and a restructuring of the Water Division. In some instances, such as Helicopter Mechanic and Wastewater Treatment Plant Operator I classifications, the equity adjustment also assures parity with other similar classifications (e.g., Fleet Mechanic, Water System Operator I). The average wage increase for employees in this the bargaining unit is \$450 per month.

The attached SLA reflects the tentative agreement with Local 39 and includes an exhibit with equity adjustments and new class titles. The Third Amendment to the Salary Resolution implements the wage agreement by amending Exhibit 1. The 3<sup>rd</sup> Amendment to the Annual Appropriation Resolution No. 2016-118 appropriates at total \$2,468,500 for additional costs associated with the adjustments resulting from the Local 39 classification and compensation study.

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

## **ENVIRONMENTAL FINDINGS**

By the definition provided in the California Environmental Quality Act Guidelines Section 15378 this item does not qualify as a "project" and is therefore exempt from the California Environmental Quality Act requirements.

## **LOCAL PREFERENCE**

Local preference is not implicated because this item does not involve public contracting or bidding with the City of Fresno.

## **FISCAL IMPACT**

Approval and implementation of the SLA, Salary Resolution Amendment and Amendment to the Annual Appropriation Resolution will result in increased salary and benefit costs in Fiscal Year 2017 of approximately \$2,594,500, of which approximately \$126,000 are General Fund expenses. The attached Amendment to the Annual Appropriation Resolution identifies and summarizes the impact to the respective Departments and funds. Budget staff has confirmed that the increases will not result in any Solid Waste or Water rate adjustments prior to FY 2019.

Attachments:

City of Fresno - Local 39 Side Letter of Agreement  
Exhibit to Side Letter of Agreement  
3rd Amendment to FY 2017 Salary Resolution No. 2016-120  
3<sup>rd</sup> Amendment to the Annual Appropriation Resolution No. 2016-118