



## Legislation Details (With Text)

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**Title:** Actions pertaining to International Union of Operating Engineers, Stationary Engineers, Local 39 for Unit 1  
1. \*\*\*Adopt a Memorandum of Understanding between the City of Fresno and the International Union of Operating Engineers, Stationary Engineers, Local 39 for Unit 1 - Non-Supervisory Blue Collar (Local 39)  
2. \*\*\*RESOLUTION: 14th 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 the Memorandum of Understanding between the City of Fresno and the International Union of Operating Engineers, Stationary Engineers, Local 39

**Sponsors:** Personnel Services Department

**Indexes:**

**Code sections:**

**Attachments:** 1. Local 39 MOU - Redline NEW.pdf, 2. Local 39 MOU - Final NEW.pdf, 3. REDLINE 14th Amend to FY17 Salary Resolution (2).pdf, 4. FINAL 14th Amend to FY17 Salary Resolution (3).pdf, 5. Local 39 MOU Costing.pdf

Date	Ver.	Action By	Action	Result
5/18/2017	1	City Council	approved	Pass

## REPORT TO THE CITY COUNCIL

**May 18, 2017**

**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 for Unit 1  
1. \*\*\*Adopt a Memorandum of Understanding between the City of Fresno and the International Union of Operating Engineers, Stationary Engineers, Local 39 for Unit 1 - Non-Supervisory Blue Collar (Local 39)  
2. \*\*\*RESOLUTION: 14th 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 the Memorandum of Understanding between the City of Fresno and the International Union of Operating

Engineers, Stationary Engineers, Local 39

## RECOMMENDATION

It is recommended Council: (1) approve the attached Memorandum of Understanding (MOU) to implement wages, hours and other terms and conditions of employment for City employees in Unit 1, Non-Supervisory Blue Collar, represented by Local 39 and, (2) adopt the Fourteenth Amendment to Salary Resolution No. 2016-120 to amend salaries in Exhibit 1 for Local 39.

## EXECUTIVE SUMMARY

The City and Local 39 reached a tentative agreement on a successor MOU which will replace the MOU which expired on June 30, 2016. The MOU provides for an agreement through June 30, 2019, wage increases, payments to the pension plan by employees and other changes. Council is also asked to approve the Fourteenth Amendment to FY 2017 Salary Resolution No. 2016-120, amending Exhibit 1 to implement salaries stated in the MOU.

## BACKGROUND

The City and Local 39 started meeting in June 2016 to work towards reaching agreement on a successor MOU. The parties reached a tentative agreement on February 3, 2017 which was ratified by Local 39 members, but rejected by Council. After Council rejection of the first tentative agreement, the parties continued to meet and confer and revised the provisions on Employee Incentive Time Off and Vacation Leave, resulting in another tentative agreement. The new tentative agreement is subject to Council approval.

Major points of the attached revised new MOU are summarized below.

- Term: March 20, 2017 through June 30, 2019
- Wages:
  - 2.5% wage increase effective March 20, 2017
  - 2.5% wage increase effective March 19, 2018
  - 2.5% wage increase effective March 18, 2018
- Pension: Employees hired on or after May 29, 2017 will pay 1.5% of the City's pension costs. The City will work towards making this the normal cost of retirement pay for new employees.
- Health Reimbursement Arrangement (HRA): Change language requiring HRA to be book accounts only.
- Overtime: Developed a procedure for assigning overtime by work unit.
- Probationary Period: 12 month probationary period for all classes except for entry level alternately staff classes.
- Crane Operator: Increase from \$50/month to \$100/month. Not stackable with Class B driver's license premium.
- Class B Driver's License: \$100/month for classifications in Water and/or Wastewater and Utility Leadworkers whose assignment requires a Class B driver's license. Not stackable with Crane Operator premium pay.
- Commercial Driver's License (CDL)-Hazardous Materials Endorsement: \$100/month when assigned duties require a Hazardous Materials endorsement on a CDL.
- Sick Leave: Can use for family members. Cap raised from 600 to 900 hours.

- Holidays: Add back one personal day. Any accruals over 48 hours to be provided in pay rather than leave time.
- Vacation Cash Out: Employees who have at least 240 hours in their vacation bank and have no more than four attendance incidents can cash out up to 40 hours of vacation once a year.
- Attendance Policy: Improved process for retaining incidents.
- Fatigue Time: Employees who work a substantial portion of time between regular work shifts are able to take time off using their leave banks.
- Employee Incentive Time Off: Employees who reach certain attendance targets for each 12 week period receive additional time off which can be cashed out.
- State Disability Insurance (SDI): Clarified language regarding leave use.
- Performance Evaluations: Every three months for probationary employees, annually thereafter.
- Bilingual Differential: Can certify at any time during the year instead of December only. No differential if not working for a month or more.
- Solid Waste Bidding: Limits bidding on routes and vacations for those on long term leave.
- Solid Waste Holiday Work: Added language matching practice for work on weeks of Christmas and New Year's Day.
- Acting: Improved process for Acting assignments.
- Municipal Water District: Remove language.

The City Attorney's Office has approved the revised new MOU 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 of the MOU and Salary Resolution Amendment will result in an additional salary and benefit expenses of approximately \$398,958 to all funds and approximately \$36,180 to the General Fund in Fiscal Year 2017, approximately \$1,418,522 to all funds and approximately \$127,413 to the General Fund in Fiscal Year 2018, and approximately \$2,367,260 to all funds and approximately \$214,697 to the General Fund in Fiscal Year 2019.

### Attachments:

City of Fresno - Local 39 MOU - Redline

City of Fresno - Local 39 MOU - Final

Costing for Proposed MOU

Fourteenth Amendment to FY 2017 Salary Resolution No. 2016-120 - Redline

Fourteenth Amendment to FY 2017 Salary Resolution No. 2016-120 - Final