



Legislation Details (With Text)

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**File created:** 8/2/2019    **In control:** City Council  
**On agenda:** 8/22/2019    **Final action:** 8/22/2019

**Title:** Actions related to Bargaining Unit issues  
1. \*\*\*Adopt a successor Memorandum of Understanding between the City of Fresno and Operating Engineers, Local Union No. 3 (Airport Public Safety Supervisors) for Unit 15 (FAPSS/OE3) (Subject to Mayor's veto)  
2. \*\*\*RESOLUTION - 1st Amendment to FY 2020 Salary Resolution No. 2019-135, amending salaries in Exhibit 15, Unit 15 - Airport Public Safety Supervisors (FAPSS), as required by the Memorandum of Understanding between the City of Fresno and Operating Engineers, Local Union No. 3 (Airport Public Safety Supervisors) for Unit 15 (FAPSS/OE3) (Subject to Mayor's veto)  
3. \*\*\* Approve a Side Letter of Agreement with Operating Engineers, Local Union No. 3 (Fresno Airport Public Safety Officers) for Unit 11 (FAPSO/OE3), regarding Other Insurance Opt Out (Subject to Mayor's Veto)

**Sponsors:** Personnel Services Department

**Indexes:**

**Code sections:**

**Attachments:** 1. Redline FAPSS MOU 2019, 2. Final FAPSS MOU 2019, 3. Costing - FAPSS MOU, 4. Side Letter - Other Insurance Opt Out, 5. Resolution - 1st Amend to FY20 Salary Resolution, 6. Salary Tables - 1st Amend to FY20 Salary Resolution - Redline, 7. Salary Tables - 1st Amend to FY20 Salary Resolution - Final

Date	Ver.	Action By	Action	Result
8/22/2019	1	City Council	adopted	

**REPORT TO THE CITY COUNCIL**

**August 22, 2019**

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

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

**SUBJECT**

Actions related to Bargaining Unit issues

1. \*\*\*Adopt a successor Memorandum of Understanding between the City of Fresno and Operating Engineers, Local Union No. 3 (Airport Public Safety Supervisors) for Unit 15 (FAPSS/OE3) (**Subject to Mayor's veto**)
2. \*\*\*RESOLUTION - 1st Amendment to FY 2020 Salary Resolution No. 2019-135, amending

salaries in Exhibit 15, Unit 15 - Airport Public Safety Supervisors (FAPSS), as required by the Memorandum of Understanding between the City of Fresno and Operating Engineers, Local Union No. 3 (Airport Public Safety Supervisors) for Unit 15 (FAPSS/OE3) **(Subject to Mayor's veto)**

3. \*\*\* Approve a Side Letter of Agreement with Operating Engineers, Local Union No. 3 (Fresno Airport Public Safety Officers) for Unit 11 (FAPSO/OE3), regarding Other Insurance Opt Out **(Subject to Mayor's Veto)**

## RECOMMENDATIONS

It is recommended Council: (1) approve the attached successor Memorandum of Understanding (MOU) to implement wages, hours and other terms and conditions of employment for City employees in Unit 15, Airport Public Safety Supervisors, represented by FAPSS/OE3; (2) adopt the First Amendment to the Fiscal Year 2020 Salary Resolution No. 2019-135 to amend salaries in Exhibit 15; and (3) approve a Side Letter of Agreement with FAPSO/OE3 which adds a provision allowing employees to opt out of enrolling in the City's Health and Welfare plan if enrolled in a health plan outside of the City after providing proof of such other insurance.

## EXECUTIVE SUMMARY

The City and FAPSO/OE3 reached a tentative agreement on a successor MOU which will replace the MOU that expires on June 23, 2019. The MOU provides for an agreement through August 15, 2021, increases to salaries, and other changes. To implement the MOU it is necessary to approve the First Amendment to FY 2020 Salary Resolution No. 2019-135, amending Exhibit 15 to implement salary adjustments as stated in the MOU. Further, Council is asked to approve a side letter of agreement with FAPSO/OE3 to add a provision allowing employees to opt out of enrolling in the City's Health and Welfare plan if enrolled in a health plan outside of the City after providing proof of such other insurance. The MOU, Salary Resolution Amendment, and side letter of agreement are effective August 19, 2019.

## BACKGROUND

The City and FAPSS/OE3 started meeting in February 2019 to work towards reaching agreement on a successor MOU. Members of the Unit ratified on July 29, 2019.

Major points of the attached MOU are summarized below:

- **Term:** Two years. August 19, 2019 through August 15, 2021.
- **Wages:**
  - 3% general wage increase effective August 19, 2019.
  - 3% general wage increase effective August 17, 2020.
  - Creation of a new "F" Step effective February 1, 2021. "F" Step 5% above "E" Step.
- **Health and Welfare:** Add a provision allowing employees to opt out of the City's Health and Welfare Trust Plan if enrolled in a health plan outside of the City and proof of other insurance.

- **Night Shift Premium Pay:** Increase by \$0.25 per hour to \$1.75.
- **Leaves:**
  - **Compensatory Time Off (CTO):** Add a provision allowing employees opportuning to elect to accrue CTO for FLSA overtime worked up to a maximum 60 hours. CTO may not be carried over from one fiscal year to the next.
  - **Vacation:** Increase monthly accrual by a conversion factor of 1.05 hours to 10.5 hours for employees with less than 10 years of service and 14 hours per month for employees with more than 10 years of service.
  - **Holiday:** Increase monthly accrual by a factor of 1.05 to 8.4 hours per month. Remove implementation language.
  - **Sick:** Increase monthly accrual factor by a factor of 1.05 to 8.4 hours per month.
  - **Long Term Disability:** Insert language codifying that employees in the Unit have Long Term Disability.
- **Life Insurance:** Incorporate language codifying that the City provides a life insurance benefit equal to the employee's annual earnings, rounding up to the next \$1,000, with a maximum benefit of \$150,000.
- **Dues:** Incorporate Side Letter modifying provisions on dues deductions in compliance with Senate Bill 866.
- **New Employee Orientation/Employee Contact Information:** Incorporate Side Letter on AB 119 requirement that employee organizations have the right to address new employees at New Employee Orientation, and that the City will provide contact information on all employees in the Unit.
- **Reopeners:** Delete reopener language on FMC Personnel provisions.

In addition to the above, there was language cleanup throughout the MOU.

#### Side Letter of Agreement with FAPSO/OE3 on Other Insurance Opt Out

Employees in the Unit are enrolled in and provided with health insurance coverage under the Fresno City Employees Health and Welfare Trust Plan. Currently, employees in the Unit may either elect to pay a monthly contribution to receive full health insurance benefits, or elect to make no contribution for reduced benefits under the Plan. The Side Letter of Agreement would allow employees to opt out of enrolling in the City's Health and Welfare Trust Plan if enrolled in a health plan outside of the City, such as a spousal plan, and mirrors provisions in the successor MOU with the Supervisory Unit, FAPSS/OE3.

An employee electing to opt out of the City's Plan would be required to submit proof of other insurance on an annual basis to the Personnel Services Department and must notify the City if that insurance is discontinued for any reason. With proof of other insurance, employees may opt out of enrolling in the City's Plan upon employment with the City, within thirty (30) days of a qualifying event, or during the open enrollment period for the Plan.

The City Attorney's Office has approved the new MOU, Salary Resolution Amendment, and the side letter 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 \$19,416 to Airports Funds in Fiscal Year 2020, and approximately \$40,021 to Airports Funds in Fiscal Year 2021. The Fiscal Year 2020 Budget includes additional resources for these additional expenses.

The Side Letter of Agreement would reduce costs to the Airports Funds since the City would not be required to fund its share of costs to the Health and Welfare Trust for each employee that that opted out.

### **Attachments:**

City of Fresno - FAPSS/OE3 MOU - Redline

City of Fresno - FAPSS/OE3 - Final

Costing for Proposed MOU

Side Letter of Agreement - FAPSO/OE3: Other Insurance Opt Out

Resolution - First Amendment to FY 2020 Salary Resolution No. 2019-135

Salary Tables - First Amendment to FY 2020 Salary Resolution No. 2019-135 - Redline

Salary Tables - First Amendment to FY 2020 Salary Resolution No. 2019-135 - Final