



Legislation Text

File #: 16-0913, **Version:** 1

Recommendation to adopt resolution approving the successor Memorandum of Understanding with the International Association of Machinists and Aerospace Workers. (Citywide)

In accordance with City Council instructions, a Memorandum of Understanding (MOU) agreement has been reached with the International Association of Machinists and Aerospace Workers (IAM) bargaining units. The IAM represents approximately 2,700 employees in the following bargaining units:

- Office and Technical Basic and Supervisory
- Professional Basic and Supervisory
- Protection Basic and Supervisory
- Refuse Supervisory

Since September 2015, City management and IAM representatives have held approximately 18 negotiation sessions regarding their open MOU, which expired on September 30, 2015. A tentative agreement has been reached and jointly signed by representatives of the City and the IAM. The tentative agreement includes no new cost of living or special salary adjustments during October 1, 2015 through September 30, 2016. The proposed MOU going forward is for a three-year period from October 1, 2016, through September 30, 2019, and includes the following major provisions:

1. Salary Increase:
 - Effective October 1, 2016 all employees will receive a 2 percent salary increase
 - Effective October 1, 2017 all employees will receive a 2 percent salary increase
 - Effective October 1, 2018 all employees will receive a 2 percent salary increase
2. Skill Pay - Elimination of Floor Warden Skill pay, effective April 1, 2017.
3. Healthcare - Parties agree to work through the Health Insurance Advisory Committee (HIAC) to mitigate employee benefit costs increases for Plan Year 2018.
4. Overtime - During the term of the MOU, parties agree to meet and confer over changes to City overtime policies.
5. Labor Management Committee Regarding Non-Careers - A committee will be

convened to discuss non-career employees receiving seniority points after qualification to a classified position.

6. "Me Too" Provision - During the IAM MOU term, should non-IAM bargaining units receive a greater net wage increase, such an increase will be given to IAM bargaining units as well, with certain exceptions.

This matter was reviewed by Principal Deputy City Attorney Gary J. Anderson and by Assistant Finance Director Lea Eriksen on September 22, 2016.

City Council action is requested on October 4, 2016, to ensure timely implementation of the MOU provisions.

This agreement has a total estimated annual net fiscal impact of \$3.8 million in the General Fund (GF) and \$10.1 million across All Funds once completely implemented in FY 19. The FY 17 portion of the net cost is \$1.2 million in the General Fund (GF) and \$3.3 million across All Funds. There is no impact to the FY 17 All Funds budget as the FY 17 costs will be covered by savings the City has achieved by reducing employee health care costs. Net costs for FY 18 and FY 19 will be addressed as part of those annual budget processes. There is no local job impact associated with this recommendation.

Approve recommendation.

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ALEJANDRINA BASQUEZ
DIRECTOR OF HUMAN RESOURCES

APPROVED:

PATRICK H. WEST
CITY MANAGER