



City of Arts & Innovation

City Council Memorandum

TO: HONORABLE MAYOR AND CITY COUNCIL DATE: SEPTEMBER 6, 2016

FROM: HUMAN RESOURCES DEPARTMENT WARDS: ALL

**SUBJECT: REVISIONS TO THE MEMORANDA OF UNDERSTANDING WITH THE
INTERNATIONAL BROTHERHOOD OF ELECTRICAL WORKERS, UTILITY
AND SUPERVISORY UNITS, AND RELATED REVISIONS TO THE FRINGE
BENEFIT AND SALARY PLAN**

ISSUE:

Approval of the successor Memoranda of Understanding with two separate labor groups: the International Brotherhood of Electrical Workers, Utility Unit and the International Brotherhood of Electrical Workers, Supervisory Unit.

RECOMMENDATION:

That the City Council:

1. Approve the attached Memoranda of Understanding (MOUs) effective October 1, 2016 through September 30, 2021, which incorporate the negotiated revisions and authorize the City Manager, or his designee, to execute the Memoranda of Understanding on behalf of the City; and
2. Adopt the attached Resolution amending the Master Fringe Benefits and Salary Plan to reflect the revised MOU provisions as outlined in Exhibit A attached thereto.

BACKGROUND:

The City entered into and has successfully concluded labor negotiations with the International Brotherhood of Electrical Workers (IBEW) Utility and Supervisory Units. The current MOUs are in effect until September 30, 2016.

The labor negotiations were focused around the City's **Partnership Compensation Model** and the following core principles:

1. The City of Riverside and our employees are partners.
2. All employees to contribute to their pension, California Public Employees' Retirement System (PERS) costs.

SUMMARY OF MOU TERMS:

Provisions of the tentative agreements have been ratified by the union in August 2016 and are herein presented for the City Council's approval:

- Labor Contract Period: October 1, 2016 through September 30, 2021.
- Salaries:

| Year | Effective Date | Salary Increases |
|------|---|---|
| 1 | 1st Pay Period following November 1, 2016 | All members of the bargaining unit will receive a salary survey adjustment (minimum 1% increase) based on the results of the Benchmark Salary Survey at the 60th percentile (surveyed agencies based on mutual agreement between the City and the union). |
| 2 | 1st Pay Period following November 1, 2017 | All members of the bargaining unit will receive a four percent (4%) increase to their base salary. |
| 3 | 1st Pay Period following November 1, 2018 | All members of the bargaining unit will receive a four percent (4%) increase to their base salary. |
| 4 | 1st Pay Period following November 1, 2019 | All members of the bargaining unit will receive a four percent (4%) increase to their base salary. At the end of contract year 4 (in approximately October 2020), another Benchmark Salary Survey will be performed with comparisons at the 50 th percentile |
| 5 | 1st Pay Period following November 1, 2020 | All members of the bargaining unit will receive a three and ½ percent (3.5%) increase to their base salary OR salary adjustment based on the results from the 2020 Benchmark Salary Survey. The union has the option of making the selection for each class of the benchmark positions identified in the salary survey. |

- PERS Retirement Contribution:

The City has three tiers of retirement benefits as a result of changes to CalPERS. The negotiated terms include that all Tier 1 employees (those hired prior to October 19, 2011 and for whom the City currently pays the 8% employee share of retirement) will contribute a total of 8% by the end of the contract. All Tier 2 and Tier 3 already pay the 8% employee share of retirement.

| Tier 1 Employees | | | |
|------------------|---|---------------|-----------|
| Year | Effective Date | Employee Pays | City Pays |
| 1 | Currently | 0% | 8% |
| 2 | 1st pay period following November 1, 2017 | 2% | 6% |
| 3 | 1st pay period following November 1, 2018 | 4% | 4% |
| 4 | 1st pay period following November 1, 2019 | 6% | 2% |
| 5 | 1st pay period following November 1, 2020 | 8% | 0% |

- Health Insurance:

| Monthly Contributions Paid by the City | | | |
|---|--------------------|--|--|
| Coverage | Current | Effective the 1st paycheck in December 2017 for January 2018 premium | Effective the 1 st paycheck in December 2018 for January 2019 premium |
| Employee Only | Fully paid by City | Fully paid by City | Any increase in cost of health insurance premiums will be divided equally between the City and the employees. This provision shall not apply to individuals with employee only coverage until the premium exceeds the amount of the City's monthly contribution. |
| Employee + 1 | \$845 | \$895 | |
| Employee + Family | \$1,155 | \$1,255 | |

- Mandatory Rest Period:

Any employee working overtime shall be placed on a mandatory rest period following a 24-hour period of continuous work. Deviations from this during periods of a declared emergency by the City Manager or Utilities General Manager may be approved by the Department Head. The rest period for planned and emergency overtime shall be nine (9) hours.

- Emergency Call-Out Response:

Employees may sign up for all or a portion of scheduled standby periods for weekends and holidays.

- Retiree Medical:

Effective the first pay period following October 1, 2016, the City's contribution will increase from \$50 to \$100 per month for each active employee to the Retiree Medical Trust Fund, to match contribution amounts for other unions. The existing language on the retiree medical stipends has been revised to comply with the government accounting standards. In addition, the discussion of leaving retiree access to medical plans set up for active employees (which allows for rate sharing) has been referred to the Citywide Health Benefits Committee comprised of labor groups and management.

- Holidays:

Employees will be compensated for approved holidays based on their regularly scheduled work hours.

- Excess Vacation:

Employees with vacation balances in excess of the two-year accrual rate will have the ability to get a payout in cash or into their Deferred Compensation Plan.

- Employee Development:

To facilitate on-the-job experience, any IBEW represented employee with an approved personal development plan may, upon approval of the Department Head, be authorized and temporarily assigned to assume the duties of a higher level position as outlined and specified in the personal development plan. Employees assigned to a higher level position

will receive a temporary five percent (5%) increase in pay for all hours worked at the assigned higher level position. Work hours at the upgraded level will not exceed 120 hours in any calendar year.

- Other changes:

Additional miscellaneous changes have been made to non-economic terms throughout the contract, as reflected in the attached marked up MOUs.

FISCAL IMPACT:

The fiscal impact of the proposed MOU for IBEW and IBEW Supervisory is approximately \$823,500 in FY 2016-17 and \$2,154,701 in FY 2017-18. The total cost for the MOUs is approximately \$20 million. A full analysis for the combined fiscal impact for FY 2021-22 is included in Attachment 5.

The fiscal impact for salary compaction for Riverside Public Utilities Management classifications is not yet known precisely, but is not anticipated to be material. Any salary classification adjustments that are determined to be needed will be brought back to City Council for approval.

The fiscal impact contained in this report for FY 2016-2018 will be absorbed within the existing City Council approved two-year operating budgets for the Riverside Public Utilities Department, however, we will be monitoring closely in conjunction with the Adopted FY 2016-2018 Two-Year Budget and Five-Year Financial Plan. Any necessary changes will be presented to the Board of Public Utilities and City Council at a later date.

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| Prepared by: | Pia Rose, Interim Human Resources Director |
| Certified as to availability of funds: | Scott G. Miller PhD, Chief Financial Officer/Treasurer |
| Approved by: | Marianna Marysheva-Martinez, Assistant City Manager |
| Approved as to form: | Gary G. Geuss, City Attorney |

Attachments:

1. Comprehensive Memorandum of Understanding for IBEW, Utility Unit
2. Comprehensive Memorandum of Understanding for IBEW, Supervisory Unit
3. IBEW Benchmark Salary Survey Adjustment 2016
4. Resolution Amending the Fringe Benefits and Salary Plan
 - a. Exhibit A – Amended Fringe Benefits and Salary Plan
5. IBEW Utility/Supervisory MOU Fiscal Impact