



STAFF REPORT – CITY COUNCIL MEETING

June 05, 2024

TO: Honorable Mayor and City Council Members

FROM: Keira Vink, Human Resources/Administrative Services Director

PREPARER: Keira Vink, Human Resources/Administrative Services Director

DATE: May 17, 2024

TITLE: **Adopt the Successor Memorandum of Understanding between the City of Arcata and International Union of Operating Engineers Local No. 3 for July 1, 2024–June 30, 2025, Authorize the Mayor to Execute; and Adopt Resolution No. 234-55, A Resolution of the City Council of the City of Arcata Amending the Class and Pay Resolution for International Union of Operating Engineers Local No. 3.**

RECOMMENDATION:

It is recommended that the Council:

- 1) Adopt the Successor Memorandum of Understanding between the City of Arcata and International Union of Operating Engineers Local No. 3 for July 1, 2024–June 30, 2025, and Authorize the Mayor to Execute; and
- 2) Adopt Resolution No. 234-55, A Resolution of the City Council of the City of Arcata Amending the Class and Pay Resolution for International Union of Operating Engineers Local No. 3 [Reflecting the 5 Percent (5%) Negotiated Salary Increase, Effective the first full pay period after Council approval].

INTRODUCTION:

The Meyers-Milias-Brown Act (MMBA) is the law in California that establishes mandatory rights and duties by which all local agencies must abide with regard to labor relations. Within the requirements of the MMBA, the City’s negotiators received authority from the City Council on matters within the scope of representation, and then proceeded to meet and confer with the International Union of Operating Engineers Local No. 3 (OE3) to reach agreement on a successor Memorandum of Understanding (MOU).

BACKGROUND/DISCUSSION:

The authorized negotiators for the City and International Union of Operating Engineers Local No. 3 (OE3) have reached tentative agreement on a successor MOU for the term of July 1, 2024, through June 30, 2025. OE3 has confirmed ratification by its membership of the agreement on May 23, 2024. The resulting updated Memorandum of Understanding is now before the Council for final approval and authorization for the Mayor to execute.

Following is a summary of the main changes in the new MOU:

- 5.0% base salary increase effective the first full pay period after Council approval.
- 3% longevity increases paid at 5 (3%), 10 (6%), 15 (9%) years of full-time employment.
- Include vacation time, sick leave, holidays, and compensatory time off as “hours worked” for calculation of overtime pay for working 12 consecutive hours.
- Increase Mechanic and Lead Mechanic tool replacement allowance to \$1200 per fiscal year.
- Increase Protective Footwear Allowance to \$350 per fiscal year.
- 100% of the premium increase in the EPO 250 Medical Plan and EPO 500 Medical Plan for the plan year of 2024/2025 will be paid by the City for full time OE3 employees.
- All other changes to the MOU document are considered housekeeping/cleanup items, and do not have a fiscal impact.

BUDGET/FISCAL IMPACT:

Staff estimates the following costs to the City for the more financially material items for this successor MOU:

- A 5% base salary increase for 2024/2025 is estimated at \$250, 000 annually.
- Longevity increase is estimated at \$30, 000 annually.
- Health premium increase is estimated at \$100,000 for the 2024/2025 Plan Year.

ATTACHMENTS:

- A: 2024-2025 OE3 MOU (PDF)
- B: Resolution No. 234-55 OE3 Class & Pay (PDF)