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Date: May 25, 2009

To: Placerville City Council

From: David Mackowiak, Human Resources Practitioners (HRP)

Subject: Approval of Addendum to Memorandum of Understanding (MOU) between the City of Placerville and the International Union of Operating Engineers (IUOE) Local 39

Attached for your Council's consideration and approval, is a proposed Addendum to the Memorandum of Understanding between the City and International Union of Operating Engineers (IUOE) Local 39

Given the continuing severe economic recession, and its unpredictable impact on the City's budgeted revenues and expenditures, the City and Local 39 agreed to extend last year's Cost savings Plan which provides for a ten percent reduction in salary until June 30, 2011. Employees will receive equivalent time off credits (MTO Time) in return for such reduction.

Local 39 understands that City will be placing a lower retirement tier proposal for new employees on the bargaining table in 2011 negotiations. In preparation for negotiating a lower pension plan for new employees, the parties agree that an exchange of information and dynamic discussion outside of the bargaining process over a reasonable period of time may provide insight for both parties to find common ground in negotiations on the subject in 2011.

The agreement will also extend the current MOU from June 30, 2010 to June 30, 2011.

These are difficult economic times, and City employees are again making sacrifices to maintain a viable City budget and preserve jobs.

Recommendation:

Approve the attached Addendum to the current Memorandum of Understanding (MOU) between the City of Placerville and International Union of Operating Engineers (IUOE) Local 39 and authorize the Mayor and City Manager to sign on behalf of the City.