

**City Manager's Report**  
**August 10, 2021, City Council Meeting**  
**Prepared by: Dave Warren, Assistant City Manager/Director of Finance**  
**Item #: 7.9**



**Subject:** Adopt a resolution retroactively approving and affirming the revised 2019-2021 Memorandum of Understanding with the International Union of Operating Engineers Stationary Engineers, Local 39 and authorizing the Mayor, City Manager, City Attorney, and the City's Labor Consultant to execute the same.

**Purpose:**

To memorialize and incorporate the latest tentative agreement with Local 39 in the revised MOU.

**Background:**

On May 25, 2021, the City Council announced it had reached a Tentative Agreement (TA) with the International Union of Operating Engineers, Stationary Engineers, Local 39 (Local 39) that encompasses the period from January 1, 2021 through December 31, 2021. Tonight, the Council is asked to adopt a resolution approving the revised Memorandum of Understanding (MOU) with Local 39 that includes the deal points from the TA.

**Discussion:**

The proposed MOU encompasses the period of January 1, 2019 to December 31, 2021 and includes the following deal points:

1. A one-time payment equivalent to 2.00% of Salary for the period of January 1, 2021 through June 30, 2021 to be paid on July 15, 2021 with a minimum of \$500 for full-time employees and \$250 for part-time employees.
2. A 2.00% base salary increase effective July 1, 2021.
3. Completion of a salary study for certain Local 39 represented positions.

**Options:**

1. Adopt the resolution approving the MOU with Local 39 as presented.
2. Direct staff to continue negotiating other terms with Local 39.

**Cost:**

The total cost for the one-time payment equal to 2.00% of six months' salary is \$49,964. The annual cost of the salary increases for regular non-sworn employees is projected to be \$101,227 for Fiscal Year 2021/2022. The cost of the salary study is \$8,670.

**Budget Impact:**

At its meeting held on July 13, 2021, the City Council approved \$49,964 in retroactive budget appropriations in Fiscal Year 2020/2021 to cover the cost of the \$49,964 in one-time distributions to non-sworn employees. The \$101,227 projected cost of the recommended salary increases is included in the adopted Fiscal Year 2021/2022 Operating Budget. The \$8,670 salary study and the associated budget are addressed in another staff report in tonight's agenda under a separate cover.

**Recommendation:**

Adopt a resolution retroactively approving and affirming the revised 2019-2021 Memorandum of Understanding with the International Union of Operating Engineers Stationary Engineers, Local 39 and authorizing the Mayor, City Manager, City Attorney, and the City's Labor Consultant to execute the same.



M. Cleve Morris, City Manager



Dave Warren, Assistant City  
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