



## CITY OF GLENDALE, CALIFORNIA REPORT TO THE CITY COUNCIL

### AGENDA ITEM

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Report: Memorandum of Understanding (MOU) between the City and International Brotherhood of Electrical Workers (IBEW) LOCAL 18.

- a. Resolution Approving and Adopting the MOU Commencing August 1, 2023, and terminating after July 31, 2027.
- b. Resolution Providing for the Establishment of Classification Titles and Compensation for Employees Covered by the City/IBEW MOU.

### COUNCIL ACTION

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**Item Type:** Action Item

**Approved for** January 9, 2024 **calendar**

### EXECUTIVE SUMMARY

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Since January 2023, the City has been actively engaged in labor negotiations with the International Brotherhood of Electrical Workers (IBEW)/Local 18 Union. Our shared objective is to finalize a successor Memorandum of Understanding (MOU). Representing the Glendale Water & Power field employees, IBEW/Local 18 plays a crucial role in these discussions.

MOUs are vital for defining wages, hours, terms, and employment conditions for the City of Glendale's employees. The previous MOU with IBEW/Local 18 expired on July 31, 2023. After an eleven-month negotiation period, we are pleased to report that both parties have reached agreement on a new MOU, successfully meeting our primary objectives.

The MOU affects 110 current employees and 39 open positions, totaling 149 represented positions.

### RECOMMENDATION

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It is recommended that the attached Resolution and Memorandum of Understanding (MOU) between the City and IBEW/Local 18 be approved as presented. Furthermore, it is proposed that the accompanying Resolution concerning the compensation of the relevant employees also be approved in its current form.

## **ANALYSIS**

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In this negotiation round, both the City and IBEW/Local 18 entered with distinct goals. The City aimed to establish a fair and reasonable labor agreement, addressing challenges in hiring and retaining Electrical Line Mechanics, and filling a variety of other vacancies in Glendale Water and Power. While keeping within budget constraints and controlling costs, the City also focused on ensuring competitive compensation and benefits compared to the neighboring municipal utilities.

IBEW/Local 18's primary objectives centered on maintaining competitiveness in a tight labor market, ensuring that Glendale Water and Power's workforce remains skilled and attractive to candidates from both the public and private-sector utilities. A key focus for IBEW/Local 18 was attracting and retaining electrical line employees, given the competitive nature of this role in the utility industry. The proposed MOU reflects this focus, particularly on retaining employees in this classification series. Additionally, IBEW/Local 18 emphasized general compensation, water employee pay, and benefits in their proposals.

Throughout the negotiations, multiple proposals were exchanged, leading to agreed-upon terms that align with the set priorities and objectives, and support the advancement of the utility's field operations.

Thus, staff is pleased to present a four-year MOU between the City and IBEW/Local 18, effective from August 1, 2023, through July 31, 2027. While the MOU begins from August 1, 2023, its economic terms, such as pay adjustments, will be effective the pay period ending January 13, 2024.

This four-year agreement includes cost-of-living adjustments for all unit employees as follows:

- FY 23/24: 5.0% (effective January 2024)
- FY 24/25: 5.0% (effective August 2024)
- FY 25/26: 5.0% (effective August 2025)
- FY 26/27: 3.0% (effective August 2026)

The MOU addresses challenges in recruiting and retaining electrical line mechanic employees with targeted pay increases. Specifically, Electrical Line Mechanic Series employees will receive an additional 6.0% increase in FY23/24, and 1.0% in FY24/25 and FY26/27. This affects 19 current employees and 7 open positions, totaling 26 represented positions.

Additionally, the MOU proposes minor pay adjustments for Water Section stand-by roles, impacting 12 current employees and 3 vacancies (15 in total). It also includes a pay alignment for Station Electricians to match the Station Electrician/Operator rate, affecting 2 positions. For Power System Operator I & II and Power System Trainee roles, a 2% initial increase is proposed, with an additional 10% increase upon obtaining NERC certification impacting, 9 positions.

The proposed MOU between the City and IBEW/Local 18, marked with red-lines to indicate changes from the previous MOU, is attached for reference.

The MOU terms were presented to the IBEW members for ratification in November 2023. In December 2023, the City was informed by the IBEW Senior Assistant Business Manager for Local 18 of its ratification by the general membership.

Staff recommends that the City Council adopt the proposed four-year MOU. Upon approval, the economic terms will become effective from the pay period ending January 13, 2024, without retroactive application.

The staff report includes a Classification and Compensation Resolution to implement the agreed-upon compensation adjustments for the IBEW represented employees. Staff recommends approval of the Resolutions as submitted.

### **FISCAL IMPACT**

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The primary costs of the four-year agreement set forth in these Resolutions are related to the compensation adjustments, as well as the associated benefit load impacts spread over the four years. The breakdown below represents total compensation and benefits costs for each of the four years of the proposed City/IBEW MOU. All costs are to the electrical and water utility enterprise funds, which are not a part of the City's General Fund.

<u>Term</u>	<u>Fiscal Year</u>	<u>Cost</u>
Year One	2023/2024	\$932,340
Year Two	2024/2025	\$3,678,494
Year Three	2025/2026	\$5,098,891
Year Four	2026/2027	\$5,954,308
	<b>Total</b>	<b>\$15,664,033</b>

While the MOU begins from August 1, 2023, the pay adjustments will be effective the pay period ending January 13, 2024, thus the prorated cost for the remainder of FY 2023/2024 (Year 1) is \$932,340. The Glendale Water & Power budget can absorb this cost and therefore no new appropriation is being requested at this time.

### **ENVIRONMENTAL REVIEW (CEQA/NEPA)**

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N/A

### **CAMPAIGN DISCLOSURE**

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This item is exempt from campaign disclosure requirements.

**ALTERNATIVES TO STAFF RECOMMENDATION**

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- Alternative 1: Approve Resolutions as submitted.
- Alternative 2: Not approve Resolutions as submitted.
- Alternative 3: The City Council may consider any other alternative not proposed by staff.

**ADMINISTRATIVE ACTION**

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**Submitted by:**

Paula Adams, Chief Human Resources Officer

**Prepared by:**

Paula Adams, Chief Human Resources Officer

**Approved by:**

Roubik R. Golanian, P.E., City Manager

**EXHIBITS/ATTACHMENTS**

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- 1) Text of proposed Memorandum of Understanding between the City of Glendale and IBEW/Local 18 - Four-year agreement commencing August 1, 2023, through July 31, 2027.
- 2) Exhibit A – Classification and Compensation Resolution, which contains salary range amounts for classifications covered by the IBEW/Local 18 bargaining unit.
- 3) Exhibit B – MOU Resolution Adopting a Four-Year MOU between the City and IBEW/Local 18 commencing on August 1, 2023 and terminating after July 31, 2027.