



CITY OF GLENDALE, CALIFORNIA REPORT TO THE CITY COUNCIL

AGENDA ITEM

Report: Side Letter Agreement to City/IBEW Local 18 Memorandum of Understanding

1. Resolution Adopting a Side Letter Agreement between the City of Glendale and International Brotherhood of Electrical Workers/Local 18 Union

COUNCIL ACTION

Item Type: Action Item

Approved for January 26, 2021 **calendar**

ADMINISTRATIVE ACTION

Submitted by:

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Prepared by:

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Reviewed by:

Michele Flynn, Director of Finance

Michael J. Garcia, City Attorney

Approved by:

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

RECOMMENDATION

That the attached Resolution approving a Side Letter Agreement to the City of Glendale/International Brotherhood of Electrical Workers/Local 18 Union Memorandum of Understanding (MOU) be approved by the City Council.

BACKGROUND/ANALYSIS

For well over thirty years, Glendale Water & Power has engaged in a long-standing reconstruction of its electrical distribution systems by converting from 4kV to 12kV distribution lines. This project is essential in addressing critical infrastructure needs for the electrical distribution system. The conversion from 4kV to 12kV lines allows for significantly increased power transfer capacity (three times greater), lowering system losses and increasing reliability by replacing existing infrastructure with new stronger/higher voltage components (new insulators, cross arms, poles and wire as necessary). Additionally, the higher power transfer capability of the distribution lines will enable the system to integrate greater power from new rooftop solar systems and increase GWP's distribution capacity to charge electric vehicles.

A reconstruction project of this magnitude is extremely costly and labor-intensive. As previously stated, City power line crews have spent decades on this project and will likely spend several more decades before the conversion is 100% complete. In order to expedite the project and begin to reap the benefits of an upgraded line distribution system, Glendale Water & Power (GWP) is seeking to outsource the bulk of the conversion work to outside contractors. GWP simply does not have the staffing capacity to make significant progress on the conversion project without this assistance. Additionally, GWP has historically experienced retention challenges among its journey-level Electrical Line Mechanic work crews who perform the 12kV conversion work.

The outsourcing of IBEW/Local 18 bargaining unit work to private contractors is a significant matter of concern to the Union. Under California labor law and the terms of the Memorandum of Understanding between the City and IBEW/Local 18, the outsourcing of this work is a "meet and confer" item. Thus, any consideration of outsourcing must be the subject of bargaining between the City and IBEW.

In November 2020, the City Council authorized staff to negotiate the terms of this outsourcing proposal with IBEW/Local 18. After several meetings and discussions over the November/December timeframe, between representatives of Human Resources and GWP and the IBEW/Local 18 Union, the parties have come to terms on a tentative agreement in the form of a Side Letter that will pave the way for the outsourcing of much of the 12kV conversion work.

The Side Letter tentative agreement enables GWP to pursue outsourcing for the bulk of the 12kV conversion work henceforth. Contracts will be procured with qualified firms in the coming months. In exchange, IBEW/Local 18 sought protections for their employees, with a heavy emphasis on the retention of existing Electrical Line Mechanic journey-level staff to complement third-party vendors in the completion of the 12kV conversion work.

As has previously been noted, the Electrical Line Mechanic employees are key to maintaining a strong and reliable electrical distribution system. In general, the Electrical Line Mechanics perform the bulk of the construction, maintenance and repair work on the City's high-voltage overhead and underground distribution and transmission lines. It is extremely hazardous work and requires significant training in order to attain journey-level status in this profession.

Prior to attaining journey-level status as an Electrical Line Mechanic, employees serve a five-year apprenticeship, sanctioned by the City and State of California Department of Industrial Relations, Division of Apprenticeship Standards, in which the employees perform apprentice-level line work through on-the-job training, practical "hands-on" instruction, and classroom education. At the completion of the apprenticeship program, the employees attain journey-level status and obtain a line mechanic "journeyman" card, which certifies their training, skill, and education in the profession. It is at this point that the journey-level line mechanics become very marketable, causing both public and private utilities to compete with one another for recruitment and retention of skilled workers.

In an effort to retain the Electrical Line Mechanic employees, maintain an adequate flow of trainees in the feeder class of Electrical Helper, and better enable the line crews to focus on their primary tasks, the Side Letter agreement between the City and IBEW/Local 18 provides the following:

- All overtime for employees in the Electrical Line Mechanic Series will be paid as double-time. Any overtime for the affected classifications banked and used as "comp time," will be paid at the usual time and one-half rate;
- The in-house GWP Electrical Line Mechanic crews will continue to perform a portion of the 12kV conversion work and the opportunity work equivalent overtime as the contract crews;
- A minimum of three (3) hourly Electrical Helpers will be assigned to each overhead line crew and one (1) hourly Electrical Helper assigned to the underground line crew; and
- A minimum of one (1) Powerline Truck Operator will be assigned to each overhead line crew.

The above terms of the Side Letter agreement will only apply for the duration of any contracts with third-party entities and while 12kV conversion work is being performed.

The Resolution approving this Side Letter agreement takes effect upon adoption by the City Council; however, the specific terms of the agreement only apply when contractors are retained by the City and the 12kV conversion work is being performed by said contractors.

FISCAL IMPACT

The fiscal impact of this agreement relates to the estimated increased costs of the proposed double-time overtime for the 20 employees in the Electrical Line Mechanic Series. The annual increased cost is estimated at \$198,000.

ALTERNATIVES

Alternative 1: Approve Resolution as submitted.

Alternative 2: Not approve Resolution as submitted.

Alternative 3: The City Council may consider any other alternative not proposed by staff.

CAMPAIGN DISCLOSURE

N/A

EXHIBITS

1. Exhibit "A" - Side Letter Agreement between the City of Glendale and IBEW/Local 18