

CITY OF LOS ANGELES
INTER-DEPARTMENTAL CORRESPONDENCE

Date: November 24, 2014

To: The City Council

From: Miguel A. Santana, City Administrative Officer



Subject: **MEMORANDUM OF UNDERSTANDING FOR THE USE OF HIRING HALL
OPERATING ENGINEERS (MOU 62)**

In accordance with Executive Employee Relations Committee instructions, agreement has been reached on a successor Memorandum of Understanding (MOU) with the Union Hiring Hall for the Temporary Use of Operating Engineers bargaining unit represented by the International Union of Operating Engineers (IUOE), Local 501. MOU 62 covers twelve (12) Building Operating Engineers (BOEs) employed by the Department of General Services. The attached MOU is amended to automatically update the hourly wages of the represented classifications, and includes the following major provisions:

Wage Rates

Since adoption of the current MOU by the City Council in 2009, the base wage rates for the two BOE job classifications in this bargaining unit have remained at a flat rate of \$28.35 per hour for licensed BOEs (Class Code 0852) and \$27.00 per hour for unlicensed BOEs (Class Code 0853). These flat rates were set at 80% and 76% of the 2009 hourly base wage rate of MOU 9 BOEs, respectively.

The attached MOU updates the wages of the MOU 62 classifications at a rate of 80% for licensed BOEs and 75% for unlicensed BOEs of the hourly base rate (excluding any premiums, bonuses, or working condition differentials) of the civil service Building Operating Engineer classification (Class Code 5923) covered under MOU 9. Upon Council approval of the MOU, the base salary for a licensed BOE will increase from \$28.35 to \$31.12 per hour for licensed BOEs, and from \$27.00 to \$29.18 per hour for unlicensed BOEs.

Health Care

The City will contribute 90% of the monthly health care premium cost for each employed worker and employees will contribute 10% of the monthly health care. Yearly increases are not to exceed a total increase of 8%.

Pension

The City will contribute 20% of the hourly wages paid in a given month for each employed worker to a pension fund.

Longevity Pay

Following the completion of 2,088 hours worked after initial appointment, workers in the represented classifications will receive a non-pensionable cash payment equivalent to 80 hours of the individual's hourly base wage (excluding all bonuses, overtime, and any type of additional compensation). Subsequent longevity payments will be made following completion of each additional 2,000 hours worked.

Current employees will receive a one-time, non-pensionable cash payment equivalent to 40 hours of the individual's base wage (excluding all bonuses, overtime and any type of additional compensation) upon approval of the MOU by the City Council.

Apprenticeship & Training

The City will contribute \$0.40 per hour worked in a given month toward an apprenticeship and training fund.

Recommendations

That the City Council:

1. Approve the attached MOU No. 62, approved as to form by the City Attorney;
2. Instruct the City Controller to implement the provisions of the attached MOU; and,
3. Authorize the City Administrative Officer and the City Controller to make any necessary technical or clerical corrections to the MOU.

Fiscal Impact Statement

Implementation of the provisions of the proposed MOU for the Union Hiring Hall for the Temporary Use of Operating Engineers bargaining unit will result in an additional cost to the City of approximately \$160,000 annually. These funds will be expended by the Department of General Services within its current budget.

MAS:PD:0715055

Attachment

**MEMORANDUM OF UNDERSTANDING
FOR JOINT SUBMISSION TO THE CITY COUNCIL
REGARDING THE USE OF UNION HIRING HALL
FOR TEMPORARY USE OF OPERATING ENGINEERS
(MOU 62)**

BY AND BETWEEN THE

**CITY OF LOS ANGELES
ON BEHALF OF THE HEADS OF DEPARTMENTS, OFFICES OR BUREAUS
REPRESENTED HEREIN BY THE CITY ADMINISTRATIVE OFFICER
(hereinafter "City")**

AND THE

**INTERNATIONAL UNION OF OPERATING ENGINEERS, LOCAL 501, AFL-CIO
(hereinafter "Union")**

November 14, 2014

On the 14 day of November 2014, the parties hereto extended and amended this agreement regarding the City's use of Union hiring halls to employ Operating Engineers on a temporary basis. The term "worker" as used herein shall refer only to individuals in the classifications listed in the SALARY section of this agreement as well as such classes of positions subsequently accreted into the bargaining unit.

The parties agree therefore as follows:

1. HIRING

- a. Each employing City department shall make all requests for hiring temporary Operating Engineers directly to the Union.
- b. Workers hired under this Agreement shall be considered employed at will and employing City departments shall have the right to reject any applicant or dismiss any worker at any time.
- c. The Union shall maintain a register of applicants. Neither the Union hiring referral system, in selecting and referring, nor the City in hiring, shall discriminate against an applicant because of union activity, race, ethnicity, color, religion, creed, gender (including pregnancy, childbirth, breastfeeding and medical conditions related to these areas), gender identity, gender expression, sexual orientation, marital status, age (40 and over), actual or perceived disability (mental and physical) including HIV and AIDS, medical condition (cancer and genetic characteristics), genetic information, national origin (including language use restrictions), ancestry, political activities or political affiliation, military and veteran status, or by denying Family and Medical Leave Care or by engaging in retaliation for having filed a discrimination complaint, for participating in a discrimination investigation or for opposing discrimination.
- d. If the registration list is exhausted and the Union is unable to refer applicants for employment within forty-eight (48) hours (excluding weekends and holidays) from the time of receiving a request for workers, then the employing department shall be permitted to secure applicants without using the referral procedure in this agreement.
- e. The Union's hiring referral system shall be administered by the Union and the costs of operating this system shall be borne by the Union.
- f. The City shall have the right to request a Union worker by name unless the Union's referral procedure specifically prohibits this method of selection.

2. WORK REQUIREMENTS

- a. Workers employed under this agreement shall follow all working rules and safety requirements of the City on all jobs unless such rules or requirements are

specifically excluded by this agreement. Such rules and requirements shall not be subject to a grievance procedure.

- b. All temporary workers shall maintain membership status in good standing with the Union or maintain service fee requirements as a condition of employment.
- c. There shall be no minimum or maximum length of time of employment for workers hired under this agreement and all referrals should be prepared to work during any work shift required by the employing City department.
- d. There shall be no grievance procedure. Complaints regarding wages and/or fringe benefits may be filed with the Union. Such complaints will be resolved by the Union in conjunction with the City Administrative Officer.

Although there is no grievance procedure under this agreement, the following is permitted:

- (i) At its discretion, the Union may designate one Shop Steward.
 - (ii) A Union Representative shall have access to the City department's premises to address any issue directly related to this agreement, to confer with the designated Union Shop Steward and/or to confer with a worker(s) employed under this agreement. Such meetings shall not occur on City time unless approved by the employing City department.
- e. Workers hired under this agreement who are terminated by the City shall receive final total pay on the payday for the City pay period covering the period of time worked by the worker and not immediately upon termination.
 - f. Workers covered by this agreement shall be eligible for State mandated Workers' Compensation benefits (for work-related injury or illness) rather than Workers' Compensation benefits provided to permanent City employees by the City's Personnel Department Workers' Compensation Division.

3. SALARY

The following shall begin in the first full pay period following the Los Angeles City Council (hereinafter "City Council") adoption of this agreement.

- a. Workers hired under this agreement who possess an Unlimited Steam Engineers License issued by the City of Los Angeles Department of Building and Safety shall be paid at a rate of 80% of the hourly base wage rate (excluding all bonuses, overtime, and any type of additional compensation) of the civil service Building Operating Engineer class (Class Code 5923) employed by the Department of General Services.

- b. Workers hired under this agreement who do not possess an Unlimited Steam Engineers License issued by the City of Los Angeles Department of Building and Safety shall be paid at a rate of 75% of the hourly base wage rate (excluding all bonuses, overtime, and any type of additional compensation) of the civil service Building Operating Engineer class (Class Code 5923) employed by the Department of General Services.

4. BONUSES

The following shall begin in the first full pay period following City Council adoption of this agreement.

a. SHIFT DIFFERENTIAL

A worker assigned by management to work a swing shift or a night shift shall receive a flat-rate, pensionable bonus of \$1.75 per hour for every hour worked during that shift.

For purposes of this MOU:

"Swing Shift" is defined as a shift from 3:00 p.m. to 11:00 p.m.

"Night Shift" is defined as a shift from 11:00 p.m. to 7:00 a.m.

b. FOREMAN BONUS

A worker designated to serve as a Foreman shall receive a flat-rate, non-pensionable bonus of \$1.75 per hour.

c. LONGEVITY BONUS

- (i) Beginning in the first full pay period following the completion of 2,088 hours worked after initial appointment, a worker shall receive a non-pensionable cash payment equivalent to 80 hours of his/her hourly base wage (excluding all bonuses, overtime, and any type of additional compensation) issued as part of the worker's regular pay.*
- (ii) Thereafter, beginning in the first full pay period following the completion of each additional 2,000 hours worked, a worker shall receive a non-pensionable cash payment equivalent to 80 hours of his/her hourly base wage (excluding all bonuses, overtime, and any type of additional compensation) issued as part of the worker's regular pay.*

*This cash payment may be subject to federal and state supplemental tax withholding rates.

5. OVERTIME PAY

Overtime will be paid at a rate of one and one-half (1.5) of the individual's hourly rate for hours worked in excess of forty (40) hours worked in a workweek.

6. HOLIDAY PAY

Workers assigned to work any of the following holidays shall be paid holiday pay at a rate of one and one-half of the individual's hourly rate:

New Year's Day (January 1)
Memorial Day (the last Monday in May)
Independence Day (July 4)
Labor Day (the first Monday in September)
Veterans Day (November 11)
Thanksgiving Day (the fourth Thursday in November)
The Friday after Thanksgiving Day
Christmas Day (December 25)

Workers who do not work on the holiday are not eligible for holiday pay.

7. FRINGE BENEFITS

Workers employed under this agreement shall not receive the same fringe benefits as those provided to City Civil Service employees.

The following shall begin in the first full pay period following City Council adoption of this agreement.

a. HEALTHCARE

- (i) The City agrees to pay on a monthly basis to the Union Benefit Administrator 90% of the monthly healthcare premium amount set by the Union's trust fund on behalf of each worker employed under this agreement.
- (ii) Each worker employed under this agreement shall pay 10% of the monthly healthcare premium set by the Union's trust fund. This monthly contribution amount shall be deducted in half portions on a bi-weekly basis over 24 pay periods per calendar year.
- (iii) The City agrees to submit and the Union Benefit Administrator agrees to accept 100% of the monthly healthcare premium amount consisting of the City's 90% subsidy and workers' 10% contribution on a monthly basis.

- (iv) The Union Benefit Administrator shall communicate changes in healthcare subsidy amounts for a plan year to the City no less than 30 days and no more than 45 days prior to the City's implementation of such change.
- (v) The City agrees to adjust the amount of the healthcare subsidy once per calendar year, not to exceed a total increase of 8%.
- (vi) Should the cost of the healthcare premium exceed an 8% increase, the Union may contact the City in writing and the parties shall meet to discuss.
- (vii) The Union Benefit Administrator shall ensure that annual healthcare subsidy amount updates are sent to the following address:

City of Los Angeles
Office of the City Administrative Officer
Attn: Employee Relations Division
200 N. Main Street, Room 1200
Los Angeles, CA 90012

- (viii) The City agrees to submit healthcare contributions under this provision to the Union's Benefit Administrator at the following address:

Operating Engineers Local 501 Security Trust Fund c/o BPA
13191 Crossroads Parkway North, Suite #205
City of Industry, CA 91746-3434

- (ix) The Union agrees to provide written notice to the City of any change in its designated Benefit Administrator under this provision.

b. PENSION

- (i) The City agrees to pay to the Union's Benefit Administrator 20% of the hourly wages (including pensionable bonuses) paid in a given month on behalf of each worker employed under this agreement to fund said worker pensions.
- (ii) The City agrees to submit pension contributions under this provision to the Union's Benefit Administrator at the following address:

Central Pension Fund
4115 Chesapeake Street
NW, Washington, D.C. 20016-4665

- (iii) The Union agrees to provide written notice to the City of any change in its designated Benefit Administrator under this provision.

c. APPRENTICESHIP AND TRAINING

- (i) The City agrees to pay to the Union's Benefit Administrator \$0.40 per hour worked in a given month on behalf of each worker employed under this agreement to fund said worker apprenticeship and training.
- (ii) The amount the City contributes toward the apprenticeship and training shall increase annually at a rate of \$0.05 per hour worked beginning on January 1 of the calendar year at least 12 months following City Council adoption of this agreement.
- (iii) The City agrees to submit apprenticeship and training contributions under this provision to the Union's Benefit Administrator at the following address:

Operating & Maintenance Engineers Apprenticeship & Training Trust
for Southern California
2501 W. Third Street
Los Angeles, CA 90057

- (iv) The Union shall provide written notice to the City of any change in its designated Benefit Administrator under this provision.
 - (v) Reopener for the purpose of this provision, Section 7c, only: if the City's contribution rate reaches \$1.50/hour, the rate will freeze at this amount and either party may request a reopener to negotiate. Such request shall be in writing.
- d. All fringe benefits to workers covered by this agreement shall be distributed directly by the trust fund to the worker. Questions concerning applicable fringe benefits shall be resolved mutually by the Union and the City Administrative Officer or his/her designee.

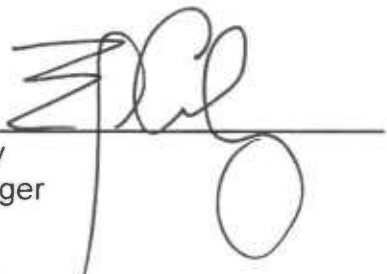
This MOU shall be effective December 10, 2014 and shall continue until cancelled or renegotiated.

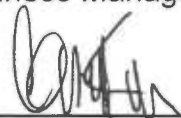
Either party to this agreement may give notice of its desire to cancel or to renegotiate this agreement. Such notice shall be in writing and submitted to the other party at least ninety (90) days before any cancellation of this agreement occurs or before the commencement of any renegotiation sessions under this paragraph.

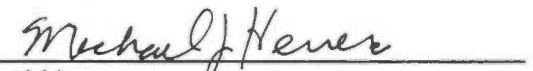
IN WITNESS WHEREOF, the parties hereto have caused their duly authorized representative to execute this Memorandum of Understanding on November 14, 2014.

**INTERNATIONAL UNION OF
OPERATING ENGINEERS,
LOCAL NO. 501**
Including its Subordinate Branches, AFL-CIO

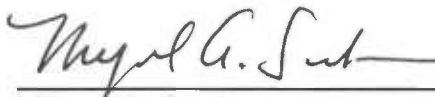

Thomas O'Mahar
President


Edward J. Curly
Business Manager

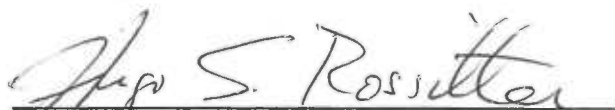

Gavin Koon
Business Representative


Michael Herrera
Shop Steward

CITY OF LOS ANGELES


Miguel A. Santana
City Administrative Officer

Approved as to form:


Office of the City Attorney

11-25-14
Date

QUICK REFERENCE

TEMPORARY OPERATING ENGINEERS PERTINENT DISPATCHING INFORMATION WHEN REFERRED TO THE CITY OF LOS ANGELES

1. It is understood that all rules and requirements of individual City of Los Angeles Departments shall prevail on all work except where modified by Hiring Hall Agreement between Local 501 and the City of Los Angeles
2. Pay checks will conform with City Los Angeles Bi-Weekly Pay Periods
3. Medical Questionnaire to be filled out
4. Workers must be available for any shift or work location
5. A valid California Driver License is required
6. A valid universal Environmental Protection Agency (EPA) certificate is required, pursuant to Section 608 of the Clean Air Act
7. Workers shall conform to City Parking Requirements for each City Department
8. All temporary workers shall maintain membership status in good standing with the Union or maintain Service Fee as a condition of employment
9. Temporary workers shall not receive fringe benefits afforded to Permanent Civil Service Employees
10. Both the City and worker will each contribute the federally mandated amounts to Medicare and Social Security
11. All overtime is paid at a rate of one and one-half (1.5) of the hourly rate and only paid after forty hours worked in a workweek
12. Holidays and other benefits are governed by the Hiring Hall Agreement between Local 501 and the City of Los Angeles

The current Memorandum of Understanding (MOU) No. 62 for the Hiring Hall Temporary Use of Building Operating Engineers and the Pay Rate schedule are available on the City of Los Angeles website.

LETTER OF AGREEMENT
MOU 62
Hiring Hall Operating Engineers

The International Union of Operating Engineers, Local 501, and the City of Los Angeles mutually agree that each current worker specified below shall receive a one-time, non-pensionable cash payment, similar to the intent of the longevity bonus provided for in MOU 62, Section 4.c. LONGEVITY BONUS. The payment shall be the equivalent to 40 hours of his/her hourly base wage (excluding all bonuses, overtime, and any type of additional compensation) issued as part of a worker's regular pay for the first full pay period following City Council adoption of Memorandum of Understanding No. 62.*

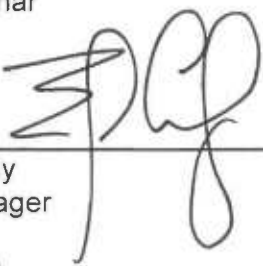
This cash payment may be subject to federal and state supplemental tax withholding rates.

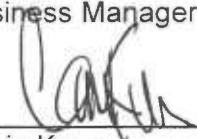
	<u>Last Name</u>	<u>First Name</u>	<u>EID</u>	<u>Job Class</u>	<u>Code</u>
1.	Muniyan	Poosary	294889	Building Operating Engineer	0852
2.	Montero	Richard	334279	Building Operating Engineer	0852
3.	Godisan	George	334932	Building Operating Engineer	0852
4.	Bionson	Roberto	298602	Building Operating Engineer	0852
5.	Herrera	Michael	348424	Building Operating Engineer	0852
6.	Capra	Marius	352505	Building Operating Engineer	0852
7.	Muchai	Haron	357164	Building Operating Engineer	0852
8.	Alfonso	Gil	366769	Building Operating Engineer	0852
9.	Carranza	Francis	328673	Building Operating Engineer	0852
10.	Aniag	Danilo	103040	Building Operating Engineer	0853
11.	Olivar	Ernesto	331922	Building Operating Engineer	0853

FOR THE UNION:

**INTERNATIONAL UNION OF
OPERATING ENGINEERS,
LOCAL NO. 501**
Including its Subordinate Branches, AFL-CIO

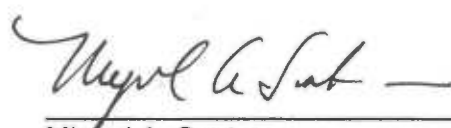

Thomas O'Mahar
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Business Representative

FOR THE CITY:

CITY OF LOS ANGELES


Miguel A. Santana
City Administrative Officer