

PERSONNEL AND HIRING COMMITTEE REPORT relative to Memorandum of Understanding (MOU) 35 hiring hall practices.

Recommendation for Council action:

NOTE and FILE the September 5, 2025 and September 8, 2025 joint City Administrative Officer (CAO) and Personnel Department reports relative to MOU 35 hiring hall practices.

Fiscal Impact Statement: Not applicable.

Community Impact Statement: None submitted.

Summary:

On September 12, 2025, your Committee considered September 5, 2025 and September 8, 2025 joint CAO/Personnel Department reports relative to MOU 35 hiring hall practices. According to the CAO/Personnel Department, MOU 35 was originally designed to hire temporary craft workers into City service for a duration not to exceed one year to supplement the existing City workforce in addressing work backlogs. While the initial intent was for short-term employment to manage temporary workload increases, MOU 35 workers have been utilized more frequently and for durations that exceed one year. The agreement currently allows for the hiring of craft workers ranging from apprentice to journeyman levels. A City Department that needs additional, temporary help from MOU 35 makes a request for temporary craft workers directly to the MOU 35 signatory unions responsible for the specific craft, e.g., Cement Masons Local 627. The union hiring hall then dispatches candidates to the City so that they may participate in the Department's hiring process. Candidate referrals are made without regard to location or socioeconomic characteristics. If a union is unable to refer hiring hall applicants, the City is permitted to secure applicants without using the union's referral system. This means that employing Departments may seek applicants using external sources for candidates, such as job boards and online platforms, or other recruitment agencies. However, all MOU 35 provisions still apply to such hires.

Once hired, employing Departments may assign craft workers to one or more projects. Hiring hall craft workers may also pursue permanent City employment through the civil service process or alternative pathways to employment, such as the City's Targeted Local Hire or Bridge-to-Jobs programs. When MOU 35 members have completed their temporary assignment or are no longer needed to conduct business for the City, they are assigned a different temporary assignment or are returned to their respective hiring hall for subsequent dispatch to a different job and/or employer. Aside from administering their respective hiring halls, unions are responsible for their member's progression through apprenticeship programs, as well as for tracking and auditing wage and fringe benefit rates for compliance with labor agreements and/or California prevailing wage requirements.

The MOU 35 non-exclusive hiring arrangement has provided the City with flexibility in hiring and a reliable source of available skilled journey-level trades persons required on short notice to address the City's changing operational demands. MOU 35 unit members are unlike full-time or part-time City employees. The City is not the sole employer of hiring hall craft workers and the hiring halls worker lists are administered by the unions, not the City. Unlike full time and part-time employees who qualify for City benefits, MOU 35 members pay into social security and are not members of any of the City's three retirement or pension plans. Furthermore, base wage compensation is set by the Union's Master Labor Agreement as opposed to being negotiated through the bargaining process established through the Meyers-Milias-Brown Act and the City's Employee Relations Ordinance. Promotion in the craft levels from apprentice to journeyman is determined by the respective union responsible for the craft expertise, not the City. In addition, with the exception of statutory benefits that are provided by the City, the unions set and administer all fringe benefits, such as health and medical insurance coverage, paid time off, supplemental pensions, and training, for their respective crafts. After consideration and having provided an opportunity for public comment, the Committee moved to Note and File the two joint reports. This matter is now submitted to Council for its consideration.

Respectfully Submitted,

Personnel and Hiring Committee

COUNCILMEMBER:	VOTE:
McOSKER:	YES
RODRIGUEZ:	YES
HUTT:	YES

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9/12/25

-NOT OFFICIAL UNTIL COUNCIL ACTS-