



# AGENDA REPORT

**TO:** Edward D. Reiskin  
City Administrator

**FROM:** Ian Appleyard  
Human Resources  
Management Director

**SUBJECT:** Approve the Memoranda of Understanding Between the City of Oakland and Misc Unions and Salary Ordinance Amendment for Misc and unrepresented

**DATE:** June 14, 2021

City Administrator Approval

Date: Jun 16, 2021

## RECOMMENDATION

**Staff Recommends That The City Council:**

- 1) **Adopt Resolutions Approving To The Memoranda Of Understanding Between The City Of Oakland And:**
  - a. **The Confidential Management Employees Association Representing Employees In Representation Unit U31 Covering The Period of July 1, 2021 to June 30, 2022;**
  - b. **The International Brotherhood Of Electrical Workers, Local 1245 Representing Employees in Representation Units IE1 and TV1 Covering The Period Of July 1, 2021 To June 30, 2022;**
  - c. **The International Federation Of Professional & Technical Engineers ("IFPTE"), Local 21, Representing Employees In Representation Units TA1, TF1, TM2, TW1, UH1, UM1, UM2, TM1, And U41 Covering The Period Of July 1, 2021 To June 30, 2022;**
  - d. **The Service Employees International Union ("SEIU"), Local 1021 Representing Employees In Representation Units SB1, SC1, SD1, AND SI1 Covering The Period Of July 1, 2021 To June 30, 2022. And**
- 2) **Adopt An Ordinance Amending The Salary Schedule Of Ordinance No. 12187 C.M.S. ("Salary Ordinance") To Provide:**
  - a. **A 3% Wage Increase To The Salaries Of Employees In Representation Units SB1, SC1, SD1, SI1, TA1, TF1, TM2, TW1, UH1, UM1, UM2, TM1, U41, IE1, TV1, U31, CON, U51, UG1, TL1, UK1, UK2, UP1, US1, CON, U51, UG1, TL1, UK1, UK2, UP1 and US1 Effective The First Full Pay Period of July 2021.**
  - b. **A 2.5% Wage Increase To The Salaries Of The Unrepresented Chief Of Fire, Deputy Chief Of Fire Department And Assistant Chief Of Fire Department, Representation Units UR1 and UU1 Effective The First Full Pay Period Of January 2021.**

City Council  
June 24, 2021

- c. **A 3% Wage Increase To The Salaries Of The Unrepresented Chief Of Police And Chief Of Police, Assistant, Representation Unit UN1 Effective The First Full Pay Period Of July 2021.**
- d. **A 1% Wage Increase To The Salaries Of Certain Unrepresented Employees In Units CON, U51, UG1, TL1, UK1, UK2, UP1, And US1 Effective The First Full Pay Period Of January 2021.**

## **EXECUTIVE SUMMARY**

The City of Oakland has reached a tentative agreement on a contract extension with each of its miscellaneous unions: the Confidential Management Employees Association (“CMEA”) (**Attachment A**), the International Brotherhood of Electrical Workers (“IBEW”) (**Attachment B**), Local 1245, the International Federation Of Professional & Technical Engineers (“IFPTE”), Local 21 (**Attachment C**), and the Service Employees International Union (“SEIU”), Local 1021 (**Attachment D**). The term of the agreements with each Miscellaneous union is from July 1, 2021 through June 30, 2022. The proposed amendment to the Salary Ordinance has been prepared to provide a 3% wage increase that increases the salaries of the City's members in CMEA, IBEW, IFPTE, and SEIU effective the first full pay period of July 2021. The City Administrator, pursuant to City Ordinance 12903, has authorized a 3% wage increase to certain miscellaneous unrepresented employees effective the first full pay period of July 2021.

As part of cost reduction measures, the City Administrator and the City Council authorized a six-month delay to salary increases of certain unrepresented employees in December 2020. This action was codified by an amendment to the Ordinance 12187 (Salary Ordinance) passed by City Council on December 23, 2020. The City Administrator recommends that the City Council overturn the cost-cutting measures as they relate to the Chief of Fire and Chief of Police, and has directed that the cost-cutting measures be overturned for all other unrepresented employees. Accordingly, the previously delayed wage increases will be restored to the original timeline prior to the December 23, 2020 City Council amendment to the Salary Ordinance.

## **BACKGROUND/LEGISLATIVE HISTORY**

The current Memoranda of Understanding (“MOU”) between the City of Oakland and each of the Miscellaneous unions are scheduled to expire on June 30, 2021. In May 2021, the City and CMEA, IBEW, IFPTE, and SEIU reached tentative agreements on a one-year contract extension that provided a three percent wage increase effective the first full pay period of July 2021 (**Attachments 1-4**). The City Administrator has authorized the same wage increase to be extended to certain miscellaneous unrepresented employees.

City Ordinance No. 12903 C.M.S. adopted on November 18, 2008 (**Attachment E**) established the City Council's compensation policies and provisions for City Employees, Officials and Officers. The Ordinance memorializes the authority and discretion the City Council has granted to the City Administrator regarding fixing compensation and supplements City Ordinance No. 12187 C.M.S. (**Attachment F**). Ordinance 12903, Section 1.20 states, in part, “Ordinance No. 12187 thereby gives the City Administrator the discretion to grant unrepresented employees the same compensation and other terms and conditions of employment that are provided to represented employees under MOUs, or to provide unrepresented employees less compensation than the

compensation that is provided to represented employees in each category or type of compensation.” (**Attachment E**).

Ordinance 12903, Section 1.90(1) states, “[t]he salary of the Chief of Fire classification as contained in this ordinance shall be adjusted by a percentage amount equivalent to the average percentage amount of salary adjustment granted to rank and file uniformed employees of the Fire Department, who are represented by an employee organization recognized by the City, concurrent with implementation of salary adjustments for said rank and file employees.” (**Attachment E**)

Ordinance 12903, Section 1.90(2) states, “[t]he salary of the Chief of Police classification as contained in this ordinance shall be adjusted by a percentage amount equivalent to the average percentage amount of salary adjustment granted to rank and file uniformed employees of the Police Department, who are represented by an employee organization recognized by the City, concurrent with implementation of salary adjustments for said rank and file employees.” (**Attachment E**).

Ordinance 12903 delegates authority to the City Administrator to overturn the previous cost-cutting actions that were amended into the Salary Ordinance on December 23, 2020 for most unrepresented employees, which he has decided to do. Council action is required to amend the salary schedule to reflect the City Administrator’s decision. In addition, Council action is required to overturn the cost-cutting actions for the Chief of Fire and to amend the Salary Ordinance accordingly, which the City Administrator recommends.

Accordingly, Council’s approval of this ordinance will restore: a 2.5% wage increase to the salaries of the unrepresented Chief of Fire, Deputy Chief of Fire Department and Assistant Chief of Fire Department, Representation Units UR1 and UU1 effective the first full pay period of January 2021; a 3% wage increase to the salaries of the unrepresented Chief of Police and Chief of Police, Assistant, representation unit UN1 effective the first full pay period of July 2021; a 1% wage increase to the salaries of certain miscellaneous unrepresented employees in units CON, U51, UG1, TL1, UK1, UK2, UP1, And US1 effective the first full pay period of January 2021.

The attached Ordinance restores wage increases that were in effect prior to the December 23, 2021 Emergency Ordinance that amended the Salary Ordinance. The increases being restored were originally authorized by the City Council as follows: an amendment to the Salary Ordinance for unrepresented employees in representation units UR1 and UU1 March 3, 2020 (second reading), which included a two and a half percent (2.5%) wage increase effective the first full pay period in January 2021; an amendment to the Salary Ordinance for unrepresented employees in representation unit UN1 on November 20, 2018 (second reading), which included a three percent (3%) wage increase effective the first full pay period in July 2021; an amendment to the Salary Ordinance for unrepresented employees in representation units CON, U51, UG1, TL1, UK1, UK2, UP1, and US1 on November 19, 2019 (second reading), which included a one percent (1%) wage increase effective the first full pay period in January 2021. The attached Ordinance restores the above wage increases to the original timeline.

## **ANALYSIS AND POLICY ALTERNATIVES**

Approval of the proposed Resolutions is necessary to adopt the MOUs between the City and CMEA, IBEW, IFPTE, and SEIU. CMEA's ratification date was on June 11, 2021. IBEW's ratification date was on May 26, 2021. IFPTE's ratification date was on June 9, 2021. SEIU's ratification date was on June 11, 2021. The Salary Ordinance and Resolutions are being prepared for Council approval and authorization following the unions' ratification. A Salary Ordinance amendment requires two readings, so it will be presented for its first reading on June 24, 2021, for consideration and approval, and a second reading on July 6, 2021. If for any reason the MOUs are not finalized or approved, the Salary Ordinance amendment could be canceled or delayed if required. The following is a summary of the key provisions of the tentative agreements, all of which are identical between CMEA, IBEW, IFPTE, and SEIU:

**Compensation:** A wage increase of 3% effective the first full pay period in July 2021,

**Duration:** The duration of the agreement is effective through June 30, 2022.

Pursuant to City Ordinance No. 12903, the City Administrator has sole discretion to grant certain unrepresented employees the same or lesser compensation (and other select terms and conditions of employment) as provided to represented employees. The City Administrator intends to grant a wage increase of three percent (3%) effective the first full pay period in July 2021 to certain unrepresented employees in classifications in Units CON, U51, UG1, TL1, UK1, UK2, UP1, and US1, and wage increases to the Assistant Chief of Fire and Assistant Chief of Police commensurate with the rank and file employees in their respective departments. Pursuant to City Ordinance 12903, Sections 1.90(1) and 1.90(2), the Chief of Fire and Chief of Police will also receive wage increases commensurate with the rank and file employees in their respective departments.

As part of budget reduction measures, the City Administrator and City Council authorized a six-month delay to wage increases for certain unrepresented classifications. At the same time, there were no delays for any collectively-bargained wage increases. In the case of sworn Fire employees, members of the International Association of Firefighters, Local 55, received a two and a half percent (2.5%) wage increase in January 2021, while the sworn Fire unrepresented employees' (units UR1 and UU1) wage increase was delay to July 2021. In the case of the sworn Police employees, members of the Oakland Police Officers Association are scheduled to receive a three percent (3%) wage increase in July 2021, while the sworn Police unrepresented employees' (unit UN1) wage increase was delayed to January 2022. In the case of the miscellaneous represented employees, members of CMEA, IBEW, IFPTE and SEIU received one percent (1%) wage increase in January 2021, while certain miscellaneous unrepresented employees' (units CON, U51, UG1, TL1, UK1, UK2, UP1, and US1) wage increase was delayed to July 2021. The City Administrator, pursuant to City Ordinance 12903, has authorized the six-month delay of wage increases be reversed and that the unrepresented classifications detailed above be made whole.

## **FISCAL IMPACT**

The cost of the new labor agreement with CMEA is approximately \$0.29 million in Fiscal Year (FY) 2021-22. In the General Purpose Fund (GPF), the cost of the agreement is \$0.14 million in FY 2021-22. The cost of the new labor agreement with IBEW is approximately \$0.12 million in Fiscal Year (FY) 2021-22. In the General Purpose Fund (GPF), the cost of the agreement is \$0.009 million in FY 2021-22. The cost of the new labor agreement with IFPTE is approximately \$7.7 million in Fiscal Year (FY) 2021-22. In the General Purpose Fund (GPF), the cost of the agreement is \$2.4 million in FY 2021-22. The cost of the new labor agreement with SEIU is approximately \$6.7 million in Fiscal Year (FY) 2021-22. In the General Purpose Fund (GPF), the cost of the agreement is \$1.9 million in FY 2021-22. These costs will need to be built into the FY 2021-22 Biennial Budget.

The total costs associated with the one-year contract extensions and 3% wage increase for CMEA, IBEW, IFPTE, SEIU, and unrepresented employees is approximately \$15.43 million in Fiscal Year (FY) 2021-22. In the General Purpose Fund (GPF), the total cost is \$4.8 million in FY 2021-22.

## **PUBLIC OUTREACH / INTEREST**

No public outreach is required.

## **SUSTAINABLE OPPORTUNITIES**

**Economic:** There are no economic opportunities associated with this report.

**Environmental:** There are no environmental opportunities associated with this report

**Social Equity:** There are no social equity opportunities associated with this report.

## **ACTION REQUESTED OF THE CITY COUNCIL**

Staff Recommends That The City Council:

- 1) Adopt Resolutions Approving To The Memoranda Of Understanding Between The City Of Oakland And:
  - a. The Confidential Management Employees Association Representing Employees In Representation Unit U31 Covering The Period of July 1, 2021 to June 30, 2022;
  - b. The International Brotherhood Of Electrical Workers, Local 1245 Representing Employees in Representation Units IE1 and TV1 Covering The Period Of July 1, 2021 To June 30, 2022;
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