

COUNCIL ACTION FORM

SUBJECT: MEMORANDUM OF UNDERSTANDING WITH IUOE LOCAL 234 FOR CYRIDE MECHANIC ASSISTANT WAGE INCREASE AND HIRING BONUS

BACKGROUND:

In July, the City Council approved a Memorandum of Understanding (MOU) with the International Union of Operating Engineers (IUOE) Local 234. This MOU allowed the City to offer a one-time hiring bonus during the recruitment to fill a vacant Mechanic Assistant position. CyRide has now conducted four recruitments to fill this vacancy since June, 2017, and has been unable to find a suitable candidate to hire.

The Mechanic Assistant is an important role to address routine maintenance issues on Transit vehicles, ensuring they are ready to provide service to the public. While this position is vacant, a greater burden is placed on the skilled CyRide Mechanics and other staff, reducing productivity and impacting the morale of the workgroup.

As it enters a fifth recruitment to fill this position, CyRide has proposed again offering a hiring bonus to the selected candidate. The bonus, which totals \$2,000, would be paid in installments at the first paycheck, at six months, and at 18 months. In a further effort to attract applicants, CyRide has also proposed an increase to the entry step wage rate for the position. The position currently earns \$20.57 hourly. CyRide has proposed increasing this entry wage by 3.8%, to \$21.35 hourly.

It should be noted that 12 years ago, the entry level wage for this position was frozen for one year as a budget reduction measure. The action to increase the wage now compensates for that freeze. The \$21.35 starting wage for this position aligns the pay with that of the comparable position in the City's Fleet Services Department.

CyRide has presented this proposal to the Transit Board of Trustees, which has approved it. Representatives of the IUOE have been consulted and the union has approved this MOU. With City Council approval, a recruitment will begin immediately to attempt to fill the position. The financial impact of the proposed changes is estimated to be \$3,200.

ALTERNATIVES:

1. Approve the attached Memorandum of Understanding with the International Union of Operating Engineers Local 234, which authorizes a hiring bonus and increase in Step A wages for the CyRide Mechanic Assistant classification.
2. Do not approve the attached Memorandum of Understanding.

CITY MANAGER'S RECOMMENDED ACTION:

The Mechanic Assistant position has been vacant for over a year due to an inability to attract qualified applicants. CyRide staff has studied the wages and incentives offered for comparable workers and has determined that offering an increased starting wage and a hiring bonus may increase the likelihood of successfully hiring a person to fill this role. CyRide staff has determined the financial impact of these incentives is minimal. Both the Transit Board of Trustees and the union have approved the MOU.

Therefore, it is the recommendation of the City Manager that the City Council adopt Alternative No. 1, thereby approving attached Memorandum of Understanding with the International Union of Operating Engineers Local 234, which authorizes a hiring bonus and increase in Step A wages for the CyRide Mechanic Assistant classification.

**Memorandum of Understanding
City of Ames
And
International Union of Operating Engineers, Local 234
Blue Collar Unit**

September __, 2018

Addendum D of the July 1, 2016 through June 30, 2019 collective bargaining agreement between the parties contains the wage provisions through June 30, 2019. That addendum provides for Step A Mechanic Assistant (CyRide) to receive wages of \$20.57 per hour in 2018-2019. CyRide, the City's transit agency, has faced difficulty in recent months in attracting Mechanic Assistants to fill vacancies. In an effort to make employment as a Mechanic Assistant more attractive, the parties agree to increase the Step A Mechanic Assistant (CyRide) wage 3.8% above the previously agreed wage rate, to \$21.35 per hour, as of September 17, 2018.

This agreement does not affect the wages of other classifications or other steps within the Mechanic Assistant classification. Those wages will remain as previously agreed during the course of contract negotiations. The changes are detailed in the table below:

**Addendum D
Effective 8/17/19 – 6/30/19**

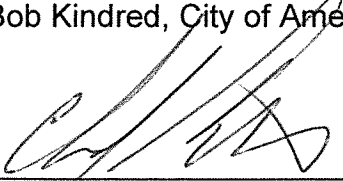
| | <u>HTE</u> | <u>CLASS CODE</u> | <u>TITLE</u> | <u>STEP A (START)</u> | | <u>STEP B (18 MOS)</u> | | <u>STEP C (48 MOS)</u> | |
|-----------------|------------|-------------------|--------------------------------|-----------------------|---------------|------------------------|---------------|------------------------|---------------|
| | | | | <u>Annual</u> | <u>Hourly</u> | <u>Annual</u> | <u>Hourly</u> | <u>Annual</u> | <u>Hourly</u> |
| Original | 323 | 1322 | Mechanic Assistant (CyRide) | | 20.57 | | 24.27 | | 28.53 |
| Amended | 323 | 1322 | Mechanic Assistant (CyRide) | | 21.35 | | 24.27 | | 28.53 |

Additionally, the \$2,000 hiring bonus approved by the Transit Board of Trustees and the IUOE in June 2018 will be extended for the next Mechanics Assistant recruitment.

For the mutual benefit of the City of Ames and IUOE, both parties agree to incorporate the above-stated changes to the terms agreed to in the collective bargaining agreement effective September 17, 2018.

Bob Kindred, City of Ames

Date



Chad Carter, IUOE Local 234 (Blue Collar)

9/13/18

Date