



To: Honorable Public Utilities Board

Submitted by: S
Glenn O. Steiger
General Manager

From: Robin Young
Senior Human Resources Analyst

Approved by: S
Glenn O. Steiger
General Manager

Subject: Recommending the Adoption of the Compensation Plan Between the City of Alameda and the Alameda Municipal Power Unrepresented Management Employees for a Three Year Period Ending December 26, 2018

RECOMMENDATION

By resolution, the Public Utilities Board (PUB) formally recommends the approval of the proposed Compensation Plan between the City of Alameda and Alameda Municipal Power Unrepresented Management Employees (AMPU) for a three year period ending December 26, 2018. The City Council will make the final decision when they consider approval of this Compensation Plan at a special City Council meeting scheduled for February 24, 2016.

BACKGROUND

The City's Labor Relations Representatives met in closed session with the Board on February 3, 2016 to discuss the Compensation Plan with AMPU. The revised Compensation Plan submitted for your consideration falls within the parameters authorized by the Board and City Council. This Compensation Plan is for a three year period ending December 26, 2018.

DISCUSSION

Summary of Compensation Plan

The Compensation Plan provides for a three percent (3%) wage increase effective January 24, 2016; a market equity increase of three eighths of one percent (.38%) effective January 24, 2016; a second general three percent (3%) wage increase on January 8, 2017; and a third general three percent (3%) wage increase on January 7, 2018, with benefit adjustments and language modifications through the term of the contract.

The City will continue to make medical, dental, and life insurance available for eligible employees through a contribution to the Flexible Benefit Amount. AMPU Flexible Benefit Amount will be increased in January 2016 and January 2017 and members will participate in cost sharing of medical premiums at a rate of 50% of the increase to the Kaiser premiums based on each coverage level effective in January 2018 through December 26, 2018. The goal in negotiations was to create consistency among bargaining units in how increases in the employer contribution were calculated as well as to link the increases to Kaiser Health Plan

rates. Kaiser rates have historically been more moderate than Blue Shield allowing for better containment of costs. The City was able to achieve this consistency starting in Fiscal Year 2018 with Management and Confidential Employees Association (MCEA), Alameda City Employees Association (ACEA), Executive Management Employees (EXME), Alameda Municipal Power Unrepresented Employees (AMPU), and Electrical Utility Professionals of Alameda (EUPA).

A draft Compensation Plan is attached.

Summary of AMP Labor Environment

Fundamentally, AMP is in a competitive business and must provide a competitive wage to meet the growing workforce needs that exist throughout the industry. The transformational changes taking place in the electric utility industry require AMP to address workforce issues. The future workforce will be vital to deploying and maintaining a clean-energy smart grid infrastructure. Advanced technology, increased regulatory compliance needs, and an aging workforce require the utility to deal with this issue in a proactive manner. AMP recognizes that advanced technology education and training is critical for the safe and reliable transmission and distribution of electrical power.

The City Council will make the final decision on this contract when they consider approval of this Compensation Plan.

FINANCIAL IMPACT

AMP is funded entirely through electric customer rates and is a separate Enterprise Fund of the City.

The cost for fiscal Year 2015-16 will be approximately \$18,000 for the implementation of salary and other benefit enhancements. There are sufficient funds budgeted to cover these increased costs.

The cost for fiscal Year 2016-17 will be approximately \$41,000 which is to be included in the proposed 2016-17 budget for Alameda Municipal Power.

The cost for fiscal Year 2017-18 will be approximately \$45,000 which is to be included in the proposed 2017-18 budget for Alameda Municipal Power.

The partial cost for fiscal Year 2018-19 will be approximately \$24,000 which is to be included in the proposed 2018-19 budget for Alameda Municipal Power.

LINKS TO KEY RESULTS AREA AND GOALS

KRA 2: Workforce
Initiative 2.5: Achieve High Employee Satisfaction

EXHIBIT

- A. Resolution
- B. Compensation Plan between the City of Alameda and AMPU, February 23, 2014 -
December 26, 2015
- C. Redline Compensation Plan between the City of Alameda and AMPU, For a Three Year
Term Ending December 26, 2018