



AGENDA REPORT

PROPOSED ACTION: Ordinance and Resolution: 1) Adoption of a Resolution to Approve the Terms and Conditions of Employment and Certain Benefits as Set Forth in the Memorandum of Understanding between the Port of Oakland and International Brotherhood of Electrical Workers, Local 1245 (IBEW Local 1245) for the period October 1, 2025 through June 30, 2028 (Successor MOU) with Future Cost of Living Adjustments and to Authorize the Executive Director to Execute the Successor MOU; Enactment of an Ordinance to Amend Port Ordinance No. 867 to Set the Salaries and Certain Benefits for Port Employees Represented by IBEW Local 1245. **(Finance & Admin)**

Submitted By: Michael Mitchell, Director of Human Resources; Kristi McKenney, Executive Director

Parties Involved: IBEW Local 1245

Amount: \$729,700 to \$793,000
(Operating Expense)

EXECUTIVE SUMMARY: Representatives of the Port of Oakland (Port) and IBEW Local 1245 successfully negotiated a Successor MOU and reached a Comprehensive Tentative Agreement (TA). The IBEW Local 1245 membership ratified the Successor MOU on April 8, 2026.

BACKGROUND & ANALYSIS

The Port and IBEW Local 1245 engaged in discussions beginning on July 3, 2025 to extend the terms and conditions of the Port/IBEW Local 1245 MOU that expired on September 30, 2025. The Port proposed a thirty-three (33) month MOU extension (effective October 1, 2025 through June 30, 2028) with the following cost of living adjustments (COLA): an increase retroactive to the first day of the pay period containing January 1, 2026 equal to the December 2024-December 2025 Consumer Price Index for All Urban Consumers (CPI-U) which shall not be less than two percent and no more than three percent. Only active employees will qualify for any retroactive payment; an increase effective the first day of the pay period containing July 1, 2026 equal to the April 2025-April 2026 CPI-U which shall not be less than two percent and no more than three percent; and, an increase effective the first day of the pay period containing July 1, 2027 equal to the April 2026-April 2027 CPI-U which shall not be less than two percent and no more than three and one half percent.

After considering the Port’s proposal and the Port’s responses to its questions, IBEW Local 1245 reached a TA with the Port for a Successor MOU for the period October 1, 2025, through June 30, 2028 with COLAs based on the CPI-U as referenced above. As noted, the IBEW Local 1245 membership ratified the TA on April 8, 2026.

In addition to the COLAs, the Successor MOU provides for a Professional Development (PD) allowance of \$1,100 effective July 1, 2026 through June 30, 2027 and July 1, 2027

through June 30, 2028, with PD funds being eligible for wellness programs (not equipment or physical items) to promote personal health. The Successor MOU also includes new language as well as clarifications concerning union elections, grievance procedure, bereavement and shift differential. Certain other changes to terms and conditions of employment that were collectively bargained and mutually agreed upon by the Port and IBEW Local 1245 are part of the thirty-three month Successor MOU.

In order for the Board to implement the terms and conditions of the Successor MOU for Port employees represented by IBEW Local 1245, the Board, by Resolution, must ratify and approve such terms and conditions as well as authorize the Executive Director to execute the Successor MOU on behalf of the Board, provided it is approved as to form and legality by the Port Attorney.

Furthermore, for the Board to implement the COLAs and the professional development terms of the Successor MOU, the Board, by Ordinance, must specifically amend Port Ordinance No. 867.

OTHER FINDINGS AND PROVISIONS

ENVIRONMENTAL REVIEW

The proposed action was analyzed under the California Environmental Quality Act (CEQA) and was found to be:

- Categorically exempt under the following CEQA Guidelines Section:
Choose an item.
- Not a "Project" under CEQA, as defined in Public Resources Code § 21065.
- "Common Sense" exemption under CEQA Guidelines Section 15061(b)(3).
- Other/Notes:

BUDGET

- Administrative (No Impact to Operating, Non-Operating, or Capital Budgets); OR
 - Operating
 - Non-Operating
 - Capital

Analysis: The FY 2026 budget did not account for COLA increases. FY 2026 additional costs are expected to be approximately \$145,500, including the cost of the COLA at the maximum rate of 3%, related employer taxes and pension contributions. These unanticipated personnel costs are expected to be absorbed by cost savings from current vacancies. Future budgets will incorporate the cost of future COLAs, related employer taxes and pension contributions, and the value of professional development costs which are expected to range from \$242,300 to \$246,000 in FY 2027 and \$341,900 to \$401,500 in FY 2028.

STAFFING

- No Anticipated Staffing Impact.
- Anticipated Change to Budgeted Headcount.
Reason:
- Other Anticipated Staffing Impact (e.g., Temp Help).
Reason:

MARITIME AND AVIATION PROJECT LABOR AGREEMENT (MAPLA):

Applies? No (Not Aviation or Maritime CIP Project) – proposed action is not covered work on Port's Capital Improvement Program in Aviation or Maritime areas above the threshold cost.

- Additional Notes:

LIVING WAGE (City Charter § 728):

Applies?

No (No Covered Agreement) – proposed action is not an agreement, contract, lease, or request to provide financial assistance within the meaning of the Living Wage requirements.

- Additional Notes:

<p><u>SUSTAINABLE OPPORTUNITIES:</u></p> <p><u>Applies?</u> No.</p> <p><u>Reason:</u></p>	<p><u>GENERAL PLAN</u> (City Charter § 727):</p> <p><u>Conformity Determination:</u></p> <p>No Project – conformity determination not required because proposed action does not change use of or make alterations to an existing facility, or create a new facility.</p>								
<p><u>STRATEGIC PLAN.</u> The proposed action would help the Port achieve the following goal(s) and objective(s) in the Port’s Strategic Business Plan:</p> <table border="0"> <tr> <td><input type="checkbox"/> Grow Net Revenues</td> <td><input type="checkbox"/> Modernize and Maintain Infrastructure</td> </tr> <tr> <td><input type="checkbox"/> Improve Customer Service</td> <td><input checked="" type="checkbox"/> Pursue Employee Excellence</td> </tr> <tr> <td><input type="checkbox"/> Strengthen Safety and Security</td> <td><input type="checkbox"/> Serve Our Community</td> </tr> <tr> <td><input type="checkbox"/> Care for Our Environment</td> <td></td> </tr> </table>		<input type="checkbox"/> Grow Net Revenues	<input type="checkbox"/> Modernize and Maintain Infrastructure	<input type="checkbox"/> Improve Customer Service	<input checked="" type="checkbox"/> Pursue Employee Excellence	<input type="checkbox"/> Strengthen Safety and Security	<input type="checkbox"/> Serve Our Community	<input type="checkbox"/> Care for Our Environment	
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