



AGENDA REPORT

PROPOSED ACTION: Ordinance and Resolution: Adoption of a Resolution to Extend the Terms and Conditions of Employment and Certain Benefits as Set Forth in the July 1, 2022 – September 30, 2025 Memorandum of Understanding between the Port of Oakland and the International Federation of Professional and Technical Engineers, Local 21 (IFPTE Local 21) for the Period October 1, 2025 through June 30, 2028 (Successor MOU) with Future Cost of Living Adjustments and Additional Paid Leave 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 IFPTE Local 21; and, Enactment of an Ordinance to Amend Port Ordinance No. 867 to Set the Salaries and Certain Benefits for Non-Represented Employees in Port Employee Representation Unit M (Unit M). **(Finance & Admin)**

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

Parties Involved: IFPTE Local 21 and Non-Represented Positions in Port Employee Representation Unit M

Amount: \$1,996,600 to \$4,499,100 (Operating Expense)

EXECUTIVE SUMMARY: Representatives of the Port of Oakland (Port) and IFPTE Local 21 negotiated the terms of a Successor MOU and reached a Comprehensive Tentative Agreement (TA). The IFPTE Local 21 membership ratified the successor MOU on August 13, 2025.

BACKGROUND & ANALYSIS

The Port and IFPTE Local 21 engaged in discussions beginning on July 3, 2025, to extend the terms and conditions of the current IFPTE Local 21 MOU that is scheduled to expire 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: an increase effective the first day of the pay period containing January 1, 2026 equal to the October 2024-October 2025 Consumer Price Index for All Urban Consumers (CPI-U) which shall not be less than one percent (1.0%) and no more than three percent (3.0%); 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 one percent (1.0%) and no more than three percent (3.0%); 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 one and a half percent (1.5%) and no more than three and one half percent (3.5%); and, starting July 1, 2027, if the CPI exceeds 4.5% at the April 2027 measured date, upon request of IFPTE Local 21, the parties will meet over economics with any changes by mutual agreement only.

After considering the Port's proposal and the Port's responses to its questions, IFPTE Local 21 reached a TA with the Port to extend the current MOU through June 30, 2028 with cost of living adjustments based on the CPI-U as referenced above. The TA also provides for 6 days of additional paid leave time: three (3) days effective October 1, 2025; two (2) days effective July 1, 2026; and, one (1) day effective July 1, 2027. The additional paid leave has no cash value, and if not used by June 30, 2028, such leave will be irrevocably forfeited.

The Successor MOU would also provide for a Professional Development allowance of \$1,100 for the periods beginning October 1, 2025 through June 30, 2026, July 1, 2026 through June 30, 2027 and July 1, 2027 through June 30, 2028. All other terms and conditions of employment as well as benefits remain the same and would continue in effect through the Successor MOU.

The IFPTE Local 21 membership ratified the tentative agreement on August 13, 2025.

Separately, it is also recommended that the Board of Port Commissioners (Board) provide non-represented Port employees in Unit M (currently comprised of one Deputy Attorney IV and the Human Resources Manager classifications) with the same terms and conditions as those provided to IFPTE Local 21 members in the Successor MOU, to include the future Cost of Living Adjustments based on the CPI-U and the Additional Paid Leave.

In order for the Board to implement the terms and conditions of the Successor MOU for Port employees represented by IFPTE Local 21, 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 cost-of-living adjustments and the professional development terms of the Successor MOU for IFPTE Local 21 represented employees in Employee Representation Units I, J, K, and L and for those non-represented employees in Employee Representation Unit M, the Board, by Ordinance, must specifically amend Port Ordinance No. 867. The second reading for this Ordinance amendment is scheduled for the Board's October 23, 2025 meeting.

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 range from \$596,400 to \$950,300, including the cost of the COLA from the minimum to the maximum rate, related employer taxes and pension contributions, and the value of additional leave days and professional development costs. These unanticipated personnel costs are expected to be absorbed by cost savings from current vacancies. Future budgets will incorporate future COLA and related costs which are expected to range from \$665,200 to \$1,688,600 in FY 2027 and \$735,000 to \$1,860,200 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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