



TO: Hyun Kim, Interim City Manager
FROM: Dylan Carlson, Labor Relations Division Manager
Kari Louie, Interim Director, Human Resources
Karen Short, Senior Human Resources Consultant
COPY: City Council and City Clerk
SUBJECT: Pay and Compensation Ordinance – November 12, 2025
DATE: October 24, 2025

SUMMARY AND PURPOSE:

An ordinance amending Chapter 1.12 of the Municipal Code, relating to the Compensation Plan, to implement rates of pay and compensation for employees represented by the District Lodge #160, on behalf of Local Lodge #297 of the International Association of Machinists and Aerospace Workers, Rail Track Workers Unit, and General Unit.

BACKGROUND:

The ordinance provides for the implementation of provisions of a Collective Bargaining Agreement as negotiated with the District Lodge #160, on behalf of Local Lodge #297 of the International Association of Machinists and Aerospace Workers, Rail Track Workers Unit; and a Letter of Agreement with the District Lodge #160, on behalf of Local Lodge #297 of the International Association of Machinists and Aerospace Workers, General Unit. The Agreements are scheduled for consideration by the Public Utility Board as resolutions on October 22, 2025, and by the City Council as resolutions on November 12, 2025.

For the Rail Track Workers Unit, the ordinance will provide for wage increases in each year of the agreement. Effective January 1, 2026, the hourly rate for Railway Track Maintenance Worker will receive a general wage increase of 3.0 percent, and a market-based increase of 6.5 percent. Effective January 1, 2027, the hourly rate for Railway Track Maintenance Worker will receive a general wage increase of 3.0 percent and a market-based increase of 2.0 percent. Effective January 1, 2028, the hourly rate for Railway Track Maintenance Worker will receive a general wage increase of 3.0 percent and a market-based increase of 2.0 percent. In each year of the agreement, the hourly rates for all other classifications will be calculated at 10 percent above the Railway Track Maintenance Worker rates of pay. In addition, the ordinance adds language to provide for an employer match to the 457b deferred compensation contributions of employees covered by the agreement, up to a maximum of 3 percent of base salary.

For the General Unit, the ordinance provides for the creation of a new classification titled Machine & Fabrication Welder, Lead. The classification will be represented by the District Lodge #160, on behalf of Local Lodge #297 of the International Association of Machinists and Aerospace Workers, General Unit for the purposes of collective bargaining. The classification will be created as classified, designated as overtime category “A”, and the pay rate set at 10 percent over the classification of Machinist, as established in the collective bargaining agreement for 2025 and 2026.

COMMUNITY ENGAGEMENT/ CUSTOMER RESEARCH:

The agreements have been reached with the District Lodge #160, on behalf of Local Lodge #297 of the International Association of Machinists and Aerospace Workers, Rail Track Workers Unit, and General Unit, and have been bargained in good faith.

2025 STRATEGIC PRIORITIES:

Economy/Workforce: Moderate Opportunity



Explain how your legislation will affect the selected indicator(s).

This legislation supports the responsible and sustainable management of City funds.

ALTERNATIVES:

Presumably, your recommendation is not the only potential course of action; please discuss other alternatives or actions that City Council or staff could take. Please use table below.

Alternative(s)	Positive Impact(s)	Negative Impact(s)
Do not approve the legislation	N/A	Unknown

EVALUATION AND FOLLOW UP:

STAFF/SPONSOR RECOMMENDATION:

Authorization from the City Council by ordinance is required to implement provisions of the Collective Bargaining Agreement and Letter of Agreement negotiated with the District Lodge #160, on behalf of Local Lodge #297 of the International Association of Machinists and Aerospace Workers, Rail Track Workers Unit, and General Unit.

FISCAL IMPACT:

Fiscal impact information is provided by the Management Services Office. Department Directors are responsible for adhering to their overall levels of appropriation.

What Funding is being used to support the expense?

Are the expenditures and revenues planned and budgeted in this biennium's current budget? Yes

Are there financial costs or other impacts of not implementing the legislation? No

Will the legislation have an ongoing/recurring fiscal impact? YES

Will the legislation change the City's FTE/personnel counts? No

ATTACHMENTS:

Fiscal Impact Memorandums