



Agenda Item

Orange City Council

Item #: 3.25.

4/28/2026

File #: 26-0159

TO: Honorable Mayor and Members of the City Council

THRU: Jarad Hildenbrand, City Manager

FROM: Monica Espinoza, Human Resources Director

1. SUBJECT

Letters of Understanding between the City of Orange and the International Brotherhood of Electrical Workers Local 47 representing the Maintenance & Crafts and Water Division employees

2. SUMMARY

Resolution No. 11663 establishes a Letter of Understanding between the City of Orange and the International Brotherhood of Electrical Workers Local 47 - Water Division employees effective July 1, 2025 through and including June 30, 2027

Resolution No. 11664 establishes a Letter of Understanding between the City of Orange and the International Brotherhood of Electrical Workers Local 47- Maintenance & Crafts employees effective July 1, 2025 through and including June 30, 2027.

3. RECOMMENDED ACTION

1. Adopt Resolution No. 11663. A Resolution of the City Council of the City of Orange establishing a Letter of Understanding between the City of Orange and the International Brotherhood of Electrical Workers IBEW Local 47 Water Union effective July 1, 2025 through and including June 30, 2027.
2. Adopt Resolution No. 11664. A Resolution of the City Council of the City of Orange establishing a Letter of Understanding between the City of Orange and the International Brotherhood of Electrical Workers IBEW Local 47 Maintenance and Crafts Union effective July 1, 2025 through and including June 30, 2027.

4. FISCAL IMPACT

Maintenance & Crafts: The total cost for FY26 is \$99,800 of which \$68,900 is General Fund. The total cost for FY27 is \$142,800 of which \$98,500 is General Fund.

Water: The total cost for FY26 is \$46,700. The total cost for FY27 is \$74,200.

These adjustments are included in the FY27 budget.

5. STRATEGIC PLAN GOALS

Goal 1: Maintain Strong Emergency and Safety Services

Goal 4: Improve Employee Retention and Recruitment

6. DISCUSSION AND BACKGROUND

In March 2025, the City began the collective bargaining process with the International Brotherhood of Electrical Workers (IBEW) Local 47, hereinafter collectively referred to as “Union”, which represents Maintenance & Crafts and Water Division employees within the Public Works and Community Services Departments. The contract between the parties expired on June 30, 2025.

The parties continued negotiating for a successor Memorandum of Understanding (MOU), exchanging six (6) proposals through September 5, 2025. On October 23, 2025, IBEW Local 47 declared impasse and requested the appointment of a mediator. On November 10, 2025, a mediator confirmed a mediation session scheduled for December 15, 2025; however, IBEW Local 47 canceled the meeting due to a scheduling conflict. Mediation was subsequently rescheduled for January 27-28, 2026. Over the course of these two (2) days, the parties explored mediator proposals but were unable to reach agreement.

On February 2, 2026, IBEW Local 47 submitted two (2) requests for fact-finding to the Public Employment Relations Board (PERB) pursuant to Section 3505.4 of the Meyers-Milias-Brown Act and PERB Regulation 32802. PERB reviewed the requests and ultimately denied them due to the Union’s failure to file within the required 45-day window. As a result, the City was not obligated to participate in the fact-finding process.

On February 13, 2026, the City received formal notification from IBEW Local 47’s legal counsel of the Union’s intent to strike effective March 1, 2026. This resulted in a two-week strike during which employees were without pay and may have incurred out-of-pocket medical expenses, depending on their selected health plan(s).

As the City continues to face significant fiscal constraints, it is unable to accommodate the salary inequity adjustments as requested by IBEW Local 47. Instead, the City offered the same cost-of-living adjustments to IBEW Local 47 that had been provided to all non-safety miscellaneous labor groups in 2025 and all labor groups in 2026: a 2.0% increase effective June 29, 2025, and a 3.0% increase effective June 28, 2026.

At its March 10, 2026, meeting, the City Council approved retroactive pay effective June 29, 2025, consistent with the compensation package previously presented to the Union as the City’s fifth (5th) proposal. This action was taken in good faith to help resolve the labor dispute and encourage employees to return to work. IBEW Local 47 presented the City’s final communication to its membership, and the agreement was ratified on Friday, March 13, 2026, officially ending the strike.

While the City maintained the same compensation adjustment, other elements of the two-year agreement include:

	IBEW Maintenance & Crafts	IBEW Water
Term	July 1, 2025 - June 30, 2027	July 1, 2025 - June 30, 2027
Salary	Effective June 29, 2025 2.0% across-the-board; Effective June 28, 2026 3.0% cost of living adjustment. Annual Salary Tables are attached as Appendix A in the LOU.	Effective June 29, 2025 2.0% cost of living adjustment; Effective June 28, 2026 3.0% cost of living adjustment. Annual Salary Tables are attached as Appendix A in the LOU.

Medical	Increase \$100.00 per month for family tier from \$2,095 to \$2,195 per month effective May 31, 2026.	Increase \$100.00 per month for family tier from \$2,095 to \$2,195 per month effective May 31, 2026.
Floating Holiday	Reinstate 9-hour floating holiday effective January 1, 2026.	Reinstate 9-hour floating holiday effective January 1, 2026.
Uniforms	Add "Facilities" to list of division employees eligible for this existing benefit.	Not applicable
Probationary Employee Vacation Use	Probationary employees accrue vacation but may not use vacation until six (6) months of benefited active City service is complete.	Probationary employees accrue vacation but may not use vacation until six (6) months of benefited active City service is complete.
Educational Assistance/Professional Development	Allow for existing \$750.00 benefit to be interchangeably used. Employees must still be employed by City when course is complete to qualify for reimbursement. Employees with a future separation date on file are ineligible for this benefit.	Allow for existing \$600.00 benefit to be interchangeably used. Employees must still be employed by City when course is complete to qualify for reimbursement. Employees with a future separation date on file are ineligible for this benefit.
No Furlough or Layoff	During the term of this Agreement, the City shall not impose furloughs, reductions in hours, or layoffs. This provision shall sunset on June 30, 2027.	During the term of this Agreement, the City shall not impose furloughs, reductions in hours, or layoffs. This provision shall sunset on June 30, 2027.

Vacation Conversion	<p>An employee may convert up to fifty percent (50%) of their current annual vacation accrual into cash in lieu of time off with pay on an annual basis. An employee requesting such a conversion may convert twice in a fiscal year, however, the total amount converted per fiscal year shall not exceed fifty percent (50%) of the employee's annual accrual. Employees serving their initial hire probationary period shall not be eligible for vacation conversion. On or before December 15, 2026, and every December 15th thereafter, a qualified employee who elects to cash out accrued vacation for the following year shall submit written request to the Human Resources Department stating their irrevocable election(s). The City shall administer the cash out twice annually, starting in June 2027 and every June and December thereafter. The City shall make the cash outs in the second paycheck in June and December. Such cash outs shall be paid at the employee's net rate of pay.</p>	<p>An employee may convert up to fifty percent (50%) of their current annual vacation accrual into cash in lieu of time off with pay on an annual basis. An employee requesting such a conversion may convert twice in a fiscal year, however, the total amount converted per fiscal year shall not exceed fifty percent (50%) of the employee's annual accrual. Employees serving their initial hire probationary period shall not be eligible for vacation conversion. On or before December 15, 2026, and every December 15th thereafter, a qualified employee who elects to cash out accrued vacation for the following year shall submit written request to the Human Resources Department stating their irrevocable election(s). The City shall administer the cash out twice annually, starting in June 2027 and every June and December thereafter. The City shall make the cash outs in the second paycheck in June and December. Such cash outs shall be paid at the employee's net rate of pay.</p>
On-site Training	<p>Allow 60-90 minutes of on-site training related to the IBEW Code of Excellence, with City management staff.</p>	<p>Allow 60-90 minutes of on-site training related to the IBEW Code of Excellence, with City management staff.</p>

Union Release Time Tracking	Up to four (4) Union employees may be granted release time for Union business not to exceed 150 hours per fiscal year collectively. All Union release time must be fully documented on employee timesheets.	Up to four (4) Union employees may be granted release time for Union business not to exceed one hundred fifty 150 hours per fiscal year collectively. All Union release time must be fully documented on employee timesheets.
Language Clean Up	The City will be presenting a future redline MOU that updates provisions within MOU to provide greater clarity on existing practices and regulatory compliance, ensuring adherence with current laws. All Association references to be changed to International Brotherhood of Electrical Workers (IBEW) Local 47 or Union.	The City will be presenting a future redline MOU that updates provisions within MOU to provide greater clarity on existing practices and regulatory compliance, ensuring adherence with current laws.

7. ATTACHMENTS

- Resolution No. 11663
- Resolution No. 11664