



SUPPLEMENTAL AGENDA ITEM AGENDA STAFF REPORT

Control: 26001708

MEETING DATE: 08/25/2026
LEGAL ENTITY TAKING ACTION: Board of Supervisors
BOARD OF SUPERVISORS DISTRICT(S): All Districts
SUBMITTING AGENCY/DEPARTMENT: County Executive Office
DEPARTMENT CONTACT PERSON(S): Jamie Newton, 714-834-2836
Hetal Patel, 714-834-2247

REASON ITEM IS SUPPLEMENTAL: Agendizing this supplemental item for August 25, 2026 Board Hearing will allow for the discussion of a proposed tentative employment agreement with the International Union of Operating Engineers.

JUSTIFICATION: Board action is needed to approve the proposed tentative employment agreement with the International Union of Operating Engineers. This agenda report was finalized after the filing deadline of the Clerk of the Board.

SUBJECT: Approve 2026-2027 MOU with the International Union of Operating Engineers

CEO CONCUR	COUNTY COUNSEL REVIEW	CLERK OF THE BOARD
Concur	Approve agreement to form	DISCUSSION
		3 Votes Board Majority
Budgeted: See Financial Impact Section	Current Year Cost: See Financial Impact Section	Annual Cost: See Financial Impact Section
Staffing Impact: No		Sole Source: No
Current Fiscal Year Revenue: N/A	Funding Source: See Financial Impact Section	County Audit in Last 3 years: No
Levine Act Review Completed? N/A		
Prior Board Action: N/A		

RECOMMENDED ACTION(S):

1. Approve and adopt the attached 2026-2027 Memorandum of Understanding between the County of Orange and the International Union of Operating Engineers for the period of June 26, 2026, through August 31, 2027.
2. Authorize the County Executive Officer or designee to execute the attached 2026-2027 Memorandum of Understanding between the County of Orange and the International Union of Operating Engineers for the period of June 26, 2026, through August 31, 2027.

SUMMARY:

Approval and adoption of the 2026-2027 Memorandum of Understanding between the County of Orange and the International Union of Operating Engineers – Local 501 for the Craft and Plant Engineer Unit will ratify the terms and conditions of employment.

BACKGROUND INFORMATION:

The International Union of Operating Engineers – Local 501 (IUOE) represents approximately 140 positions employed in 14 different classifications (e.g., Carpenter, Electrician, Plumber, Facilities Mechanic, Painter, Trades Helper) within four County departments (OC Public Works, OC Sheriff's Department, John Wayne Airport and Social Services Agency).

The previous Memorandum of Understanding (MOU) for the terms and conditions of employment for the Craft and Plant Engineer Unit was June 30, 2023, through June 25, 2026. On May 13, 2026, representatives from the County and IUOE commenced the meet and confer process to negotiate a successor MOU.

Following months of good faith negotiations, the parties reached a tentative agreement on August 14, 2026, regarding the proposal under consideration by your Honorable Board of Supervisors (Board). It is anticipated the membership of IUOE will ratify the proposed agreement by August 21, 2026.

A summary of the significant deal points in the 2026-2027 MOU include:

Term

Term from June 26, 2026, through August 31, 2027.

Wages

Effective the first day of the first full pay period following Board adoption, the salary schedules will be increased by 3.00 percent.

Parity Clause

If during the term of this agreement through August 31, 2027 the County comes to an agreement with another exclusive representative for another bargaining unit, exclusive of the IHSS Provider Unit, that includes a base salary adjustment (i.e., a higher percent (%) cost of living increase) or across-the-board lump sum payment, increase to employer healthcare contributions, increase to deferred compensation match, or leave enhancements, which is effective during the term of this agreement, the County will implement the same adjustments for all employees covered by this MOU on the same effective date as the other bargaining unit unless that other agreement includes an exchange of a current benefit from the other bargaining unit.

Sick Leave

Increase absence from duty because of personal emergencies or personal business by ten (10) hours, not to exceed fifty (50) working hours during the fiscal year.

Holidays

Add Farmworkers Day (March 31, 2027) and Juneteenth (June 18, 2027).

Miscellaneous

Continue working group to clarify language regarding Leaves of Absences, including streamlining language for understandability and ensure compliance with statutory requirements.

New working group to discuss Call-Back Pay language, Emergency Call-Back work on a holiday language, and the time between an overtime or extended shift and the next scheduled shift.

FINANCIAL IMPACT:

The total estimated cost to be incurred over the MOU term is \$467 thousand, of which \$376 thousand is Net County Cost (NCC). The cost is allocated by fiscal year as follows:

- FY 2026–27: \$380 thousand total cost, of which \$306 thousand is NCC
- FY 2027–28: \$87 thousand total cost, of which \$70 thousand is NCC

The ongoing annual cost is \$467 thousand, of which \$376 thousand in NCC.

STAFFING IMPACT:

N/A

REVIEWING AGENCIES/DEPARTMENTS:

N/A

ATTACHMENTS:

Attachment A - 2026-2027 IUOE MOU 8.14.2026

Attachment B - 2026-2027 IUOE Redline MOU 8.14

Attachment C - IUOE Deal Points 08-14-2026