



Staff Report

File #: REPORT 19-0499, Version: 1

Honorable Mayor and Members of the Hermosa Beach City Council
Regular Meeting of August 27, 2019

**RESOLUTION APPROVING THE 2019-2022
MEMORANDUM OF UNDERSTANDING (MOU) BETWEEN
THE CITY OF HERMOSA BEACH AND THE PROFESSIONAL
AND ADMINISTRATIVE EMPLOYEE GROUP**
(Human Resources Manager Vanessa Godinez)

Recommended Action:

Staff recommends that the City Council adopt the Resolution (**Attachment 1**) approving the Memorandum of Understanding (MOU) between the City of Hermosa Beach and the Professional and Administrative Employee Group (PAE) (**Attachment 2**) for the 2019-2022 fiscal years.

Executive Summary:

Negotiations for a successor to the Memorandum of Understanding (MOU) between the City and the Professional and Administrative Employee Group have resulted in a tentative agreement. The City and the Professional and Administrative Employee Group met and conferred in accordance with the Meyers-Millias Brown Act and have reached a tentative agreement on the terms and conditions of employment. The terms of the tentative agreements are summarized below. The total cost of the negotiated changes is \$115,289 for FY 2019-2020, which is included in the general fund unspecified contingency in the 2019-2020 budget. The budget impact of the negotiated changes for 2020-2021 and 2021-2022 fiscal years was included in the General Fund Five-Year Financial Forecast for FY 2020-2021 through FY 2023-2024. An increase of 2% was included in fiscal years 2022-2023 and 2023-2024 as a placeholder for salary increases to ensure that increases were affordable.

Background:

The Meyers-Milias Brown Act requires that local public agencies negotiate with their respective bargaining units regarding wages, hours and working conditions. Agreements with the City's six bargaining units expired at the end of June and, under direction from the City Council, the Council-approved City negotiating team has been in negotiations with each of the bargaining units for new terms.

The City's aim through labor negotiations is to maintain competitive wages, hours, and working conditions in a high-cost geographic labor market in order to retain and attract a high-quality workforce to serve the community across a range of services. Most position classifications in the City

are comparable to those in other municipalities. The City, through a 2015 classification and compensation study, identified 18 “like” cities in the region for labor market comparisons.

The City’s negotiating team met and conferred with representatives of the Professional and Administrative Employee Group to discuss wages, hours, and other terms and conditions of employment contained in the MOU that expired on June 30, 2019. This bargaining unit consists of the following classifications: Accountant, Accounting Manager, Administrative Assistant, Administrative Services Coordinator, Assistant Engineer, Associate Engineer, Deputy City Engineer, Public Works Superintendent, Assistant Planner, Associate Planner, Planning Manager, Building and Code Enforcement Official, Finance Cashier Supervisor, Community Services Division Manager, Crime and Intelligence Analyst, Deputy City Clerk, Emergency Management Coordinator, Environmental Program Manager, GIS Analyst, Management Analyst, Senior Management Analyst, Recreation Coordinator, and Senior Recreation Supervisor. The parties have reached a tentative agreement within the authority provided by City Council and on the terms described below. The membership of Professional and Administrative Employee Group met and ratified the terms of the tentative agreement, set forth in the new MOU, hereby submitted to the City Council for approval.

Analysis:

The tentative MOU between the City and the Professional and Administrative Employee Group include the following negotiated terms.

1. Term of agreement to be July 1, 2019 through June 30, 2022.
2. Article 5-Probationary Period: the parties agreed to add the following language: “The probationary period may be extended for a period of not more than six (6) months. Employees shall receive notification of an extension of seven (7) calendar days prior to the one year anniversary of the probationary period.”
3. Article 6-Wage Rate: the parties agreed to the following salary increases over the next three years.
 - a. Effective July 1, 2019, 3.0% increase for all classifications.
 - b. Effective July 1, 2020, 3.0% increase for all classifications.
 - c. Effective July 1, 2021, 3.0% increase for all classifications.
4. Article 9-Merit Pay: The position of Recreation Coordinator will be added to the list of classifications eligible to receive merit pay and other reclassifications will be updated as necessary.
5. Article 20-Health and Welfare: The parties agreed to increase the City’s maximum monthly contribution towards medical insurance to \$1,786.50 for each staff member’s selected plan and/or coverage level and increase the cash-in-lieu payment from to \$750.00 per month in lieu

of City provided medical insurance.

The total cost of the negotiated changes contained in the new agreement is \$115,289 for FY 2019-2020.

General Plan Consistency:

This report and associated recommendation have been evaluated for their consistency with the City's General Plan. Relevant Policies are listed below:

Governance Goal 1. A high degree of transparency and integrity in the decision-making process.

- Policy 1.2: Strategic planning. Regularly discuss and set priorities at the City Council and management level to prioritize work programs and staffing needs.

Fiscal Impact:

The total cost of the negotiated changes contained in the new agreement is \$115,289 for FY 2019-2020. Funding for this is included in the general fund unspecified contingency in the 2019-2020 budget.

Attachments:

1. Resolution of the City Council of the City of Hermosa Beach, California, Adopting a Memorandum of Understanding with the Professional and Administrative Employee Group.
2. Memorandum of Understanding between the City of Hermosa Beach and the Professional and Administrative Employee Group for July 1, 2019 - June 30, 2022.

Respectfully Submitted by: Vanessa Godinez, Human Resources Manager

Concur: Nico De Anda-Scaia, Assistant to the City Manager

Noted for Fiscal Impact: Viki Copeland, Finance Director

Legal Review: Mike Jenkins, City Attorney

Approved: Suja Lowenthal, City Manager